



MATANUSKA-SUSITNA

BOROUGH SCHOOL DISTRICT

A component unit of the Matanuska-Susitna Borough
Palmer, Alaska

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended on June 30, 2018

We prepare all students for success

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)
FOR FISCAL YEAR ENDED
JUNE 30, 2018

MATANUSKA-SUSITNA BOROUGH
SCHOOL DISTRICT
PALMER, ALASKA



DR. MONICA GOYETTE
SUPERINTENDENT

PREPARED BY: BUSINESS SERVICES

LUKE FULP
ASSISTANT SUPERINTENDENT OF BUSINESS & OPERATIONS

ASHLEY BJORNSON
DIRECTOR OF FINANCE

CARMEN JACKSON
ACCOUNTING SUPERVISOR



**MATANUSKA
SUSITNA**
BOROUGH SCHOOL
DISTRICT

We prepare all students for success

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Comprehensive Annual Financial Report

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MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
501 NORTH GULKANA STREET
PALMER, ALASKA 99645
Phone: 907-746-9200

November 15, 2018

Members of the Board of Education and
Residents of the Matanuska-Susitna Borough School District
Palmer, Alaska

The Comprehensive Annual Financial Report (CAFR) of the Matanuska-Susitna Borough School District (District), for the fiscal year ended June 30, 2018 is submitted herewith. This report was prepared by the District's Business Services department following the guidelines recommended by the Association of School Business Officials International and generally accepted accounting principles (GAAP). The statutes of the State of Alaska require that the Board of Education provide for an audit of all school accounts within ninety days following the close of the fiscal year, by an independent certified public accountant.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. The data, as presented, are based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. We believe the material is accurate in all aspects and is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

The District's financial statements have been audited by BDO USA, LLP, a firm of independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2018, are presented fairly in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

As a recipient of Federal grant awards, the District is required to undergo an audit in accordance with the provisions of the U.S. Office of Management and Budget's (OMB) Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and associated Compliance Supplement. A Schedule of Expenditures of Federal Awards, the Independent Auditor's Reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included and available in a separately issued audit in accordance with the Uniform Guidance as required.

As a recipient of State grant awards, the District is also required to undergo an audit in accordance with the provisions of Alaska State Regulation 2 AAC 45.010 and Audit Guide and Compliance Supplement for State Single Audits. A schedule of State Financial Assistance, the Independent Auditor's Reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included and available in a separately issued audit in accordance with the State of Alaska Audit Guide and Compliance Supplement for State Single Audits.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Comprehensive Annual Financial Report (CAFR)

The District's CAFR consists of four parts:

1. The introductory section includes this transmittal letter, a list of the elected officials of the School Board (Board) and their offices held, a list of selected administration officials, and the District's administrative organizational chart.
2. The financial section consists of the Independent Auditor's Report, Management Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and combining and individual fund statements and schedules. Combining statements are presented when the District has at least one non-major fund of a given fund category. Various combining statements are also presented to demonstrate compliance with the Alaska Department of Education and Early Development's *Uniform Chart of Accounts and Account Code Descriptions for Public School Districts*.
3. The statistical section provides trend data and non-financial information useful in assessing a government's financial condition. It also includes demographic and other miscellaneous information of the District. Some tables present District data that has been combined with data provided by the Matanuska-Susitna Borough (primary government) to give a consolidated overview of the District's financial status.
4. The Single Audit Section includes the Independent Auditor's Reports, as well as a Schedule of Findings and Questioned Costs. Also included in this section are the Schedule of State Financial Assistance and Schedule of Expenditures of Federal Awards.

The Reporting Entity

The report includes all funds of the District. The District is a component unit of the Matanuska-Susitna Borough (Borough). Therefore, the financial data are required to be reported in the Comprehensive Annual Financial Report (CAFR) of the Matanuska-Susitna Borough. Audited financial statements for the Borough are available upon request from its administrative offices. The Borough has delegated to the District the responsibility for establishing, maintaining, and operating a system of public schools, pursuant to AS 29.35.160. Governing authority has been delegated to the District's School Board which is comprised of an elected board of seven members with one student non-voting member.

Relationship with Matanuska-Susitna Borough

Pursuant to Alaska Statute 14.12.020(c), the Borough Assembly provides the funding that must be raised from local sources to maintain and operate the District. Alaska Statute 14.14.060 states a borough can establish a centralized treasury and is responsible for major rehabilitation, all construction and major repair of school buildings. The Borough is responsible for new construction and related debt service. Accordingly, physical plant expenditures for debt service and the taxing authority necessary to repay debt lies with the Borough and these activities are reported in Borough financial reports. Outstanding debt obligations for Twindly Bridge Charter School and Fronteras Spanish Immersion Charter School, which were more recently acquired, are recorded on the District's financial statements based on agreements with the Borough outlining debt repayment terms for each facility.

In many respects the two agencies operate independently. However, the Borough historically monitored the District's unspent year-end funds and required a percentage of any unspent funds be returned to the Borough. As of FY 2013 the District, under Borough Code 3.04.110(a)(c), was required to return 25% of the annual increase in unassigned fund balance to the Borough in the form of a lapse payment. The lapse funds were then placed in the Borough's reserve for school site acquisitions. At the end of FY14, FY15, FY16, and FY17 the Borough Assembly waived the lapse policy and approved for the School District to keep 100% of the increase in unassigned fund balance.

On March 21, 2018 the School Board approved Resolution 18-005 which included a request that the Borough remove all lapse requirements under Borough Code 3.04.110 (a)(c). On June 19, 2018 the Borough Assembly voted to adopt MSB Ordinance 18-065, an ordinance allowing the District to carry over 100% of its unassigned fund balance and any increase to unassigned fund balance at the end of the year. This ordinance effectively repealed any lapse payment and encumbrance requirements previously in place. By removing these requirements, the Borough allows the District to maintain its encumbrances until the purpose for which it was made has been accomplished or abandoned without limitation and also allows the District to maintain its fund balance without limitation aside from limitations set within Alaska Statute 14.17.505(a). Under Alaska Statute 14.17.505(a), a school district is allowed to accumulate unassigned fund balance up to 10% of its general fund expenditures in a given fiscal year. For the MSBSD, ten percent of general fund expenditures equal approximately \$24 million.

Chart 1 represents the District's historical fund balance lapse to the Borough.

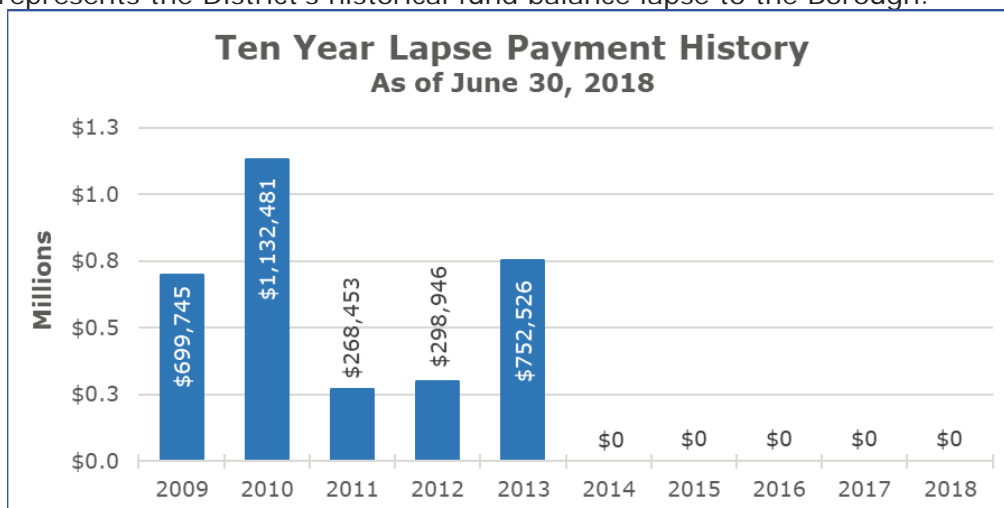


Chart 1

Included in the Financial Report are numerous statistical tables presenting a financial and statistical history of the District for the last ten years. Some tables present District data that has been combined with data provided by the Matanuska-Susitna Borough to give a consolidated overview of the District's financial status.

Board of Education – Governance of the School District

Alaska Statute sections 14.12.030-180 provide for the creation of school districts in the State of Alaska and establishes a school board as the governing body for each district. The seven voting members of the Board determine policy for operation and management of the District. Each member serves for three years, elected annually for overlapping terms. In addition to the seven voting members, a non-voting student representative serves in an advisory capacity to the Board. The daily operations of the District are under the general supervision of the Superintendent.

Profile of the District

Located 35 miles north of Anchorage, the Matanuska-Susitna Borough encompasses 24,502 square miles, making it roughly the size of West Virginia. The Borough's core area is commonly referred to as the "Mat-Su Valley". Aptly named, the Mat-Su Valley is bordered to the east by the Matanuska River and on the west by the Susitna River.

The Borough is situated within South-central Alaska and includes mountain ranges, valleys, glaciers, rivers, lakes, wetlands, tundra, boreal forest, farms, and vast stretches of pristine wilderness. The Borough includes portions of the Alaska Range with the tallest mountain in North America, Denali, just outside its northern border. The Mat-Su Valley also includes portions of the Chugach Mountain Range to the south and includes most of the Talkeetna and Clearwater Ranges towards the interior of the Borough.

In total, just over 102,000 people currently reside in the Borough, with that number expected to continue to grow. The Borough is within a reasonable commuting distance from Anchorage, Alaska with approximately 34 percent (34%) of the population commuting each day. The District serves over 18,900 students at 47 schools providing education programs for students in pre-kindergarten through twelfth grade.

The District schools put students and families first by providing public school choice. The District's schools include 17 elementary schools, five middle schools, six high schools, seven small attendance area schools and a comprehensive correspondence/home school program. Additionally, the District hosts six charter schools and five alternative education schools which offer a wide range of specialized programs. Elementary schools focus on literacy and primary academic core foundations; middle schools build on the blocks of success of academic rigor and co-curricular activities for every student; and high school programs prepare students for college, military service, technical training, and success in life planning.

Through voter approved bonds and the USDA loan program, the District opened three new school facilities in FY17. The District constructed and opened Dena'ina Elementary School which serves grades Pre-K through five. Additionally, the District's Iditarod Elementary School, originally built in 1971, was replaced by a new school facility in FY17. The Borough also acquired a \$6.9 million dollar loan from the U.S. Department of Agriculture (USDA) on behalf of the District to construct the new building for Fronteras Spanish Immersion Charter School which opened at the start of the FY17 school year.

Mission, Goals & Objectives

The mission of the District is to prepare all students for success. A simple declaration with an ambitious charge, this mission focuses on a brighter future for students who are able to advance their skills and knowledge in a safe learning environment. Founded in student preparation, the District's mission statement exudes an unwavering commitment to the future of the students it serves.

The School Board has established five long-term goals, as follows:

1. Improve student success, achievement, and performance.
2. Develop excellent educators and leaders.
3. Use innovative practices to improve the education system.
4. Include families and community members in the education of our students.
5. Promote safe and healthy environments for all.

In addition to having long-term goals, the School Board approves annual objectives. Each board goal is supported by specific objectives and a summary of objective completion as of June 30, 2018 is outlined below:

Improve student success, achievement, and performance

- Develop student leadership.
- Implement research-based best practices to increase graduation rate.
- Increase opportunities for personalized learning.
- Increase use of Measures of Academic Progress (MAP) results to target instruction.

Students in grades 2-10 participated in MAP Benchmark testing in Fall and Spring for Math, Reading, and Language Arts. District Principals and Instructional Coaches trained in using MAP data to make instructional decisions and set individual student growth goals. District administration worked to increase enrollment in teen leadership through the use of student videos created and deployed to highlight choice and opportunity in the District.

Develop excellent educators and leaders

- Provide high quality professional development for MSBSD leaders.
- Provide high quality professional development for MSBSD teachers.
- Provide high quality professional development for MSBSD staff to increase Social Emotional Learning Skills.
- Evaluate current health insurance plan costs and benefits.
- Improve employee awareness and engagement around total compensation (salary/wages and benefits).
- Improve recruitment, hiring, and retention efforts.

The District focused on providing professional development opportunities for District leadership and teachers during FY18 with approximately 4,520 employees participating. The Leadership Academy held two sessions for new or aspiring school principals, Capturing Kids' Hearts and the Leadership Blueprint workshops were provided to teachers and administrative supervisors, and certificated staff were also trained to increase social and emotional skills. Business and Operations continued efforts to obtain health insurance census and aggregate claims data from the Public Education Health Trust. An Employee Quarterly newsletter was developed and deployed by the Human Resources and Payroll Departments to improve employee awareness and provide access to information related to pay and benefits.

Use innovative practices to improve the education system

- Pilot innovative models of instruction.
- Continuously improve current innovative models of instruction.
- Advance fiscal policies and financial planning to ensure the best possible outcomes for students.
- Continue modernization of enabling technology infrastructure.
- Refine business processes and data analyses to better meet the District's needs.

The District participated in a GFOA Financial Review which included expenditure review and policy review. A communication plan to address Borough Code 3.04.110 Reporting and Lapse of Appropriations was deployed in April. The Borough effectively repealed the lapse policy allowing the District to keep 100% of the increase in unassigned fund balance for FY18 and future fiscal years. To continue efforts to modernize and enable technology infrastructure the District deployed 200 teacher refresh devices, 2,000 Chromebooks for students, and 350 classroom displays. All technology figures are approximate. Additionally, a request for proposal (RFP) was completed for a new student information system to be implemented in FY19.

Include families and community members in the education of our students

- Increase awareness and influence for long-term local and state funding solutions.
- Increase opportunities to build legislative, borough, and city relationships.
- Strengthen business, parent, and community relationships.
- Increase communication with parents and families regarding student progress.
- Utilize the District's website to engage the public.

To continue to improve information sharing with families and community members the District Website was updated to be a responsive design, ADA compliant, to provide improved mobile application access, and to improve messaging capabilities. A High School Information Fair and Welcome to Kindergarten Night were held for students and parents with nearly 1,000 people in attendance. To strengthen relationships with legislative, borough, and city officials the District provided a school tour where guests visited different schools throughout the District to learn more about the innovative programs opportunities for students. Additional communication mechanisms to share data and seek feedback were also implemented including quarterly updates from the Superintendent to elected officials and two Facebook Live events covering School Safety and the FY19 Budget.

Promote safe and healthy environments for all

- Implement social emotional learning continuum.
- Maintain initiatives that promote social and emotional learning.
- Enhance occupational safety programs.
- Explore opportunities to expand recycling and energy management programs.
- Improve the safety and well-being of students and staff.
- Promote and increase participation in the District's school meal program.

Providing students a healthy and inviting learning environment where they are protected from physical and emotional harm is central to the mission of all schools. Social Emotional Learning (SEL) curriculum is continuing to be implemented and schools are focused on promoting healthy relationships and positive behaviors. The District certified employee trainers in a train the trainer model for Safety in Motion (SIM) occupational safety. A Keeping Schools Safe school safety review was completed and published by the District. Additionally, the District piloted a successful recycling pilot program that led to the implementation of a District-wide recycling program.

Accountability

PEAKS Spring 2018 Results

The District is accountable to its stakeholders in many ways. In 2015, Alaska adopted new (and more rigorous) literacy and math standards. As a result, the accompanying assessment, called the PEAKS assessment, is also much more rigorous than the previous assessments.

Despite the increase in rigor, the District performed significantly better than the State average on the PEAKS assessment in Spring 2018. District students were also the highest performing in literacy and math among the "Big 5" school districts in Alaska (Anchorage, Mat-Su, Fairbanks, Juneau, and Kenai) as depicted in Chart 2.

	English/ Language Arts	Math
Alaska	42%	37%
Anchorage	46%	41%
Fairbanks	46%	41%
Juneau	48%	40%
Kenai	50%	40%
Mat-Su	51%	43%

Chart 2

Graduation Rate

The ultimate measure of student success is the graduation rate. Over the past eight years, the District's graduation rate has increased by 13%. See Chart 3.

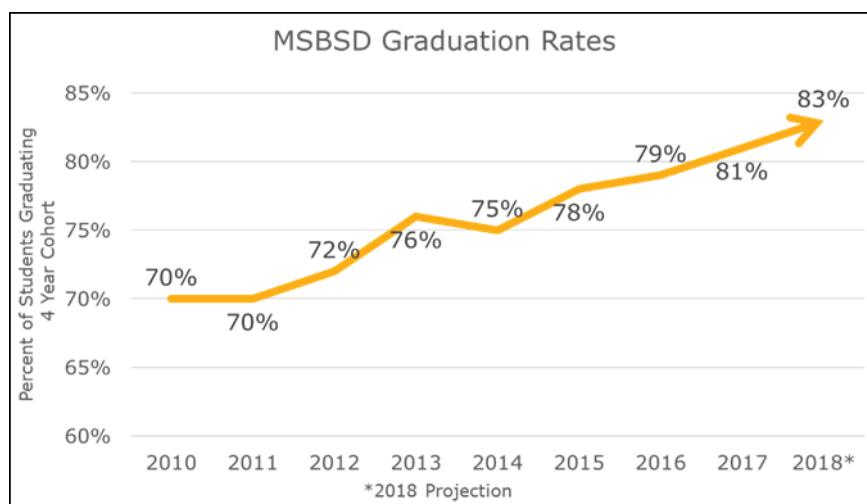


Chart 3

Budget Process

At the District level, Board Policy 3100 directs that the District budget be prepared annually to form the best possible estimates of enrollment, revenues, and expenditures. The budget development process begins in October with the twenty day student count, as administered by the State of Alaska Department of Education & Early Development (DEED). Immediately after the count period, DEED requires that each district submit their projected enrollment for the following school year by November 5. A comprehensive examination of current year revenues and expenditures are analyzed to estimate a beginning fund balance for the upcoming fiscal year's budget. Various assumptions are then incorporated into the budget

based on known or anticipated constraints such as negotiated salary schedule, insurance premium, or energy cost increases.

Throughout the budget process, public input, resource requests, and current and future contract obligations are used to establish educational and budgetary priorities for the proposed budget. In accordance with the Alaska Department of Education and Early Development Uniform Chart of Accounts, information is presented in the budget by fund, function, and object to help stakeholders understand where expenditures are expected to occur.

From January through March, the School Board deliberates over the preliminary budget and often must make assumptions about revenue or expenses so that the Board's financial plan communicates a balanced budget to the Assembly, per Borough Code 3.04.040.

Upon School Board adoption of the balanced preliminary budget in March of each year, the preliminary budget is submitted to the Borough Manager no later than the last Tuesday of March, per Borough Code 3.04.020(b). The official budget is then due to the Borough Assembly no later than April 1, per Borough Code 3.04.040. A message including the specific level of local effort requested by the school district must be included with the budget. Since April 1st is several weeks prior to the end of the State's legislative session, it is highly unlikely that the District knows the full funding picture by this date.

In April and May of each year, the Matanuska-Susitna Borough Assembly prepares a financial plan and holds public hearings on the budget. Within 30 days of the District submitting its preliminary budget to the Assembly, the Borough approves a minimum amount to be apportioned for school operations, per AS 14.14.060. The Assembly adopts a balanced budget, which includes the appropriation for the school district by May 31. After both State and local funding has been determined, the School Board then takes action to adopt its final budget in June. The final adopted budget, once approved by the Board of Education, is submitted to the State no later than July 15 of each year.

By July, the current year's budget is in place for the fiscal year that runs July 1 to June 30. While the budget is approved prior to July 1, major revisions to school or department funding or staffing allocations do not usually occur until after the twenty day October student count period. However, to meet enrollment needs staffing is adjusted almost immediately following the District's student registration process that precedes the count period. Revenue is recalculated based on enrollment; budgeted expenses are adjusted to account for necessary staffing adjustments; and a winter budget revision is presented to the Board for approval in the month of December.

Aside from larger budget revisions like the winter revision, the School Board recognizes that operational budget revisions may be necessary to ensure the District maintains a balanced budget while meeting day-to-day needs of the District. Line item revisions may be requested by unit administrators based upon educational or non-instructional support needs. Board Policy 3110 governs such budget revisions.

- Budget revisions within a site location can be made by the budget manager without School Board approval.
- The Assistant Superintendent of Business and Operations, Director of Finance, or designee shall be authorized to approve budget revisions between budget locations that do not exceed \$100,000.
- The Superintendent or designee shall be authorized to approve budget revisions between site locations that do not exceed \$150,000.

- Revenue adjustments which increase or decrease the School District's total adopted budget shall be submitted to the School Board for ratification.

Additional internal controls, approved by administration, have been established with regard to approval limits for budget transfer requests. While site administrators have responsibility for monitoring and approving how their budgets are expended, additional monitoring occurs at the District level.

Once budget transfer requests reach \$25,000, the budget transfer must be approved by the Budget Supervisor. After approval, an internal control exists within the Enterprise Resource Planning (ERP) system's financial module which sends a notification to the Assistant Superintendent of Business and Operations indicating that a budget transfer in an amount greater than \$25,000 has been approved. For budget transfer approvals greater than \$75,000, a similar notification is sent to the Superintendent. These notifications keep administration informed of significant transactions to ensure proper oversight.

Budget revisions are entered using the school district's financial management system and follow an online workflow process. Administrative personnel enter budget transfer requests into the ERP system to be routed for the site administrator's approval and additional approvals as needed. Entry into this financial management system allows each budget transfer to immediately affect available funds. The District uses budget roll up codes within the financial software to ensure that schools and departments have flexibility in spending funds, while still maintaining internal controls that help ensure administrators stay within acceptable budget expenditure parameters. Additionally, monthly budget revisions are reported to the Board in a reading file.

School and department budgets, budget process, and workflow are integrated into the financial management ERP system. The system is designed with integrated modules, each designed to assist the end user in specific critical business functions. The system provides for streamlined functions in payroll, procurement, receiving, employee expense, accounts payable, and accounting functions which then work hand-in-hand with the District's budget functions. As a result of normal business transactions such as creation of requisitions and subsequent purchase orders, funds are encumbered within the accounting codes in which budget funding has been allocated and the encumbrances are released when funds have been expended.

As funds are expended later into the fiscal year, the District begins monitoring fund balance. Board Policy 3470 establishes goals and provides guidance concerning the desired level of year-end fund balance to be maintained by the District as required by GASB Statement 54. The District's Comprehensive Annual Financial Reports (CAFR) designate fund balance as non-spendable, restricted, committed, assigned, and unassigned based on the relative strength of the restrictions that control the purposes for which amounts can be spent. The District's order of priority for the assignment of fund balance categories for subsequent events shall be to:

- Use the committed fund balance; then
- Use the assigned fund balance; and finally
- Use the unassigned fund balance.

The entire budget process, internal controls, and Board Policy are designed and implemented to enable the District to maintain financial stability for program continuity, public confidence, budget and financial compliance with government authorities, and assist the District in building adequate fund balance to offset unexpected increases in costs.

Factors Affecting Financial Condition

The District is largely dependent upon revenue from the State of Alaska as approximately 75% of the District's funding comes directly from the State through the State Foundation Formula. The State's public school funding program sets the amount of general school funding the District receives from the State and it sets the limit of the amount to be raised from local sources under an equalization section of the formula.

Effective July 1, 2014, HB 278 adjusted the Base Student Allocation (BSA) to increase from \$5,680 to \$5,830 in FY15, \$5,880 in FY16, and \$5,930 in FY17. Funding outside the BSA was also established (to also be distributed through the formula) at \$43M in FY15, \$32.5M in FY16, and \$20M in FY17. Due to State fiscal constraints, as a result of decreased oil revenues the funding outside the BSA was not distributed for FY16, FY17, and FY18.

Other areas addressed with the passage of HB278:

- Charter school start-up funding - \$500 per student in the initial year
- Charter school student base reduction from 120 to 75 for funding purposes in the initial 3-year period; adjusts student count for charter schools to 95% of the student rate for a school of 150 students or more
- Correspondence study – increased funding from 80% to 90% and unspent student allotments carry over from year to year as long as students remain enrolled in the District's correspondence program

Chart 4 represents the District's historical revenue sources.



Chart 4

As shown in Chart 4, FY15's State of Alaska On-Behalf Contributions are dramatically higher than any other fiscal year during the ten year history. During the 2014 Legislative Session, Senate Bill 119 passed providing a one-time appropriation from the State's budget reserve fund of \$1 billion to PERS and \$2 billion to TRS which resulted in significantly increased contributions in FY15.

Despite increased enrollment, the District's FY18 general fund revenue decreased from the prior year by \$1.7M. The Borough appropriation remained stagnant from FY17 to FY18. Other factors affecting District revenue were a reduction in local revenue, a decrease in PERS and TRS on behalf (due to staff reductions to balance the budget), and a minimal reduction in E-rate revenue.

In FY16 and FY17 the District's expenditures exceeded revenues resulting in a use of fund balance of \$2.5M in FY16 and \$2.9M in FY17. For FY18, the District experienced an increase of \$5.2M in unassigned fund balance as revenues exceeded expenditures and as the Borough removed the unassigned fund balance lapse policy.

Chart 5 depicts the District's last five years of general fund balance as classified by GASB 54.

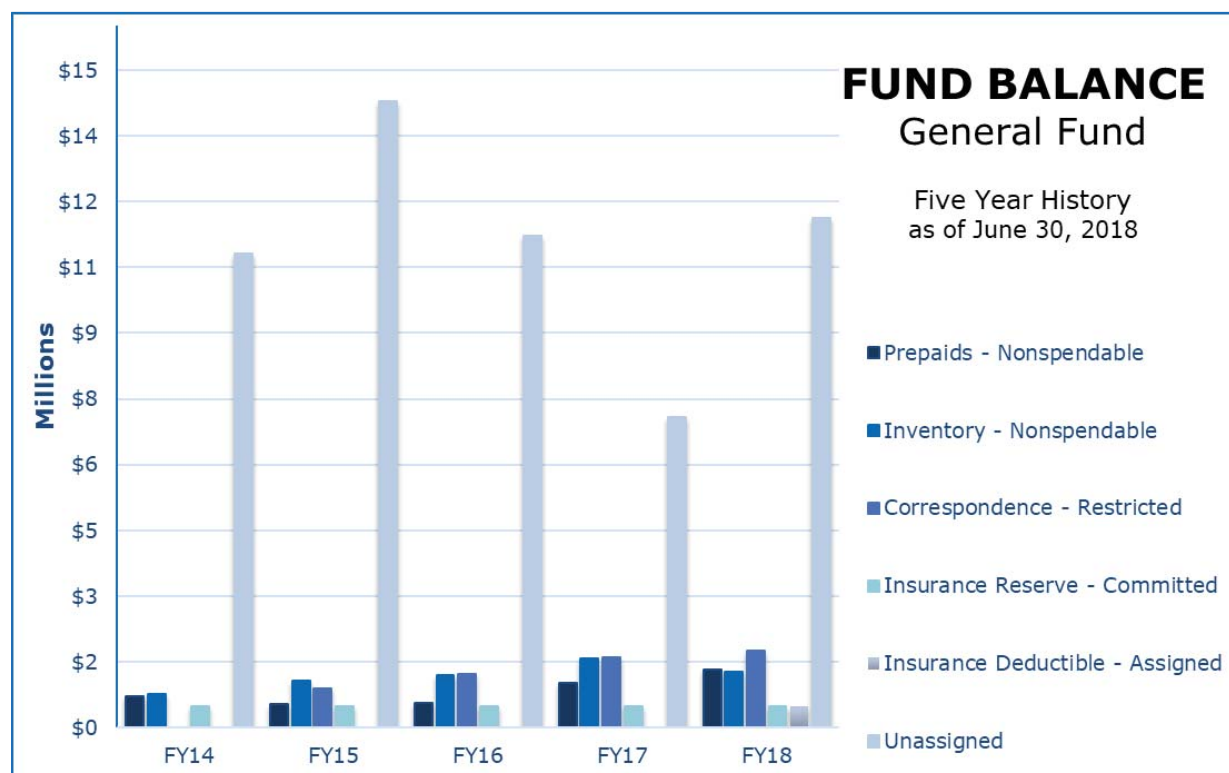


Chart 5

Financial Forecast

For FY19 budgeting purposes, student enrollment projections will take into account the recent growth in student enrollment as experienced in FY17 and FY18.

The Governor's budget, released December 15, 2017, included no cuts to educational funding and maintained the BSA at \$5,930. In the 2nd session of the 30th Legislature, key pieces of legislation were passed impacting Alaska's public education system. The State's Capital Budget, established under Senate Bill 142, included a major funding change to K-12 education. Senate Bill 142 included two years of increased education funding in the amount of \$20 million for FY2019 and \$30 million for FY2020. These funds are to be distributed as grants to school Districts, according to the average daily membership for each district adjusted under AS 14.17.410(b)(1)(A)-(D). The District's portion of the additional funding for FY19 is approximately \$2.7M.

Additionally, on April 27, 2018 the Borough Assembly moved forward with adopting Ordinance 18-014. With its passage, the Assembly agreed to set the mill levy equivalent at 6.3 mills for education funding for the next five years.

Taking into consideration a number of economic factors, MSBSD prepared a long-term forecast that extends through Fiscal Years 2019-2022. Specific assumptions for the District's long-term forecast are listed below:

- Student enrollment is expected to continue growth. The adopted budget for FY19 was set with a projected student enrollment of 19,040.
- The intensive count is projected to be 499.
- Borough Revenue will be maintained at 6.30 Mills of prior year assessed value. Assessed value increased at 2% annually per Borough Forecast.
- The BSA is maintained at \$5,930 for FY19-FY22.
- Federal Revenue is maintained with zero increase or decrease.
- Other local receipts are maintained with zero increase or decrease.
- PERS/TRS cost sharing will continue in FY2019.
- Certificated salaries are maintained with an average annual step increase of 1.6%.
- Non-Certificated salaries are maintained with an average annual step increase of 2.84%.
- Vacancy and attrition factors are applied.
- Health insurance increases by 8% which is split 50/50 between the District for CEA and MSPA bargaining units. EXEC, MLMA, and MSEA bargaining units will assume 100% of any increase.
- Utilities increase at an annual rate of 7.75% after FY19.
- Insurance Bonds & Premiums increase at a rate of 3% annually.
- Transfers to other funds includes subsidies for the Pupil Transportation and Food Service Funds.
- All other non-personnel expenses are maintained with zero increase or decrease.

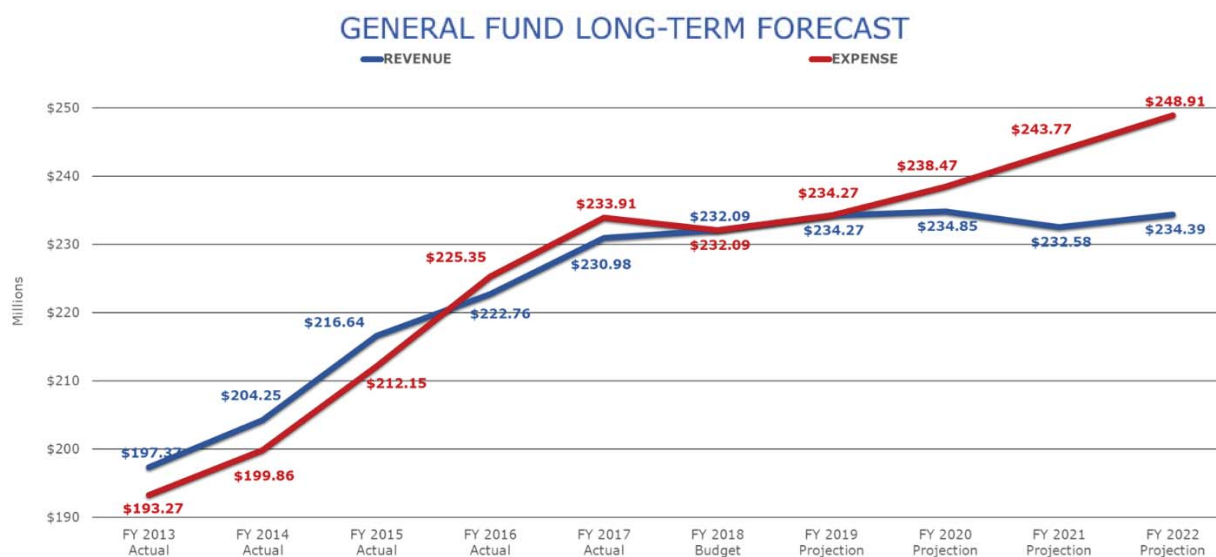


Chart 6

The deficits in FY2020, FY2021, and FY2022 are \$3.62M, \$11.19M, and \$14.52M, respectively. This trend of expenses outpacing revenue is referred to as a structural deficit because operations cannot be sustained without additional revenue or reductions to expenses.

The District is committed to preparing all students for success and focuses its spending on the instructional area. Prior to 2016, Alaska Statute 14.17.520 stated, "A district shall budget for and spend a minimum of 70 percent of its school operating expenditures in each fiscal

year on the instructional component of the district budget.” This law was repealed in July 2016. Although this is no longer a State mandate, it is still a measure that guides educational spending throughout the State. MSBSD’s FY18 audited expenditures exceed the State of Alaska’s mandate by spending 78% of its operating fund within the instructional component and 22% in instructional support or non-instruction, as shown in Chart 7 below. The instructional/non-instructional proportions align closely with the historical trend excluding FY15. FY15’s increase is due to the additional State-On-Behalf contributions received in FY15.

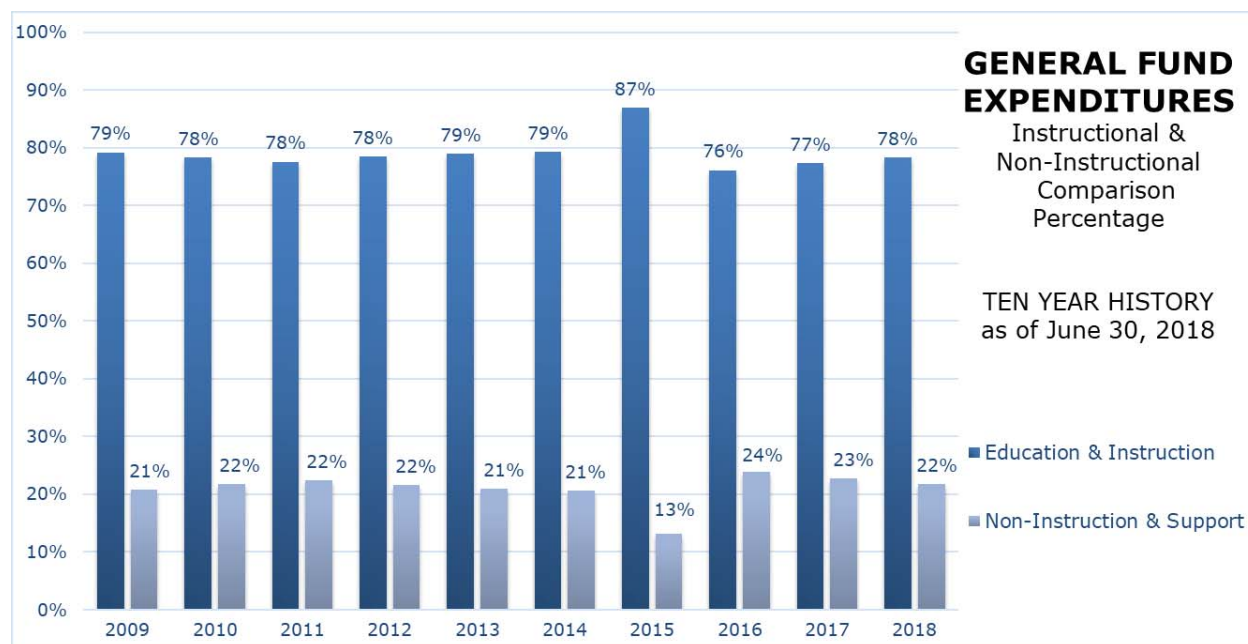


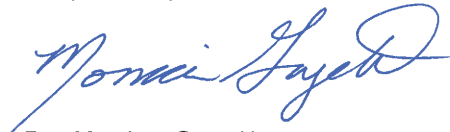
Chart 7

Awards and Acknowledgements

The Association of School Business Officials International (ASBO) has awarded the Certificate of Excellence in Financial Reporting to our District for its Comprehensive Annual Financial Report (CAFR) for the period ended June 30, 2017. This was the ninth consecutive year the District applied and received this prestigious award. In order to be awarded Certificates of Excellence and Achievement, the District published an easily readable and efficiently organized CAFR. A Certificate of Excellence is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Excellence program’s requirements and we are submitting to ASBO International to determine its eligibility for another certificate.

The preparation of this report was accomplished through the commitment, dedication, and tireless effort of Matanuska Susitna Borough School District employees. We would like to express our appreciation to all the people who assisted and contributed to the preparation of this report including our primary government the Matanuska-Susitna Borough. Their expertise and partnership in data collection has been tremendously helpful. We would also like to thank the members of the School Board for their support for maintaining the highest standards of professionalism in the management of the District’s finances.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Monica Goyette".

Dr. Monica Goyette
Superintendent

A handwritten signature in blue ink, appearing to read "Ashley Bjornson".

Ashley Bjornson
Director of Finance

A handwritten signature in blue ink, appearing to read "Luke Fulp".

Luke Fulp, SFO
Assistant Superintendent
of Business and Operations

A handwritten signature in blue ink, appearing to read "Carmen Jackson".

Carmen Jackson, CPA
Accounting Supervisor

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

PRINCIPAL OFFICIALS

2017-18 SCHOOL BOARD

Dr. Donna Dearman, President
Kelsey Trimmer, Vice President
Deborah Retherford, Clerk
Ole Larson, Member
Ray Michaelson, Member
Yvonne Ruth, Member
Dr. Sarah Welton, Member



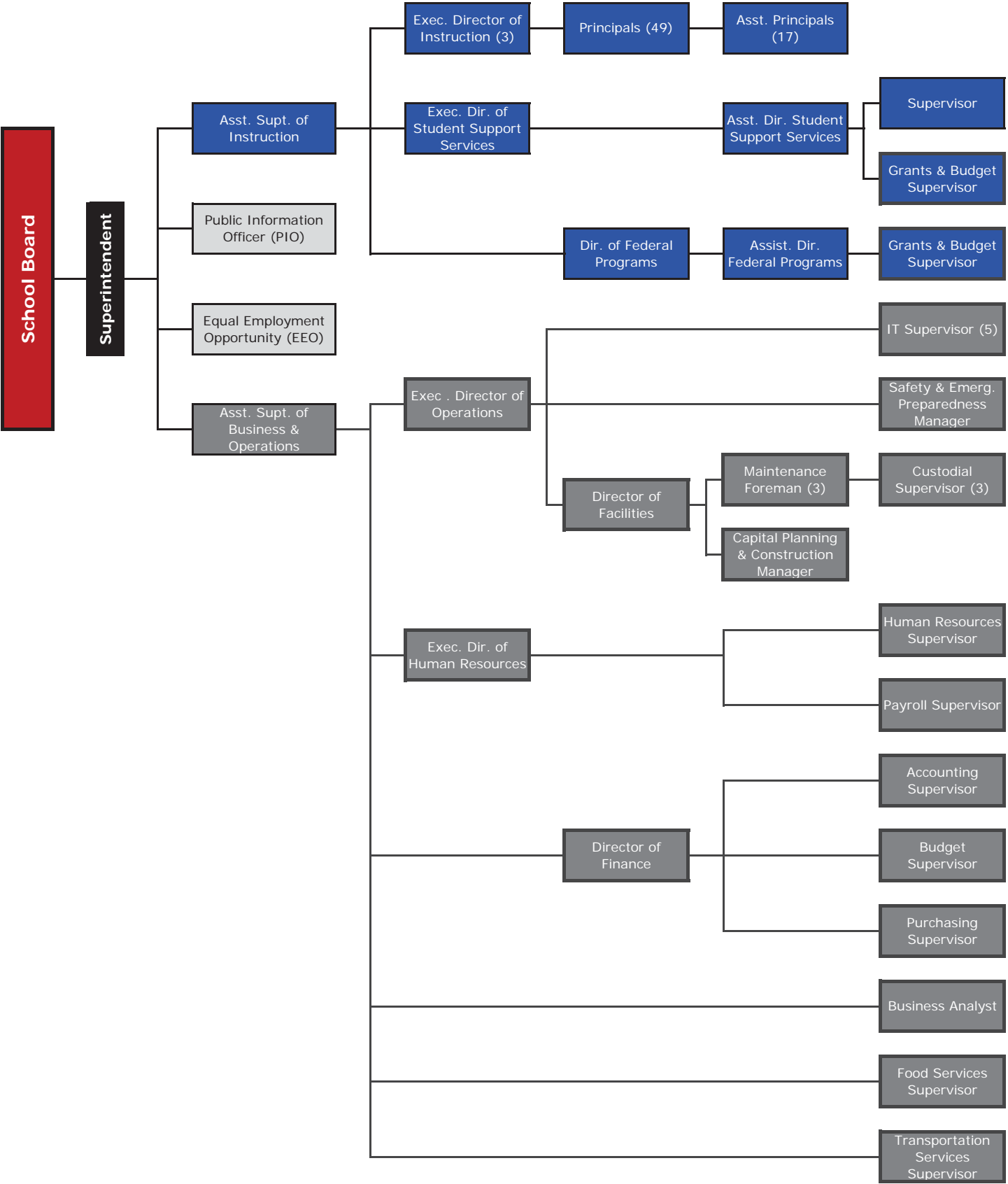
DISTRICTWIDE ADMINISTRATION

Dr. Monica Goyette, Superintendent
Jillian Morrissey, Public Information Officer

Amy Spargo, Assistant Superintendent of Instruction
Justin Ainsworth, Executive Director of Instruction
Reese Everett, Executive Director of Instruction
Traci Pedersen, Executive Director of Instruction
Lucy Hope, Executive Director of Student Support Services
Dale Sweetser, Assistant Director of Student Support Services
Carl Chamblee, Director of Federal Programs
Meghan McCarthy-Grant, Assistant Director of Federal Programs

Luke Fulp, Assistant Superintendent of Business & Operations
Mike Brown, Executive Director of Operations
Katherine Gardner, Executive Director of Human Resources
Ashley Bjornson, Director of Finance
Jim Estes, Director of Facilities
Tony Weese, Capital Planning & Construction Manager

**ORGANIZATION CHART
AS OF 6/30/2018**





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Matanuska-Susitna Borough School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

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



Charles E. Peterson, Jr., SFO, RSBA, MBA
President

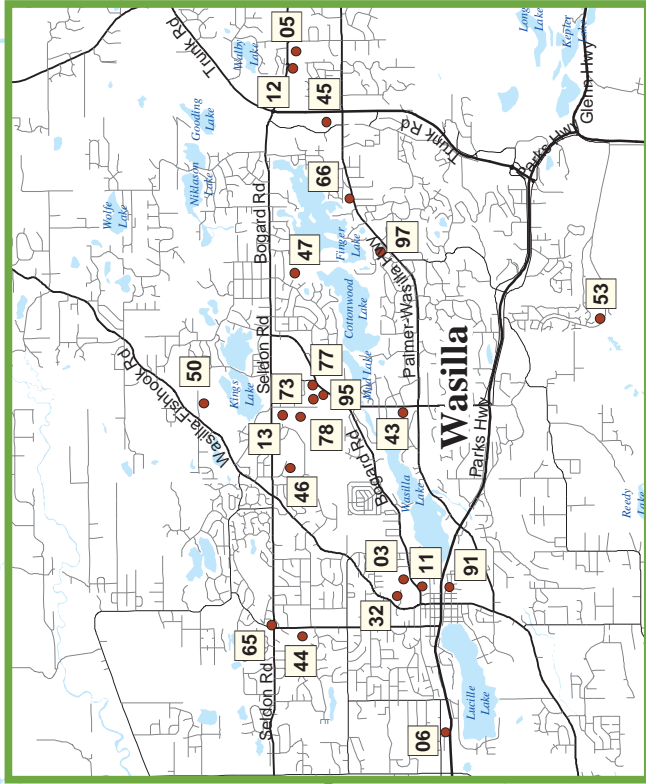
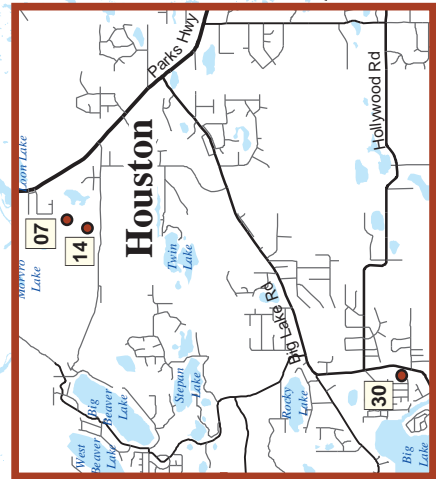
John D. Musso, CAE
Executive Director

MSB School District Facilities Locations

02. Su-Valley Jr./Sr. High School
31. Glacier View School
35. Talkeetna Elementary School
36. Trapper Creek Elementary School
38. Willow Elementary School
39. Snowshoe Elementary School
41. Butte Elementary School
42. Sutton Elementary School
48. Goose Bay Elementary School
49. Beryozova School
51. Meadow Lakes Elementary School
52. Krik Elementary School
54. Denaina Elementary School
61. Midnight Sun Family Learning Center
67. American Charter Academy
80. Joe Redington Jr/Sr High School

Houston Inset

07. Houston High School
14. Houston Middle School
30. Big Lake Elementary School

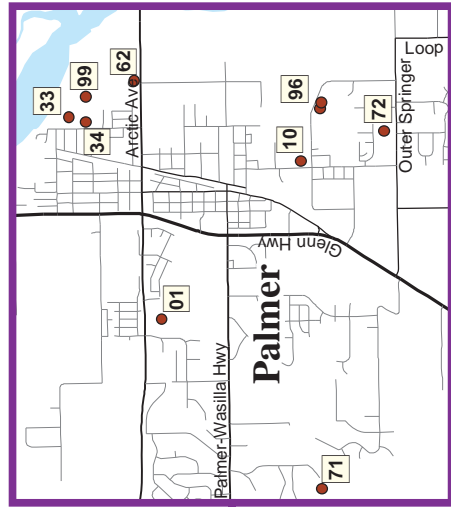


Wasilla Area Inset

03. Wasilla High School
05. Colony High School
06. Burchell High School
11. Wasilla Middle School
12. Colony Middle School
13. Teeland Middle School
32. Iditarod Elementary School
43. Cottonwood Elementary School
44. Tanaina Elementary School
45. Pioneer Peak Elementary School
46. Larson Elementary School
47. Finger Lake Elementary School
50. Shaw Elementary School
53. Machetanz Elementary School
65. Twindly Bridge Charter School
66. Birchtree Charter School
73. Mat-Su Career & Tech High School
77. Mat-Su Day School
78. Fronteras Spanish Immersion Charter School
91. Mat-Su Central School
95. MSBSD Operations & Maintenance
97. MSBSD Pupil Transportation Department

Palmer Area Inset

- | | |
|---------------------------------|-----------------------------------|
| 01. Palmer High School | 71. Valley Pathways School |
| 10. Palmer Junior Middle School | 72. Mat-Su Secondary School |
| 33. Sherrad Elementary School | 96. MSBSD Nutrition Services |
| 34. Swanson Elementary School | 96. School District Warehouse |
| 62. Academy Charter School | 99. MSBSD Administration Building |





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
Matanuska-Susitna Borough School District
Palmer, 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 Matanuska-Susitna Borough School District ("the District"), a component unit of the Matanuska-Susitna Borough, Alaska, as of and for the year ended June 30, 2018, 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 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 Matanuska-Susitna Borough School District as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows 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 11 to the financial statements, in 2018 the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement Number 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. 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 Management's Discussion and Analysis on pages 6 through 19, the budgetary comparison information on page 60, and the Schedules of Net Pension and OPEB Liability, and Pension and OPEB Contributions on pages 61 through 68 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 Matanuska-Susitna Borough School District's basic financial statements. The combining and individual fund financial statements and schedules, and the schedule of compliance for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, and the schedule of compliance for the year ended June 30, 2018, are the responsibility of management and were derived from and relate 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, combining and individual fund financial statements and schedules, and the schedule of compliance for the year ended June 30, 2018 are fairly stated, in all material respects in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Matanuska-Susitna Borough School District as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated November 13, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended June 30, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 financial statements. The individual fund financial statements and schedules for the year ended June 30, 2017 have been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, individual fund financial statements and schedules for the year ended June 30, 2017 are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financials statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2018 on our consideration of Matanuska-Susitna Borough 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Matanuska-Susitna Borough School District's 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 Matanuska-Susitna Borough School District's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
November 15, 2018

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Management's Discussion and Analysis

Matanuska-Susitna Borough School District

Management's Discussion and Analysis

Year Ended June 30, 2018

This section of Matanuska-Susitna Borough School District's comprehensive annual financial report presents our discussion and analysis of the School District's financial performance during the fiscal year ended on June 30, 2018 (FY18). We encourage readers to consider the information presented here in conjunction with the information furnished in our letter of transmittal at the front of this report and the School District's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

Financial Statements

Key financial highlights for the fiscal year ended June 30, 2018 include the following:

As of the close of the current fiscal year, the School District's total governmental funds reported a combined ending fund balance of \$22,258,492, an increase of \$5,758,798 in comparison to the beginning year balance.

At the end of the current fiscal year, the total fund balance for the General Fund was \$16,993,057. Of this amount, \$1,276,988 represents inventory, \$1,323,677 was set aside for prepaid expenses and considered non-spendable, \$1,768,396 was set aside for unspent student allotments and considered restricted, \$500,000 was committed by the School Board for an insurance claim reserve, and \$500,000 was assigned for self-insurance. The unassigned fund balance for the General Fund was \$11,623,996 at June 30, 2018.

Overview of the Financial Statements

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

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the government-wide statements.
- The governmental funds statements tell how basic services, such as regular and special education, were financed in the short term, as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the School District acts solely as trustee or agent for the benefit of others.

Matanuska-Susitna Borough School District

Management's Discussion and Analysis

Year Ended June 30, 2018

The notes to the financial statements also further explain the information in the statements and provide detailed data. The statements, are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Government-wide Financial Statements

The design of the government-wide financial statements is to provide readers with both short-term and long-term information about the School District's overall financial status, in a manner similar to a private-sector business.

The statement of net position presents information on all of the School District's assets and liabilities, with the difference between the two 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 School District is improving or deteriorating.

The statement of activities presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenditures reported on this statement for some items will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements present functions of the School District as governmental activities, that is, functions principally supported by taxes and intergovernmental revenues. The governmental activities of the School District include; instruction, administration, student transportation, and food services among others. The government-wide financial statements are found in exhibit A-1 and B-1 of this report.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on the School District's most significant or "major" funds. All School District funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide 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. Governmental fund information helps the reader determine whether there are more (or less) financial resources that can be spent in the near future to finance the School District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in the reconciliation accompanying the Governmental Funds Balance Sheet

Matanuska-Susitna Borough School District

Management's Discussion and Analysis

Year Ended June 30, 2018

and Statement of Revenues, Expenditures and Changes in Fund Balances. The governmental funds financial statements can be found in exhibit C-1 through C-4 of this report.

Proprietary Funds

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The School District maintains two types of proprietary funds, an enterprise fund and an internal service fund.

The School District uses enterprise funds to account for Mat-Su Construction Trades, Adult Welding Class Fund, Families in Transition, Alaska Works Partnership Fund, and Parent Advisory/Local Wellness Fund.

Internal service funds support an accounting process used to accumulate and allocate costs internally among the School Districts' various functions. The School District uses an internal service fund to account for Workers' Compensation Self-Insurance.

Because the enterprise funds are financially immaterial to the financial statements and because they fall within the general educational mission of the School District, these funds, are accounted for as governmental activity in the government-wide statement. The basic proprietary fund financial statements can be found in exhibit D-1 through D-3 of this report.

Fiduciary Funds

Fiduciary funds, are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found in exhibit E-1 of this report.

Notes to the 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 immediately following exhibit E-1 of this report.

Other Information

Combining statements for major and non-major funds are presented immediately following the required supplementary information. Combining and individual funds statements and schedules can be found after the Required Supplementary Information section to the financial statements.

Government-wide Financial Analysis

Net Position

Net position may serve over time as a useful indicator of a government's overall financial health. With the implementation of GASB 68 and 75, the District was required to recognize

Matanuska-Susitna Borough School District

Management's Discussion and Analysis

Year Ended June 30, 2018

its proportional share of the net pension and OPEB liability and related deferred inflows/outflows of resources. The School District's total liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by (\$146,248,975) for the fiscal year ended June 30, 2018. Of this amount, (\$160,442,006) is a deficit and is unrestricted, \$1,768,396 was restricted for correspondence student allotments and \$4,285 was restricted for scholarships. The remaining \$12,420,350 (net of the related debt) is invested in the School District's capital assets (e.g. facilities, furniture, equipment, and software) and scholarships. The School District uses these capital assets to provide services, supplies, and equipment to its students; consequently, these assets are not available for future spending. The deferred outflows of resources related to the pension decreased over the prior year by \$26,077,863. Current liabilities include: payroll accruals, unemployment payable, health/life insurance payable, student lunch account revenue, accounts payable, and grant revenue. The decrease in current liabilities from the prior year can be attributed to a reduction in accounts payable within the General Operating Fund. Deferred inflows of resources related to pensions increased from the prior year by \$25,345,507. The noncurrent liabilities include the net pension liability, capital lease payables, and accrued leave. The analysis below focuses on net position (Table 1) and on the next page on change in net position (Table 2) for the School District.

Table 1
Net Position of Governmental Activities

June 30,	2018	2017
Assets		
Current and other assets	\$ 34,027,136	\$ 32,002,496
Noncurrent assets	20,317,996	19,848,140
Total Assets	54,345,132	51,850,636
Deferred Outflows		
Pension Related	15,704,494	46,025,751
Other postemployment benefits related	4,243,394	-
Total Deferred Outflows of Resources	19,947,888	46,025,751
Total Assets and Deferred Outflows	74,293,020	97,876,387
Liabilities		
Current liabilities	11,461,346	15,196,558
Noncurrent liabilities	180,287,257	212,757,830
Total Liabilities	191,748,603	227,954,388
Deferred Inflows - pension related	28,793,392	3,447,885
Net Position		
Net investment in capital assets	12,420,350	12,468,508
Restricted for scholarships	4,285	-
Restricted for correspondence program	1,768,396	1,610,912
Unrestricted (deficit)	(160,442,006)	(147,605,306)
Total Net Position	(146,248,975)	(133,525,886)
Total Liabilities, Deferred Inflows and Net Position	\$ 74,293,020	\$ 97,876,387

Matanuska-Susitna Borough School District

Management's Discussion and Analysis

Year Ended June 30, 2018

Governmental Activities

The following condensed table of changes in net position, displays the revenues and expenses for the current year. The results of this year's operations for the School District as a whole are reported in the Statement of Activities in exhibit B-1 of this report. Table 2 provides condensed information from the Statement of Activities.

Table 2
Statement of Activities

Year Ended June 30,	2018	2017
Revenues		
Program revenues:		
Charges for services	\$ 1,097,620	\$ 1,115,178
Operating grants and contributions	52,947,144	54,554,845
General revenues:		
State grants not restricted	170,625,841	170,159,334
Borough district appropriations	55,841,300	55,841,300
E-rate	1,280,412	1,349,403
Out of district reimbursement	445,329	1,854,746
Medicaid and other	1,872,683	1,775,931
Total Revenues	284,110,329	286,650,737
Expenses		
Instruction	107,165,419	129,211,154
Special education instruction	40,822,523	50,200,983
Special education support services - student	17,627,881	20,122,446
Support services - students	9,372,277	13,950,916
Support services - instruction	11,487,186	14,075,318
School administration	10,249,983	12,271,585
School administration support services	10,107,832	13,400,426
District administration	1,540,370	2,666,430
District administration support services	12,205,977	14,864,925
Operations and maintenance of plant	24,384,005	28,816,558
Student activities	3,545,267	4,283,203
Student transportation - student activities	400,198	809,345
Student transportation - to and from school	17,462,016	18,046,667
Community services	22,180	23,994
Food services	6,940,007	7,103,926
Construction and facilities acquisition	1,926,253	1,945,688
Interest on long-term debt	401,222	-
Total Expenses	275,660,596	331,793,564
Change in net position	8,449,733	(45,142,827)
Net Position, beginning of year, as restated (note 11)	(154,698,708)	(88,383,059)
Net Position, end of year	\$ (146,248,975)	\$ (133,525,886)

Matanuska-Susitna Borough School District

Management's Discussion and Analysis

Year Ended June 30, 2018

The cost of all governmental activities in FY18 was \$275,660,596. Users of the School District's programs paid some of the cost of the School District's programs (\$1,097,620). The federal and state government subsidized certain programs with grants and contributions (\$52,947,144). However, most of the School Districts' normal operating costs were paid with the State of Alaska Foundation Program (\$170,509,407), which does not include On-Behalf Retirement Contributions from the State of Alaska of (\$15,444,055) and Other State Revenue of (\$116,433). The Borough Appropriation (\$55,841,300) is derived from local property tax assessments. The Statement of Activities is in exhibit B-1 of this report.

Table 3 presents the total cost of services for the School District's main functional activities. Net Cost of Services represents the Total Cost of Services less charges for services and revenue from operating grants and contributions. The net cost shows the financial burden placed on the School District's General Fund by each of these functions.

Table 3
Net Cost of Governmental Activities

Governmental Activities	Fiscal Year 2018		Fiscal Year 2017	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Expenditures:				
Instruction	\$ 147,987,942	\$ 129,404,551	\$ 179,412,137	\$ 157,617,938
Support services - school	38,487,344	30,950,673	48,148,680	40,221,093
School administration	20,357,815	18,723,102	25,672,011	23,995,221
District administration	13,746,347	11,804,086	17,531,355	16,188,981
Operations and	24,384,005	23,957,165	28,816,558	28,294,483
Student activities	3,545,267	3,294,090	4,283,203	3,965,735
Student transportation	17,862,214	1,020,494	18,856,012	3,377,356
Community services	22,180	174	23,994	2,341
Food services	6,940,007	139,022	7,103,926	515,330
Construction and facilities acquisition	1,926,253	1,921,253	1,945,688	1,945,063
Interest on-long term debt	401,222	401,222	-	-
Total	\$ 275,660,596	\$ 221,615,832	\$ 331,793,564	\$ 276,123,541

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Reviewing the funds helps the reader consider whether the School District is being accountable for the resources provided by the State, Borough, and others and may provide more insight into the School District's overall financial health.

Government Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's net resources available for spending at the end of the fiscal

Matanuska-Susitna Borough School District

Management's Discussion and Analysis

Year Ended June 30, 2018

year. As of the end of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$22,258,492 as reported in exhibit C-1.

Table 4 reconciles total ending balances for the governmental funds on the government-wide balance sheet. In 2018, the District implemented GASB 75, as a result beginning net position was restated by \$21,172,822 (see note 11). FY17 below is before the restatement.

Table 4
Reconciliation of Total Fund Balances for Governmental Funds
to Net Position for Governmental Activities

June 30,	2018	2017
Total fund balance - governmental funds at June 30	\$ 22,258,492	\$ 16,499,694
Cost of capital assets (net of accumulated depreciation)	19,187,106	19,848,140
Other postemployment benefits assets	1,130,890	-
Long-term liabilities	(180,287,257)	(212,757,830)
Deferred inflows and outflows - pension related	(8,845,504)	42,577,866
Enterprise fund net position	307,298	306,244
Net Position At June 30	\$ (146,248,975)	\$ (133,525,886)

The School District had two major governmental funds in FY18. A major fund is defined as a fund whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item.

The general fund is the principal operating fund and a major fund of the School District. At the end of the current fiscal year, the total general fund balance was \$16,993,057, which includes non-spendable, restricted, assigned, and unassigned funds. The unassigned fund balance as of June 30, 2018, was \$11,623,996, an increase of \$4,535,510 over the prior year.

The Capital Improvement Projects Capital Project Fund is also considered a major fund. This fund was established to fund much needed equipment and infrastructure improvements to aging buildings including ADA compliance upgrades, parking lot improvements, additional fencing, fire alarm upgrades, and security upgrades. The four largest projects were expenditures for relocation of portables between school sites to accommodate student populations at the schools where enrollment was growing; the renovation and construction of a new water line at Big Lake Elementary; stage and lighting upgrades at Houston High School, and a generator replacement at Trapper Creek Elementary. Total expenditures for these 4 projects amounted to \$1,384,608, about 66% of the total expenditures for capital improvements projects. The Capital Improvements Projects fund had a fund balance at the end of the current year of \$3,735,930.

The Governmental Fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance, which identifies both major funds, are located in exhibit C-1 and C-3 of this report.

Matanuska-Susitna Borough School District

Management's Discussion and Analysis

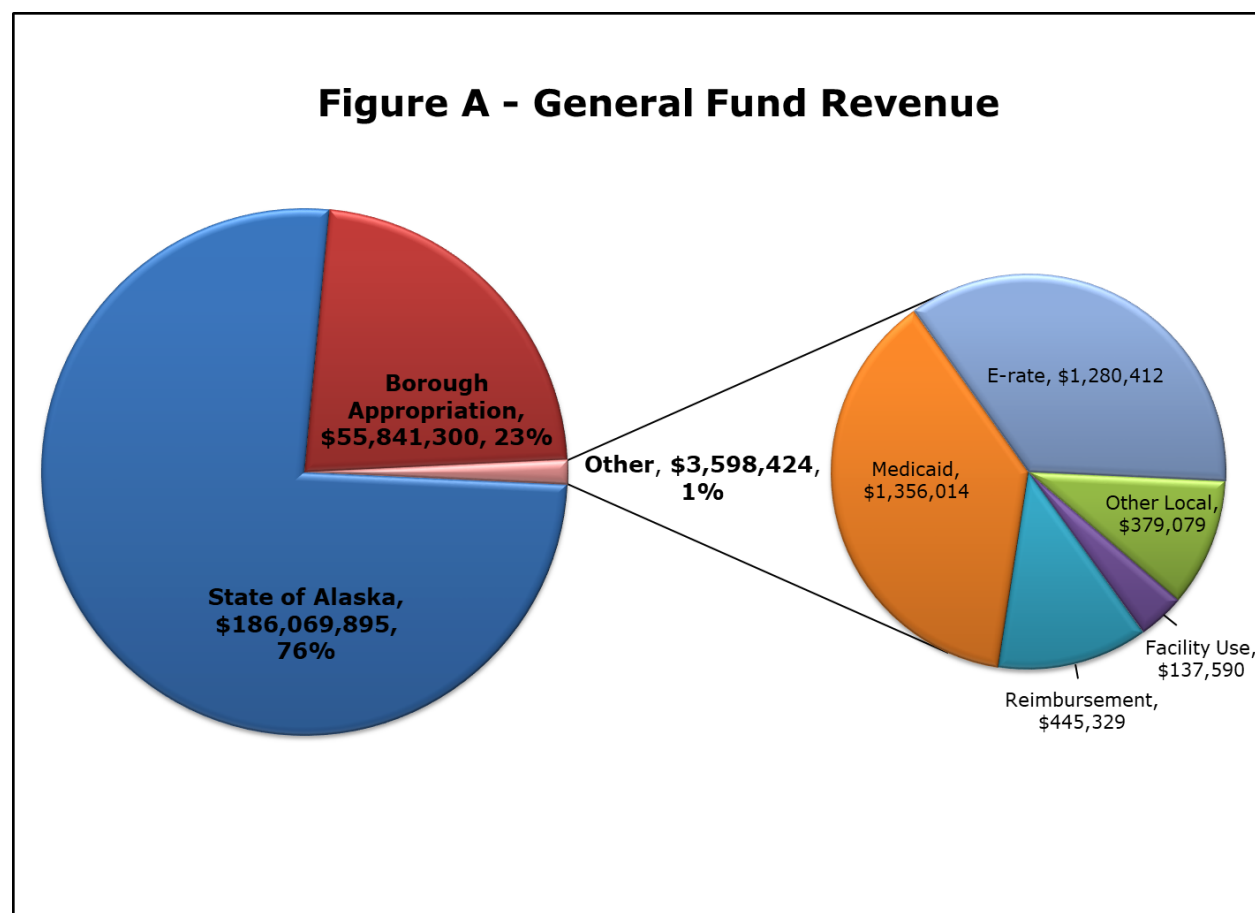
Year Ended June 30, 2018

Table 5 presents a summary of general fund revenue, compares current year with the previous year, and shows the increase or (decrease) and percentage of change.

Table 5
General Fund Revenue

	2018	2017	Percentage Increase (Decrease)	Percentage Increase (Decrease)
Borough appropriation	\$ 55,841,300	\$ 55,841,300	\$ -	0.00%
Other local	961,998	2,540,585	(1,578,587)	-62.13%
State of Alaska	186,069,895	186,402,314	(332,419)	-0.18%
Federal E-Rate	1,280,412	1,349,403	(68,991)	-5.11%
Federal Medicaid	1,356,014	1,090,092	265,922	24.39%
Total Revenue	\$ 245,509,619	\$ 247,223,694	\$ (1,714,075)	-0.69%

Figure A presents a chart of general fund revenue by source for the fiscal year ended June 30, 2018.



Matanuska-Susitna Borough School District

Management's Discussion and Analysis

Year Ended June 30, 2018

The School District experienced an overall revenue decrease of \$1,714,075 or -.069%. The Borough appropriation experienced no increase or decrease from FY17 and remained at \$55,841,300. Although enrollment increased by 144 from the prior year, funding from the State of Alaska decreased by \$332,419. The State's Foundation Formula recognizes a growing tax base in its calculation for the Required Local Contribution (RLC). As the Borough's tax base increases from year-to-year, 2.65 mills of the Borough's full and true tax value determination also increased, resulting in an increased RLC and decreased funding from the State. Other local revenue, which consists of revenue from facility use and other local reimbursements, decreased from the prior year by \$1,578,587, which is less than 1% of the overall general fund budget.

Table 6 presents a summary of general fund expenditures by function and compares it with the previous year reflecting the increase or (decrease) and the percentage of that change from the previous year. There was reduction of -4.46% in expenditures in FY18. FY18's General Fund budget included several expense reductions including a total reduction in force of 89.25 full time equivalent (FTE) positions and school discretionary budget metrics for materials and supplies, health & postage supplies, and accelerated learning funds were also decreased. The decrease in expenditures of \$11,026,563 over FY17 can primarily be attributed to a reduction in salaries and benefits related expenditures.

General Fund Expenditures

	2018	2017	Percentage Increase (Decrease)	Percentage Increase (Decrease)
Instruction	\$ 140,876,027	\$ 144,943,286	\$ (4,067,259)	-2.81%
Support services - school	34,025,955	35,995,438	(1,969,483)	-5.47%
School administration	20,351,314	21,317,759	(966,445)	-4.53%
District administration	12,501,847	13,921,932	(1,420,085)	-10.20%
Operations and maintenance	24,128,328	25,805,958	(1,677,630)	-6.50%
Student activities	3,609,356	3,763,633	(154,277)	-4.10%
Student transportation	-	809,345	(809,345)	-100.00%
Community services	549	-	549	100.00%
Food services	-	6,859	(6,859)	-100.00%
Construction and facilities acquisition	444,271	400,000	44,271	11.07%
Total Expenditures	\$ 235,937,647	\$ 246,964,210	\$ (11,026,563)	-4.46%

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Matanuska-Susitna Borough School District

Management's Discussion and Analysis

Year Ended June 30, 2018

Figure B presents a chart of general fund expenditures by function for the fiscal year ended June 30, 2018.

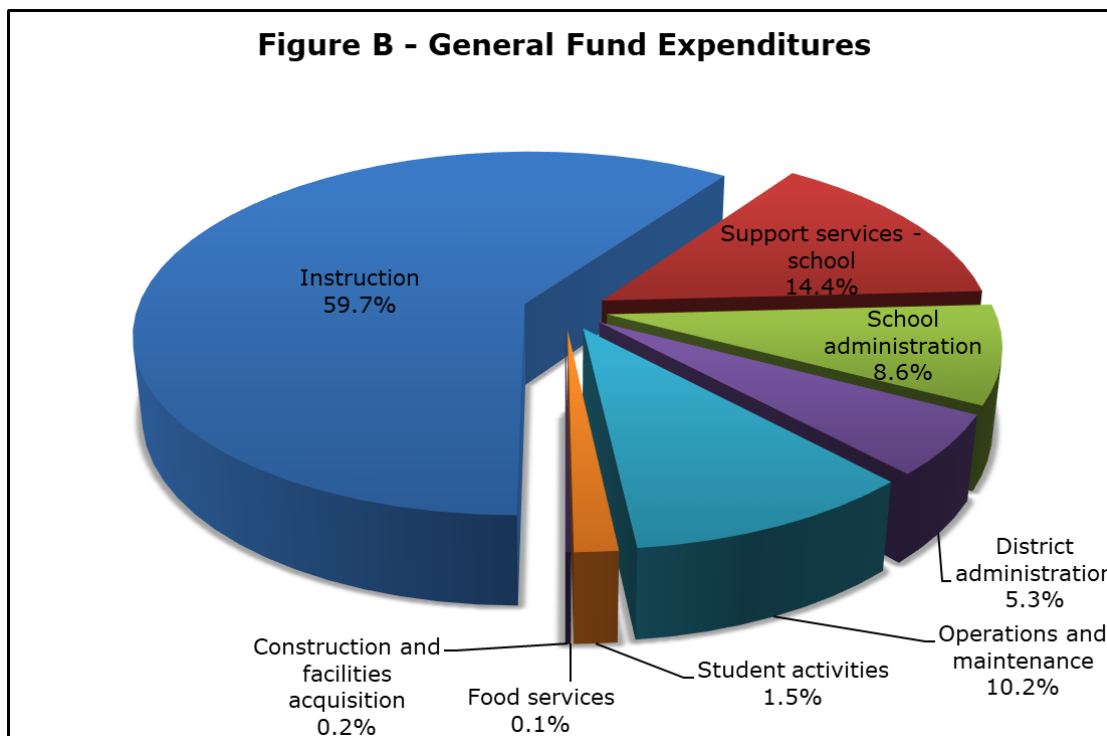


Table 6.1 below has been provided for a comparative view of increases and decreases over prior year, and unlike Table 6, this schedule excludes On-behalf from both years. This view demonstrates that, excluding any impact of On-behalf payments, the School District's expenditures decreased -4.43% overall from the prior fiscal year.

Table 6.1
General Fund Expenditures

	2018	2017	Increase (Decrease)	Percentage Increase (Decrease)
Instruction	\$ 129,963,253	\$ 133,686,794	\$ (3,723,541)	-2.79%
Support services - school	31,367,866	33,109,664	(1,741,798)	-5.26%
School administration	19,187,765	20,091,660	(903,895)	-4.50%
District administration	12,248,917	13,585,898	(1,336,981)	-9.84%
Operations and maintenance	23,932,737	25,514,237	(1,581,500)	-6.20%
Student activities	3,348,783	3,516,775	(167,992)	-4.78%
Student transportation	-	809,345	(809,345)	-100.00%
Food services	-	6,859	(6,859)	-100.00%
Construction and facilities acquisition	444,271	400,000	44,271	100.00%
Total Expenditures	\$ 220,493,592	\$ 230,721,232	\$ (10,227,640)	-4.43%

Matanuska-Susitna Borough School District

Management's Discussion and Analysis

Year Ended June 30, 2018

Capital Improvement Projects Fund

The School District's Capital Improvement Projects Fund expenditures decreased by (\$485,712) overall from the prior fiscal year. In the FY18 winter budget revision, the School Board approved a transfer from the general fund of \$1,000,000 to support the Student Information System implementation (SIS). In June, the Board approved an additional transfer of \$1,760,000 to fund future capital improvement projects district-wide. The Capital Improvement Projects' fund balance increased from \$3,053,923 in FY17 to \$3,735,930 in FY18.

Proprietary Funds

The School District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

There was minimal change in the District's enterprise funds. Only three of the funds had any activity: Mat-Su Construction Trade, Adult Welding Classes, and Parent Advisory Local Wellness. There was an overall decrease in cash and cash equivalents of (\$23) from the beginning of the year.

General Fund Budgetary Highlights

The School District Board of Education holds public hearings and approves the School District budget by function. The Matanuska-Susitna Borough then approves the appropriation of funds for the School District budget. Once approved state law requires the District submit its budget to the State of Alaska, Department of Education and Early Development.

The ending difference between the final amended budget and actual expended amounts in the General fund equaled \$5,010,820. The difference can primarily be attributed to unspent funds appropriated to the functional areas of instruction, district administration support services, and operations and maintenance of plant. Salaries and benefits in the instructional area were over budgeted in addition to other purchased services (district-wide contracts) across all three functions.

The difference between the original and amended budgets is primarily from the School District's following significant highlights:

- Decreased revenue from the State of Alaska of (\$496,145) due to a shortfall from projected enrollments. With an actual average daily membership of 18,984.56 the District fell short of its projected enrollment of 19,100.
- Budgeted expense adjustments that included a true up of salary and benefit accounts.
- Increased budgeted transfers to other funds by \$3,398,544 for CIP fund transfers and additional funding needed to subsidize the Transportation and Food Service Funds.

Capital Improvement Projects Fund Budgetary Highlights

The School District Administration provides a prioritized list of capital project needs to the Board of Education for approval of future projects. The Board of Education then approves the

Matanuska-Susitna Borough School District

Management's Discussion and Analysis

Year Ended June 30, 2018

appropriation of funds for the budget. Once approved, the Facilities Department coordinates scheduling the projects.

The ending difference between the final amended budget and actual expended amounts in the Capital Improvements Project Fund equaled \$3,359,124. This difference can be attributed to:

- The timing of the Board action to move funds into the CIP Fund. This authorization usually occurs at the end of the fiscal year.
- The multi-year timeline for many of the projects.

The difference between the original and amended budgets results from the existing balance in continuing projects as well as a transfer in the amount of \$1,000,000 for the SIS implementation, an increase in revenue from partnerships with community organizations, and the year-end appropriation of \$1,760,000 to fund on-going and new projects. The most significant highlights for funded projects can be attributed to:

- The addition of \$305,000 for mechanical, electrical, and plumbing improvements.
- The addition of \$300,000 for portable relocation to house growing student enrollment.
- The addition of \$250,000 to fund District-wide safety and security improvements.
- The addition of \$250,000 to fund lunch table replacements.
- The addition of \$250,000 to fund continued technology improvements.

Debt Service Fund

The Mat-Su Borough obtained a \$6,900,000 loan from the U.S. Department of Agriculture (USDA) on behalf of the District to construct the new building for Fronteras Spanish Immersion Charter School. A debt service fund was established June 7, 2017 to account for the accumulated resources, for Fronteras Charter School's long-term debt related to the construction of their new school building. In FY18, \$300,000 was transferred to the debt service fund. Total expenditures exceeded revenues by (\$234,526) resulting in an ending fund balance of \$774,474.

Capital Asset and Debt Administration

Capital Assets

The School District's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$19,187,106 (net of accumulated depreciation). This investment in capital assets consists primarily of land, buildings, equipment, and furnishings. Additional information is available on footnote 3 of the notes to the financial statements.

Debt Administration

The School District's long-term obligations include \$3,757,617 for compensated absences or accrued leave. Additional information about annual leave is available in footnote 4 of the notes to the financial statements. Additional obligations include the net pension liability and net other postemployment benefits liability which is shown on the Statement of Net Position and amounts to \$151,802,472 and \$16,829,522 for FY18.

Matanuska-Susitna Borough School District

Management's Discussion and Analysis

Year Ended June 30, 2018

Economic Factors and Next Year's Budgets and Rates

As the School District continues to grow, projected revenues and expenses increase. Unfortunately, total revenues and total expenses do not increase at the same rate, leaving the District vulnerable to a structural deficit. This makes it necessary for the School District to seek new revenue sources and find new ways to mitigate on-going costs.

In setting the budget for FY 2019, the School District considered a number of issues, with government-wide impacts among them, resulting in the following:

- Student enrollment is expected to continue growth. The adopted budget for FY19 was set with a projected student enrollment of 19,040.
- The intensive count is projected to be 499.
- Borough Revenue is maintained at 6.30 Mills of prior year assessed value.
- The BSA is maintained at \$5,930.
- Federal Revenue and Other Local Revenue is maintained.
- PERS/TRS cost sharing will continue in FY2019.
- Certificated salaries are maintained with an average annual step increase of 1.6%.
- Non-Certificated salaries are maintained with an average annual step increase of 2.84%.
- Vacancy and attrition factors were applied.
- Health insurance increases by 8% which is split 50/50 between the District for CEA and MSPA bargaining units. EXEC, MLMA, and MSEA bargaining units will assume 100% of any increase.
- Utilities increase at an annual rate of 7.75%.
- Insurance Bonds & Premiums increase at a rate of 3% annually.
- Transfers to other funds includes subsidies for the Pupil Transportation and Food Service Funds.
- All other non-personnel expenses are maintained with zero increase or decrease.

On May 13, 2018, the State's legislative session adjourned. Senate Bill 142 included one-time grant funds for public education within the State's capital budget. Additional revenue earmarked for the District was approximately \$2.6M. The unexpected funding allowed the District to consider restoring previous budget reductions. On June 6, 2018, the School Board approved the FY19 Budget which includes the following revenue and expense adjustments:

- Use of fund balance of \$1.5M
- Increase PTR in grades 6-8 for a reduction of \$0.2M
- Increase transfers to other funds by \$0.9M
- Restore Hold Teachers \$0.6M
- Add Speech Pathologist \$0.1M
- Add School Resource Officers \$0.1M

Requests for Information

This financial report is designed to provide citizens, taxpayers, parents, students, investors and creditors with a general overview of the School District and show the School District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Matanuska-Susitna Borough School District

Management's Discussion and Analysis

Year Ended June 30, 2018

Luke Fulp, Assistant Superintendent of Business & Operations
Matanuska-Susitna Borough School District
501 N. Gulkana St.
Palmer, Alaska 99645
Phone: (907) 761-4001

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Basic Financial Statements

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Statement of Net Position

<i>June 30, 2018</i>	Governmental Activities
Assets and Deferred Outflows of Resources	
Assets	
Cash	\$ 25,744,752
Accounts receivable:	
Federal and state grants	4,532,659
Other	326,688
Receivable from the Borough	61,683
Inventory	2,035,677
Prepaid items	1,325,677
Net other postemployment benefits assets	1,130,890
Capital assets not being depreciated	119,632
Capital assets, net of accumulated depreciation	19,067,474
Total Assets	54,345,132
Deferred Outflows of Resources:	
Pension related	15,704,494
Other postemployment benefits related	4,243,394
Total Deferred Outflows of Resources	19,947,888
Total Assets and Deferred Outflows of Resources	\$ 74,293,020
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	\$ 1,273,807
Accrued payroll and related liabilities	7,940,290
Unearned revenue	1,064,930
Insurance claims incurred but not reported	1,182,319
Noncurrent liabilities:	
Capital lease and note payable- due within one year	150,489
Capital lease payable - due in more than one year	6,616,267
Accrued leave - due within one year	3,757,617
Net pension liability	151,802,472
Net other postemployment benefits liability	17,960,412
Total Liabilities	191,748,603
Deferred Inflows of Resources	
Pension related	17,733,055
Other postemployment benefits related	11,060,337
Total Deferred Inflows of Resources	28,793,392
Net Position	
Net investment in capital assets	12,420,350
Restricted for scholarships	4,285
Restricted for correspondence program	1,768,396
Unrestricted (deficit)	(160,442,006)
Total Net Position	(146,248,975)
Total Liabilities, Deferred Inflows of Resources of Resources and Net Position	\$ 74,293,020

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Statement of Activities

Year Ended June 30, 2018	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contri- butions	
Governmental Activities				
Instruction	\$ 107,165,419	\$ -	\$ 13,585,529	\$ (93,579,890)
Special education instruction	40,822,523	-	4,997,862	(35,824,661)
Special education support services - students	17,627,881	-	2,860,943	(14,766,938)
Support services - students	9,372,277	-	1,537,324	(7,834,953)
Support services - instruction	11,487,186	-	3,138,404	(8,348,782)
School administration	10,249,983	-	1,527,248	(8,722,735)
School administration support services	10,107,832	-	107,465	(10,000,367)
District administration	1,540,370	-	244,123	(1,296,247)
District administration support services	12,205,977	-	1,698,138	(10,507,839)
Operations and maintenance of plant	24,384,005	-	426,840	(23,957,165)
Student activities	3,545,267	-	251,177	(3,294,090)
Student transportation - other transportation services	400,198	-	400,198	-
Student transportation - to and from school	17,462,016	-	16,441,522	(1,020,494)
Community services	22,180	-	22,006	(174)
Food services	6,940,007	1,097,620	5,703,365	(139,022)
Construction and facilities acquisition	1,926,253	-	5,000	(1,921,253)
Interest on long-term debt	401,222	-	-	(401,222)
Total Governmental Activities	\$275,660,596	\$1,097,620	\$ 52,947,144	\$ (221,615,832)
General Revenues				
Borough contribution				55,841,300
State grants and entitlements not restricted to a specific purpose				170,625,841
E-rate				1,280,412
Medicaid reimbursement				1,356,014
Out of district reimbursement				445,329
Other				516,669
Total General Revenues				230,065,565
Change in net position				8,449,733
Net Position, beginning, as restated (note 11)				(154,698,708)
Net Position, end of year				\$ (146,248,975)

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Governmental Funds
Balance Sheet

	Major Funds				Total Govern- mental Funds
	General	Capital Improvement Projects Capital Project	Special Revenue Nonmajor Funds		
<i>June 30, 2018</i>					
Assets					
Cash	\$ 14,985,912	\$ 3,754,998	\$ 2,022,037	\$	20,762,947
Accounts receivable:					
Federal and state grants	-	-	4,532,659		4,532,659
Other	314,294	-	74,077		388,371
Inventory	1,276,988	-	758,689		2,035,677
Prepaid items	1,323,677	-	-		1,323,677
Due from other funds	8,069,947	-	-		8,069,947
Total Assets	\$ 25,970,818	\$ 3,754,998	\$ 7,387,462	\$	37,113,278
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 1,036,871	\$ 19,068	\$ 204,102	\$	1,260,041
Accrued payroll and related liabilities	7,940,290	-	-		7,940,290
Unearned revenue	600	-	1,063,904		1,064,504
Due to other funds	-	-	4,589,951		4,589,951
Total Liabilities	8,977,761	19,068	5,857,957		14,854,786
Fund Balances					
Nonspendable	2,600,665	-	758,689		3,359,354
Restricted	1,768,396	-	4,285		1,772,681
Committed	500,000	3,735,930	-		4,235,930
Assigned	500,000	-	775,924		1,275,924
Unassigned	11,623,996	-	(9,393)		11,614,603
Total Fund Balances	16,993,057	3,735,930	1,529,505		22,258,492
Total Liabilities and Fund Balances	\$ 25,970,818	\$ 3,754,998	\$ 7,387,462	\$	37,113,278

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

June 30, 2018

Total fund balances of governmental funds	\$ 22,258,492
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.	
Land	\$ 119,632
Building, furnishings and equipment	33,418,622
Accumulated depreciation	<u>(14,351,148)</u>
Total capital assets	<u>19,187,106</u>
Long-term assets are not due and receivable in the current period and therefore are not reported as fund assets. This consist of net other postemployment benefits assets	<u>1,130,890</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities.	
Long-term liabilities reported in these statements consist of:	
Accrued leave	(3,757,617)
Capital lease payable	(6,766,756)
Net pension liability	(151,802,472)
Net other postemployment benefits liability	<u>(17,960,412)</u>
Total long-term liabilities	<u>(180,287,257)</u>
Certain changes in net pension liabilities are deferred rather than recognized immediately. These are amortized over time.	
Deferred outflows of resources related to pensions	15,704,494
Deferred inflows of resources related to pensions	(17,733,055)
Deferred outflows of resources related to other postemployment benefits	4,243,394
Deferred inflows of resources related to Other postemployment benefits	<u>(11,060,337)</u>
Total deferred pension items	<u>(8,845,504)</u>
Amounts reported in the Proprietary Funds of the District are used to support ongoing educational programs. Their activities are appropriately recorded with governmental activities in the statement of net position.	<u>307,298</u>
Net Position of Governmental Activities	<u>\$ (146,248,975)</u>

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Governmental Funds
Statement of Revenues, Expenditures and Changes
in Fund Balances

	Major Funds			Total Govern- mental Funds
	General	Capital Improvement Projects Capital Project	Nonmajor Funds	
Year Ended June 30, 2018				
Revenues				
Local sources:				
Borough appropriation	\$ 55,841,300	\$ -	\$ -	\$ 55,841,300
Other local	961,998	-	1,514,651	2,476,649
Borough capital projects	-	-	540,626	540,626
State of Alaska	186,069,895	-	17,661,408	203,731,303
Federal sources:				
E-rate	1,280,412	-	-	1,280,412
Medicaid reimbursement	1,356,014	-	-	1,356,014
Direct grants	-	-	629,961	629,961
Grants passed through the State of Alaska	-	-	18,973,568	18,973,568
Grants passed through intermediate agencies	-	-	95,434	95,434
Total Revenues	245,509,619	-	39,415,648	284,925,267
Expenditures				
Current:				
Instruction	101,794,578	26,798	5,595,687	107,417,063
Special education instruction	39,081,449	-	2,548,617	41,630,066
Special education support services - students	16,060,550	-	1,735,430	17,795,980
Support services - students	8,995,374	-	689,200	9,684,574
Support services - instruction	8,970,031	-	2,501,386	11,471,417
School administration	9,829,034	-	426,979	10,256,013
School administration support services	10,522,280	-	-	10,522,280
District administration	1,531,827	-	11,653	1,543,480
District administration support services	10,970,020	-	1,393,470	12,363,490
Operations and maintenance of plant	24,128,328	392,227	290,416	24,810,971
Student activities	3,609,356	-	12,863	3,622,219
Student transportation - to and from school	-	-	17,452,335	17,452,335
Student transportation - other transportation services	-	-	400,198	400,198
Community services	549	-	21,673	22,222
Food services	-	-	6,901,329	6,901,329
Construction and facilities acquisition	444,271	1,748,469	545,626	2,738,366
Debt Service:				
Principal	-	-	133,244	133,244
Interest	-	-	401,222	401,222
Total Expenditures	235,937,647	2,167,494	41,061,328	279,166,469
Excess (deficiency) of revenues over expenditures	9,571,972	(2,167,494)	(1,645,680)	5,758,798
Other Financing Sources (Uses)				
Transfers in	-	2,880,730	1,512,119	4,392,849
Transfers out	(4,361,620)	(31,229)	-	(4,392,849)
Net Other Financing Sources (Uses)	(4,361,620)	2,849,501	1,512,119	-
Net change in fund balances	5,210,352	682,007	(133,561)	5,758,798
Fund Balances, beginning of year	11,782,705	3,053,923	1,663,066	16,499,694
Fund Balances, end of year	\$ 16,993,057	\$ 3,735,930	\$ 1,529,505	\$ 22,258,492

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**
Year Ended June 30, 2018

Net change in fund balances - total governmental funds \$ 5,758,798

The change in net position reported for governmental activities in the statement of activities is 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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation:

Capital outlay	\$ 2,354,168	
Depreciation expense	<u>(3,015,202)</u>	
		(661,034)

Amounts reported in the Proprietary Funds of the District are used to support ongoing educational programs. Their activities are appropriately recorded with governmental activities in the statement of activities.

1,054

Amount reported in the governmental funds includes revenues and expenditures for Borough funded capital projects. However, in the statement of activities, the revenues and expenditures are eliminated. These amounts consisted of:

Revenues	(2,880,044)	
Expenditures	<u>2,880,044</u>	
		-

Repayment of the principal of long-term debt consumes current financial resources of governmental funds. However, this does effect net position. This amount is the principal payments on long-term debt

612,876

Some expenses reported in the statement of activities such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Increase in annual leave		(198,491)
Decrease in net pension liability and related deferred outflows and inflows of resources:		5,410,173
Increase in net OPEB liability and related deferred outflows and inflows of resources		<u>(2,473,643)</u>

Change in Net Position of Governmental Activities \$ 8,449,733

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Proprietary Funds
Statement of Net Position

	Governmental Activities	
	Nonmajor Enterprise Funds	Internal Service Fund
<i>June 30, 2018</i>		
Assets		
Current:		
Cash	\$ 305,724	\$ 4,676,081
Prepaid items	2,000	-
Total Assets	\$ 307,724	\$ 4,676,081
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ -	\$ 13,766
Due to other funds	-	3,479,996
Unearned revenue	426	-
Insurance claims incurred but not reported	-	1,182,319
Total Current Liabilities	426	4,676,081
Net Position - unrestricted	307,298	-
Total Liabilities and Net Position	\$ 307,724	\$ 4,676,081

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position

	Governmental Activities	
	Nonmajor Enterprise Funds	Internal Service Fund
<i>Year Ended June 30, 2018</i>		
Operating Revenues		
Interfund charges	\$ -	\$ 2,339,069
Sales	5,677	-
Total Operating Revenues	5,677	2,339,069
Operating Expenses		
Claims expense	-	1,812,411
Instruction	4,623	-
General and administrative	-	527,007
Total Operating Expenses	4,623	2,339,418
Operating income (loss)	1,054	(349)
Non Operating Revenue - interest income	-	349
Change in net position	1,054	-
Net Position, beginning of year	306,244	-
Net Position, end of year	\$ 307,298	\$ -

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Proprietary Funds
Statement of Cash Flows

	Governmental Activities	
	Nonmajor Enterprise Funds	Internal Service Fund
<i>Year Ended June 30, 2018</i>		
Cash Flows for Operating Activities		
Receipts from interfund charges	\$ -	\$ 3,263,021
Receipts from customers and users	4,600	-
Payments to suppliers	(4,623)	(2,185,414)
Net cash flows from (for) operating activities	(23)	1,077,607
Cash Flows from Investing Activities		
Interest received	-	349
Net increase (decrease) in cash and cash equivalents	(23)	1,077,956
Cash and Cash Equivalents, beginning of year	305,747	3,598,125
Cash and Cash Equivalents, end of year	\$ 305,724	\$ 4,676,081
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities		
Operating loss	\$ 1,054	\$ (349)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Increase in due to other funds	-	923,952
Increase in accounts payable	-	906
Decrease in deferred revenue	(1,077)	-
Increase in insurance claims incurred but not reported	-	153,098
Total adjustments	(1,077)	1,077,956
Net Cash Flows from (for) Operating Activities	\$ (23)	\$ 1,077,607

See accompanying notes to basic financial statements.

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Student Activities Agency Fund
Statement of Fiduciary Assets and Liabilities

Year Ended June 30, 2018

Assets

Cash	\$ 2,329,033
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Liabilities

Due to student activities and community schools	\$ 2,329,033
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See accompanying notes to basic financial statements.

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

June 30, 2018

1. Summary of Significant Accounting Policies

The financial statements of the Matanuska-Susitna Borough School District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The accompanying financial statements include all the activities of the Matanuska-Susitna Borough School District. The District is a component unit of the Matanuska-Susitna Borough, Alaska.

Pursuant to Alaska Statutes, Title 29.43.030, the Matanuska-Susitna Borough (the Borough) has the responsibility of establishing, maintaining and operating a system of public schools. The Borough has delegated the administrative responsibilities for these functions to the School Board of the Matanuska-Susitna Borough School District. Members of the School Board are elected by the public. The School Board has control over hiring and firing of employees and the power to contract and purchase equipment. The School Board is required to submit an annual budget to the Borough Assembly for approval, and all bonded indebtedness is through the Borough.

The financial statements included in this report are for Matanuska-Susitna Borough School District only. There are no component units for which the District is financially accountable, nor do any special financial relationships exist between the District and any other entity.

B. Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District, except for the fiduciary funds and activities. In general, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. The District reports *governmental activities*, which normally are supported by intergovernmental revenues.

The statement of net position presents the financial condition of the 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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which 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 are provided for governmental funds, proprietary funds, and fiduciary funds. The focus of the fund financial statements is on major funds which are presented in separate columns. Nonmajor funds are aggregated and presented in a single column.

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and proprietary fund 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 the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensate absences are recorded only to the extent they have matured.

Charges for services, intergovernmental revenues, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when received by the District.

The District reports the following major funds based on quantitative criteria:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

The *Capital Improvement Projects Capital Project Fund* is to account for all resources used for acquiring capital facilities including real property, initial equipment, additions and major repairs or improvements to facilities. This fund includes all projects funded by State construction grants, bonded indebtedness, and District designated capital projects.

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Project Funds are used to account for all resources received and used for acquiring equipment, additions and major repairs or improvements to facilities.

Debt Service Fund is used to account for resources accumulated for payments of principal and interest on long term debt of governmental funds.

Enterprise Funds are used to account for Mat-Su Construction Trades Program, Adult Welding Classes, Alaska Works Partnership, Families in Transition, and Parent Advisory Local Wellness on a for-profit basis. Because the enterprise funds are immaterial to the financial statements, and because they fall within the educational mission of the District, these funds are accounted for as *governmental activities* in the government-wide financial statements.

An Internal Service Fund is used to account for the processing of worker's compensation health insurance self-insurance transactions provided across all funds. This fund directly benefits other governmental funds. Therefore, the internal service fund is also classified as *governmental activities* in the government-wide financial statements.

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

An agency fund accounts for the assets held on behalf of the student organizations. This fund is reported using the *accrual basis of accounting*.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the enterprise funds include the costs of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Budgets

Annual budgets for operations are adopted by the School Board for operating revenues, expenditures, and interfund transfers. Budgets are prepared and presented on the modified accrual basis of accounting for governmental funds.

The adopted School Operating Fund budget is submitted to the Matanuska-Susitna Borough for review and approval. The approved budget is also submitted to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.

The School Board retains line item authority once the annual Borough appropriation to the District is approved by the Borough Assembly.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the School Operating Fund and Special Revenue Funds.

F. Cash

The District's Cash are considered to be cash on hand, demand deposits, and certificate of deposits with original maturities of three months or less from the date of acquisition. For the Statement of Cash Flows, the District reports these amounts as cash and cash equivalents.

G. Short-Term Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

H. Inventories and Prepaid Items

Inventories are valued using the average method and consumption method at cost (first-in, first-out) for both the government-wide and fund financial statements. Inventory in the General Fund consists of heating fuel for the schools and other buildings, warehouse custodial inventory, and correspondence school shelf stock. Inventory in the Special Revenue Funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed.

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased. Year-end prepaid items are recorded as assets and are classified as "nonspendable" fund balance, indicating that such amounts do not represent "available spendable resources."

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

I. Capital Assets

General capital assets 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 on the balance sheet of the fund financial statements except for the recently acquired Twindly Bridge Charter School and Fronteras Charter School.

All purchased capital assets except land are valued at cost. Donated capital assets are valued at acquisition value on the date of donation. Acquisition value is the price that would be paid to acquire an assets with equivalent service potential in an orderly market transaction at the acquisition date. The District maintains a capitalization threshold of \$5,000 for capital assets, and \$25,000 for capitalizable software. The District does not possess any infrastructure. The buildings (and the related debt) are owned and capitalized by the Borough and are not recorded in these financial statements except for the recently acquired Twindly Bridge Charter School and Fronteras Charter School.

All reported capital assets except for land are depreciated. Depreciation is computed on the straight line method over the estimated useful life of the assets, generally 3 to 7 years for equipment and vehicles, and 40 years for buildings. Maintenance and repairs of a routine nature that do not add to the value of the asset are charged as expenditures as incurred and are not capitalized.

J. Accrued Leave

All permanent employees earn and accrue vacation and sick leave. Unused leave is accrued utilizing current salary cost as earned by employees and recorded as a liability in the government-wide statement of net position. No compensated absence liability is recorded in the fund financial statements.

K. Unearned Revenue

Amounts received from grantor agencies, which are restricted as to use and have not been expended for the intended use are shown on the balance sheet and statement of net position as unearned revenue.

L. Pensions and OPEB

For purposes of measuring the net pension and OPEB liabilities and related deferred outflows of resources and deferred inflows of resources and pension / OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and the Teachers' Retirement Systems (TRS) and additions to/from PERS/TRS fiduciary net position have been determined on the same basis as they are reported by PERS/TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of the net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

N. Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balances comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the District's Board—the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the District's Board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The District's Superintendent has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

O. Management Estimates and Assumptions

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 and 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.

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Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

2. Cash

The District's cash resources for general operations are maintained in a central treasury maintained by the Borough. In addition, the District maintains its own accounts for specific purposes such as the Worker's Compensation Fund and the Student Activity accounts. Negative cash balances have been reclassified to "due to other funds."

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District is a component unit of the Matanuska-Susitna Borough (Borough). The Borough Assembly has approved an investment policy, which includes the District, under which the Borough may invest only in and through United States banks, credit unions and brokers, investments fully collateralized if the amount is more than insurance provided, and institutions with third-party security agreements for collateral on file with the Borough. The cash deposits in the accounts maintained in the School District's name are insured by the Federal Deposit Insurance Corporation or covered by collateralization agreements.

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Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

3. Capital Assets

Capital asset activity for the year ended June 30, 2018 follows:

Governmental Activities	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets not being depreciated				
- land	\$ 119,632	\$ -	\$ -	\$ 119,632
Capital assets being depreciated:				
Furnishings and equipment	23,963,139	2,354,168	(998,685)	25,318,622
Buildings	8,100,000	-	-	8,100,000
Total assets being depreciated	32,063,139	2,354,168	(998,685)	33,418,622
Accumulated depreciation:				
Furnishings and equipment	(11,899,631)	(2,802,702)	998,685	(13,703,648)
Buildings	(435,000)	(212,500)	-	(647,500)
Total accumulated depreciation	(12,334,631)	(3,015,202)	998,685	(14,351,148)
Total assets being depreciated, net	19,728,508	(661,034)	-	19,067,474
Net Capital Assets	\$ 19,848,140	\$ (661,034)	\$ -	\$ 19,187,106

Depreciation expense was charged to the governmental functions of the District as follows for the year ended June 30, 2018:

Instruction	\$ 104,474
Special education support services - students	3,517
Support services - students	2,188
Support services - instruction	39,172
School administration support services	13,424
District administration support services	553,764
Operations and maintenance of plant	138,010
Student activities	457
Student transportation - to and from school	240
Construction and facilities acquisition	2,159,956
Total Depreciation	\$ 3,015,202

In addition, significant capital construction and related capital asset activity relevant to the District has been recorded on the Matanuska-Susitna Borough's financial statements. As described in Note 4, the District has recorded capital assets for land and buildings recorded as capital leases. The legal title of these buildings rests with the Borough.

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

4. Long-term Obligations

A schedule of changes in long-term obligations for the year ended June 30, 2018 follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year
Capital leases payable	\$ 7,300,000	\$ -	\$ (533,244)	\$ 6,766,756	\$ 150,489
Note payable	79,632	-	(79,632)	-	-
Annual leave	3,559,126	6,018,871	(5,820,380)	3,757,617	3,757,617
Long-term Obligations	\$ 10,938,758	\$ 6,018,871	\$ (6,433,256)	\$ 10,524,373	\$ 3,908,106

Accrued leave is considered to be due within one year. In addition, significant debt and related repayment activities relevant to the District are recorded on the Matanuska-Susitna Borough's financial statements.

Annual leave balances are typically liquidated by the General Fund.

In 2016, the District entered into separate agreements with the Matanuska-Susitna Borough to purchase buildings for Fronteras Spanish Immersion and Twindly Bridge Charter Schools. Both agreements are classified as capital leases.

For Twindly Bridge, the Borough purchased building in the amount of \$1,200,000 for the District's use. In 2017, the District paid \$400,000 for the purchase. Final payment of \$400,000 was made in 2018. This is a related party liability that does not bear interest.

In order to construct the Fronteras building, the Borough obtained a \$6,900,000 loan from the U.S. Department of Agriculture (USDA). The terms of the agreement require monthly principal and interest payments of \$32,775 for a period of 28 years at an interest rate of 3.625% starting in 2019. Interest only payments of \$133,977 are required to be made in 2017 and 2018. Beginning in 2019 the District payments begin to offset principal. The District has committed to making direct payments on behalf of the Borough to the USDA.

In FY17, the Borough purchased the land surrounding the Midnight Sun Family Learning Center on behalf of the Charter School. The terms of the agreement require that the District make payments to the Borough. Final payment of \$79,632 was made in 2018. This was a related party liability that does not bear interest.

The total cost of the assets acquired under capital lease as of June 30, 2018 was \$8,100,000. The assets are included as building in capital assets. The accumulated amortization and amortization expense included in depreciation totaled \$647,500 and \$212,500, respectively for the year ended June 30, 2018.

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Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

Annual debt service requirements to maturity for the above obligations except accrued leave follow:

<i>Year Ending June 30,</i>	Principal	Interest	Total
2019	\$ 150,489	\$ 242,811	\$ 393,300
2020	156,036	237,264	393,300
2021	161,787	231,513	393,300
2022	167,750	225,550	393,300
2023	173,933	219,367	393,300
2024-2028	970,688	995,812	1,966,500
2029-2033	1,163,261	803,239	1,966,500
2034-2038	1,394,037	572,463	1,966,500
2039-2043	1,670,596	295,904	1,966,500
2044-2045	758,179	28,979	787,158
	\$ 6,766,756	\$ 3,852,902	\$ 10,619,658

5. Leases

The District has operating leases for buildings and equipment used for education program sites. Rent and lease expenditures were \$2,490,546 for the year ended June 30, 2018. The future minimum lease payments on non-cancellable leases are as follows:

<i>Year Ending June 30,</i>	
2019	\$ 2,372,688
2020	1,918,142
2021	1,920,139
2022	1,156,056
2023	1,002,935
Thereafter	1,618,270
	\$ 9,988,230

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Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

6. Interfund Receivables, Payables, and Transfers

A schedule of interfund balances and transfers for the year ended June 30, 2018 follows:

Due from Other Funds

Due from the nonmajor governmental funds to the General Fund for short-term operating advances	\$ 4,589,951
Due from Internal Service Fund to the General Fund for short-term operating advances	3,479,996
Total Amount Due From Other Funds	\$ 8,069,947

Transfers

From General Fund to nonmajor governmental funds for operating subsidies	\$ 1,480,890
From the Capital Improvement Projects Capital Project Fund to nonmajor governmental funds for capital acquisition subsidy	31,229
From the General Fund to the Capital Improvement Projects Capital Project Fund for capital acquisition subsidy	2,880,730
Total Transfers to Other Funds	\$ 4,392,849

7. Defined Benefit (DB) Pension Plans

General Information About the Plans

The District participates in two defined benefit pension plans. The Teachers' Retirement System (TRS) is a cost-sharing multiple employer plan which covers teachers and other eligible participants. The Public Employees' Retirement System (PERS) is a cost-sharing multiple employer plan which 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.

Both Plans are included in comprehensive annual financial reports that include financial statements and other required supplemental information. Those reports are available via the internet at <http://doa.alaska.gov/drb>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

Both Plans provide for retirement, death and disability, and post-employment health care benefits. There are three tiers of employees, based on entry date. For all tiers within the DB pension plans, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. The tiers within the Plans establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other OPEB benefits. A complete benefit comparison chart is available at the website noted above.

Both PERS and TRS DB Plans were closed to new entrants on July 1, 2006. New employees hired after that date participate in the PERS/TRS Defined Contribution (DC) Plans described later in these notes.

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Historical Context and Special Funding Situation

Historically, the TRS plan has been a cost-sharing plan, while originally, PERS was an agent-multiple-employer plan. In April 2008, the Alaska Legislature passed legislation converting the PERS agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate for both plans, established a state funded “on-behalf” contribution (subject to funding availability), and required that employer contributions be calculated against *all* PERS/TRS eligible wages, including wages paid to participants of the PERS/TRS defined contribution plans described later in these footnotes.

Alaska Statutes 14.25.085 and 39.35.255 require the State of Alaska to contribute to the Plans an amount such that, when combined with the employer contribution, is sufficient to pay each Plans’ past service liability contribution rates as adopted by the Alaska Retirement Management Board. As such, both Plans are considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows, and disclosures on this basis. The District records the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

It is important to note that the Alaska Legislature has the power and authority to change the aforementioned statutes through the legislative process.

Employee Contribution Rates

District PERS employees are required to contribute 6.75% of their annual covered salary (9.60% for employees on a nine-month payment contract). Teachers and other certificated employees are required to contribute 8.65% of annual covered salary for TRS.

Employer and Other Contribution Rates

There are several contribution rates associated with the pension and healthcare contributions and related liabilities. These amounts are calculated on an annual basis.

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages for PERS and 12.56% of eligible wages for TRS, subject to a wage floor, and other termination events. These rates are applied to all PERS/TRS participating wages, respectively, including those wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employees are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This change results in lower ARM Board Rates than previously adopted.

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On-behalf Contribution Rate: This is the rate normally paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate.

In the governmental fund financial statements, on-behalf contribution amounts have been recognized as revenues and expenditures. In government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a one-year timing lag between the cash transfers and revenue and expense recognition.

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. Additionally, the GASB Rate disregards all future Medicare Part D payments. For FY17, the calculation uses an 8.00% pension discount rate and a 4.3% healthcare discount rate for PERS and 4.43% for TRS. The GASB Rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

Contribution rates for the year ended June 30, 2018 were determined in the June 30, 2015 actuarial valuation.

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
<i>PERS</i>				
Pension	17.12%	21.90%	3.01%	29.07%
Postemployment healthcare (see Note 9)	4.88%	3.11%	-%	66.85%
Total PERS Contribution Rates	22.00%	25.01%	3.01%	95.92%

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
<i>TRS</i>				
Pension	8.40%	24.19%	14.22%	37.86%
Postemployment healthcare (see Note 9)	4.16%	2.59%	-%	64.72%
Total TRS Contribution Rates	12.56%	26.78%	14.22%	102.58%

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In 2018, the District was credited with the following contributions to the pension plans:

<i>PERS</i>	District FY17 Measurement Period	District FY18
Employer contributions (including DBUL)	\$ 3,594,967	\$ 3,832,125
Nonemployer contributions (on-behalf)	1,507,427	1,047,303
Total Contributions	\$ 5,102,394	\$ 4,879,428

In addition, employee contributions to the Plan totaled \$956,046 during the District fiscal year.

<i>TRS</i>	District FY17 Measurement Period	District FY18
Employer contributions (including DBUL)	\$ 4,891,948	\$ 5,272,973
Nonemployer contributions (on-behalf)	14,735,551	14,396,752
Total Contributions	\$ 19,627,499	\$ 19,669,725

In addition, employee contributions to the Plan totaled \$4,953,590 during the District fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability associated with the District were as follows:

	PERS	TRS
District's proportionate share of NPL	\$ 56,692,527	\$ 95,109,945
State's proportionate share of NPL associated with the District	21,123,351	165,981,415
Total Net Pension Liability	\$ 77,815,878	\$ 261,091,360

The total pension liabilities for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 to calculate the net pension liabilities as of that date. The District's proportion of the net pension liabilities were based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating entities, actuarially determined. The District's proportion of the net pension liability measured at June 30, 2017 for PERS was 1.0967 percent, which was a decrease of 0.1669 percent, from its proportion as of the prior measurement date. For TRS the District's proportion was 4.6931 percent, representing a decrease of 1.0525 percent, from the prior year.

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For the year ended June 30, 2018, the District recognized pension expense of (\$152,370) for PERS and \$3,847,294 for TRS. In addition, the District recognized on-behalf revenue from the State of Alaska in the amounts of \$1,676,592 and \$13,487,475 for PERS and TRS, respectively. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (2,605,507)
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	5,869,114	-
Changes in proportion and differences between District contributions and proportionate share of contributions	730,282	(15,127,548)
District contributions subsequent to the measurement date	9,105,098	-
Total Deferred Outflows and Deferred Inflows of Resources related to Pensions	\$ 15,704,494	\$ (17,733,055)

The \$9,105,098 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2019	\$ (16,113,494)
2020	5,508,019
2021	2,600,091
2022	(3,128,275)
2023	-
Thereafter	-

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Actuarial Assumptions

The total pension liability for the measurement period ended June 30, 2017 (District fiscal year 2018) was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2017. The actuarial assumptions used in the June 30, 2016 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level dollar, closed
Inflation	3.12%
Salary increases	Graded by service, from 8.11% to 3.87% for teachers Graded by age and service, from 8.55% to 4.34% for all others
Allocation Methodology	Amounts for FY17 were allocated to employers based on the projected present value of contributions for FY2019-FY2039. The liability is expected to go to zero at 2039.
Investment Return / Discount Rate	8.00%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience, 68% of male and 60% of female post-termination rates for teachers, 60% of male and 65% of female for all others. Deaths are assumed to be nonoccupational 85% of the time for teachers, 50% of the time for others. Post-termination - Based 94% of the male rates and 97% of the female rates for teachers, 96% for all others, of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB with a three-year setback for males and four-year setback for females.

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Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class are summarized in the following table (note that the rates shown below exclude the inflation component):

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Broad domestic equity	26%	8.83%
Global ex-U.S. equity	22%	7.79%
Intermediate Treasuries	13%	1.29%
Opportunistic	5%	4.76%
Real assets	17%	4.94%
Absolute return	7%	4.76%
Private equity	9%	12.02%
Cash equivalents	1%	0.63%

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate:

<i>PERS</i>	<i>Proportional Share</i>	<i>1% Decrease (7.00%)</i>	<i>Current Discount Rate (8.00%)</i>	<i>1% Increase (9.00%)</i>
District's proportionate share of the net pension liability	1.0967%	\$ 74,470,865	\$ 56,692,527	\$ 41,679,406

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<i>TRS</i>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net pension liability	4.6931%	\$ 134,069,171	\$ 95,109,945	\$ 62,379,962

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued PERS and TRS financial reports.

8. Defined Contribution (DC) Pension Plans

Employees hired on or after July 1, 2006 participate in PERS Tier IV or TRS Tier III, defined contribution plans. These Plans are administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plans noted above. 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 Plans are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. These Plans are included in the comprehensive annual financial reports for PERS and TRS, and at the following website, as noted above. <http://doa.alaska.gov/drb>.

Contributions to the DC plans consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the District contribute at 22%. Actual remittances to the TRS system require that the District contribute at 12.56%. After deducting the DC pension plan contributions and related DC OPEB contributions, the remaining remittance (the DBUL) is deposited into the DB plan (pension and/or OPEB) as noted earlier.

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service.

Employee Contribution Rate

Employees are required to contribute 8.0% of their annual covered salary for both PERS and TRS. This amount goes directly to the individual's account.

Employer Contribution Rates

For the year ended June 30, 2018, the District was required to contribute 5% of covered salary into PERS and 7% of covered salary for TRS.

The District and employee contributions to PERS for pensions for the year ended June 30, 2018 were \$953,043 and \$1,524,868, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2018 were \$2,758,025 and \$3,152,047, respectively.

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Employer forfeiture funds are created when a non-vested or partially vested employee terminates employment from the PERS and/or TRS system. The forfeited amount is determined by the years of service with all system participating employers that the employee has worked in, either PERS or TRS. Forfeitures are applied against the defined contribution required employer match. Forfeitures balances available for the District to reduce future match totaled \$534,269 and \$416,456 for the years ended June 30, 2018 for TRS and PERS, respectively.

District contributions are recognized as pension expense/expenditures.

9. Defined Benefit Other Postemployment Benefit (OPEB) Plan

Defined Benefit OPEB

As part of its participation in the PERS and TRS DB Plans (Tiers I, II, III for PERS and Tiers I and II for TRS), which are cost-sharing multiple employer plans, the District participates in the Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD). The ARHCT is self-funded and provides major medical coverage to retirees of the DB Plans. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS and TRS DC Plans (Tier IV for PERS and Tier III for TRS). The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS and TRS. The Plans are administered by the State of Alaska, Department of Administration.

Employer Contribution Rates

The District is required to contribute 8.75% of covered payroll into the PERS OPEB plan and 5.55% of covered payroll into the TRS OPEB plan. Employees do not contribute.

In 2018, the District was credited with the following contributions to the OPEB plans:

<i>PERS</i>	District FY17 Measurement Period	District FY18
Employer contributions	\$ 1,937,207	\$ 1,314,898
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 1,937,207	\$ 1,314,898

<i>TRS</i>	District FY17 Measurement Period	District FY18
Employer contributions	\$ 3,602,442	\$ 2,921,616
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 3,602,442	\$ 2,921,616

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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liabilities (NOL) that reflected a reduction for State OPEB support provided to the District. The amount recognized by the District for its proportional share, the related State proportion, and the total were as follows:

	PERS	TRS
District's proportionate share of NOL - ARHCT	\$ 9,264,516	\$ 8,604,759
District's proportionate share of NOL - RMP	91,137	(522,610)
District's proportionate share of NOL - ODD	(247,965)	(360,315)
State's proportionate share of NOL associated with the District	3,454,993	15,091,607
Total Net OPEB Liabilities	\$ 12,562,681	\$ 22,813,441

The total OPEB liabilities for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 to calculate the net OPEB liabilities as of that date. The District's proportion of the net OPEB liabilities were based on a projection of the District's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2016 Measurement Date Employer Proportion	June 30, 2017 Measurement Date Employer Proportion	Change
<i>PERS</i>			
District's proportionate share of the net OPEB liabilities:			
ARHCT	0.84456%	1.09671%	0.25215%
RMP	1.66373%	1.74759%	0.08386%
ODD	1.66373%	1.74759%	0.08386%

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<i>TRS</i>	June 30, 2016 Measurement Date Employer Proportion	June 30, 2017 Measurement Date Employer Proportion	Change
District's proportionate share of the net OPEB liabilities:			
ARHCT	5.72356%	4.67820%	(1.04536)%
RMP	10.58662%	11.02554%	0.43892%
ODD	10.58662%	11.02554%	0.43892%

As a result of its requirement to contribute to the Plan, the District recognized OPEB expense of \$1,115,386 and \$783,846 for PERS and TRS, respectively. In addition, the District recognized on-behalf revenue of \$542,842 and \$1,763,982 for PERS and TRS, respectively, for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (1,624,712)
Changes in assumptions	-	-
Change in benefits	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(7,704,504)
Changes in proportion and differences between District contributions and proportionate share of contributions	6,880	(1,731,121)
District contributions subsequent to the measurement date	4,236,514	-
Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB Plans	\$ 4,243,394	\$ (11,060,337)

The \$4,236,514 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,

2019	\$ (4,051,095)
2020	(3,117,638)
2021	(1,930,824)
2022	(1,930,824)
2023	(4,698)
Thereafter	(18,378)

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Actuarial Assumptions

The total OPEB liability for the measurement period ended June 30, 2017 (District fiscal year 2018) was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2017. The actuarial assumptions used in the June 30, 2016 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level dollar, closed
Inflation	3.12%
Salary increases	Graded by service, from 8.11% to 3.87% for teachers Graded by service from 8.55% to 4.34% for all others
Allocation Methodology	Amounts for FY17 were allocated to employers based on the projected present value of contributions for FY2019-FY2039. The liability is expected to go to zero at 2039.
Investment Return / Discount Rate	8.00%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Healthcare cost trend rates	Pre-65 medical; 8.8% grading down to 4.4% Post-65 medical; 5.8% grading down to 4.0% Prescription drug; 5.4% grading down to 4.0%
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience, 68% of male and 60% of female post-termination rates for teachers, 60% of male and 65% of female for all others. Deaths are assumed to be nonoccupational 85% of the time for teachers, 50% of the time for others. Post-termination - Based 94% of the male rates and 97% of the female rates for teachers, 96% for all others, of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB with a three-year setback for males and four-year setback for females.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized in the following table (note that the rates shown below exclude the inflation component):

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<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Broad domestic equity	26%	8.83%
Global ex-U.S. equity	22%	7.79%
Intermediate Treasuries	13%	1.29%
Opportunistic	5%	4.76%
Real assets	17%	4.94%
Absolute return	7%	4.76%
Private equity	9%	12.02%
Cash equivalents	1%	0.63%

Discount Rate

The discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity

The following presents the District's proportionate share of the net OPEB liabilities calculated using the discount rate of 8.00%, as well as what the District's proportionate share of the net OPEB liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	<i>Proportional Share</i>	<i>1% Decrease (7.00%)</i>	<i>Current Discount Rate (8.00%)</i>	<i>1% Increase (9.00%)</i>
<i>PERS</i>				
District's proportionate share of the net OPEB liabilities:				
ARHCT	1.09671%	\$ 19,827,041	\$ 9,264,516	\$ 379,987
RMP	1.74759%	\$ 426,953	\$ 91,137	\$ (171,089)
ODD	1.74759%	\$ (223,848)	\$ (247,965)	\$ (267,678)

	<i>Proportional Share</i>	<i>1% Decrease (7.00%)</i>	<i>Current Discount Rate (8.00%)</i>	<i>1% Increase (9.00%)</i>
<i>TRS</i>				
District's proportionate share of the net OPEB liabilities:				
ARHCT	4.67820%	\$ 26,221,046	\$ 8,604,759	\$ (6,011,771)
RMP	11.02554%	\$ 224,039	\$ (522,610)	\$ (1,089,871)
ODD	11.02554%	\$ (362,079)	\$ (360,315)	\$ (359,433)

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Healthcare Cost Trend Rates Sensitivity

The following presents the District's proportionate share of the net OPEB liabilities calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net OPEB liabilities would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<i>PERS</i>	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liabilities:				
ARHCT	1.09671%	\$ (1,027,692)	\$ 9,264,516	\$ 21,638,221
RMP	1.74759%	\$ (225,596)	\$ 91,137	\$ 515,503
ODD	1.74759%	\$ -	\$ (247,965)	\$ -

<i>TRS</i>	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liabilities:				
ARHCT	4.67820%	\$ (8,021,293)	\$ 8,604,759	\$ 28,824,466
RMP	11.02554%	\$ (1,202,996)	\$ (522,610)	\$ 418,529
ODD	11.02554%	\$ -	\$ (360,315)	\$ -

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

10. Defined Contribution (DC) OPEB Plans

Defined Contribution Pension Plan participants (PERS Tier IV, and TRS Tier III) participate in the Occupational Death and Disability Plan (ODD), and the Retiree Medical Plan. Information on these plans is included in the comprehensive annual financial reports for the PERS and TRS plans noted above. These plans provide for death, disability, and post-employment health care benefits.

Employer Contribution Rates

Employees do not contribute to the DC OPEB plans. Employer contribution rates were as follows for the year ended June 30, 2018:

	PERS Tier IV	TRS Tier III
Retiree medical plan	1.03%	0.91%
Occupational death and disability benefits	0.16%	-%
Total Contribution Rates	1.19%	0.91%

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

In addition, PERS and TRS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers* in the plan”. At July 1, 2017, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,084 per year for each full-time employee, and \$1.34 per hour for part-time employees for both PERS and TRS.

Annual Postemployment Healthcare Cost

In 2018, the District contributed \$932,942 in DC OPEB costs to PERS and \$1,255,748 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

11. Change in Accounting Principle

As discussed in Note 7 to the financial statements, the District participates in the Alaska Public Employees Retirement System (PERS) plan and Teachers Retirement System (TRS) plan. In 2018, the District adopted the provisions of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which, among other accounting and reporting criteria, requires the District to recognize its proportional share of the Net OPEB Liability (and related deferred inflows of resources and deferred outflows of resources), as of the beginning of the District’s fiscal year. As a result of the implementation of this statement, the District has recorded an opening balance adjustment to reflect opening balance OPEB liabilities and related accounts and to decrease opening net position as follows:

	Opening Net Position, as Originally Presented	Change in Accounting Principle Adjustment	Opening Net Position as Restated
Governmental Activities	\$ (133,525,886)	\$ (21,172,822)	\$ (154,698,708)

12. Risk Management

The District faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers’ compensation, and (f) medical insurance costs of employees.

Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for employee medical cost, bodily injury, personal injury, and property damage, and errors and omissions. For these policies, premiums have increased over the last few years, however settlements have not exceeded coverage amounts.

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Notes to Basic Financial Statements

Accounting for Self-Insurance

For the year ended June 30, 2018, the District was self-insured for its workers' compensation insurance program. All claims reported under the self-insurance program are paid by the District. Commercial stop-loss coverage limits the liability to \$500,000 per individual claim. The District accrues an estimate of claims incurred but not reported at year end.

Following is a schedule of changes in claims liabilities for the two years ended June 30, 2018 and 2017 for the workers' compensation plan.

	Workers' Compensation Insurance
Claims Liability at July 1, 2016	\$ 684,950
Claims and administration expenses	2,005,530
Claims and administration expenses paid	(1,661,259)
Claims Liability at June 30, 2017	\$ 1,029,221
Claims and administration expenses	2,339,418
Claims and administration expenses paid	(2,186,320)
Claims Liability at June 30, 2018	\$ 1,182,319

13. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, would become a liability of the School Operating Fund.

The District receives a substantial portion of its revenue from state and local grants and the Matanuska-Susitna Borough. Significant changes in these revenue sources could have a material effect on the operations of the District.

The District provides services solely to those residents of the Matanuska-Susitna Borough, Alaska and nearby communities as within the State defined District boundaries. Changes in the local environment or economy could directly affect the District's enrollment. Significant changes in enrollment could have a material effect on the District's funding and operations.

From time to time, the District may be a participant in legal proceedings related to the conduct of its business. In the normal course of business, it also has various commitments and contingent liabilities, which are not reflected in the accompanying financial statements. In the opinion of the management, any current legal proceedings, commitments or contingent liabilities will not materially affect the financial position of the District.

A District employee is alleged to have sexually assaulted and/or engaged in inappropriate conduct including alleged inappropriate touching and/or sexual contact with several students. The District became aware of the allegations in late September 2018. The employee has been criminally charged and the criminal matter is pending. The employee has been terminated by the District. No civil claims have been filed against the District at this time and the District has not recorded any liability related to this incident.

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

14. Fund Balances/Appropriation Lapse

Historically, Matanuska-Susitna Borough Ordinance Number 13-096 required that the School District refund or lapse one quarter of its increase in unassigned fund balance annually. On June 19, 2018 the Borough Assembly voted to adopt Ordinance 18-065, an ordinance allowing the District to retain a hundred percent of any increase in unassigned fund balance. This ordinance effectively repealed any lapse payment and encumbrance requirements previously in place.

Fund balances, reported in the District's individual major funds and nonmajor funds in the aggregate on the governmental funds balance sheet are subject to the following constraints at June 30, 2018:

	Major Funds			
	General Fund	Capital Improvements Projects	Nonmajor Funds	Totals
Nonspendable:				
Inventory	\$ 1,276,988	\$ -	\$ 758,689	\$ 2,035,677
Prepaid items	1,323,677	-	-	1,323,677
Total nonspendable	2,600,665	-	758,689	3,359,354
Restricted:				
Scholarships	-	-	4,285	4,285
Correspondence program	1,768,396	-	-	1,768,396
Total restricted	1,768,396	-	4,285	1,772,681
Committed -				
Construction	-	3,735,930	-	3,735,930
Liability insurance claims	500,000	-	-	500,000
Total committed	500,000	3,735,930	-	4,235,930
Assigned:				
SV fire damage reclamation	-	-	1,450	1,450
Insurance reserve	500,000	-	-	500,000
Debt service	-	-	774,474	774,474
Total assigned	500,000	-	775,924	1,275,924
Unassigned	11,623,996	-	(9,393)	11,614,603
Total Fund Balances	\$ 16,993,057	\$ 3,735,930	\$ 1,529,505	\$ 22,258,492

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

15. 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 and actual impacts have not yet been determined.

GASB 83 - *Certain Asset Retirement Obligations* - Effective for year-end June 30, 2019, with earlier application encouraged - This statement addresses accounting and financial reporting for certain asset retirement obligations that are legally enforceable liabilities associated with the retirement of a tangible capital asset.

GASB 84 - *Fiduciary Activities* - Effective for year-end June 30, 2020, with earlier application encouraged - This statement addresses criteria for identifying and reporting fiduciary activities.

GASB 85 - *Omnibus* - Effective for year-end June 30, 2018, with earlier application encouraged - This statement addresses practice issues that have been identified during implementation and application of certain GASB statements. Issues covered include blending of component units, goodwill, fair value measurement and application, and postemployment benefits.

GASB 87 - *Leases* - Effective for year-end June 30, 2021, with earlier application encouraged - This statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* - Effective for year-end June 30, 2019, with earlier application encouraged - This statement addresses note disclosures related to debt, clarifies which liabilities to include when disclosing information related to debt, and defines debt for the purpose of disclosure. It requires additional essential information related to debt be disclosed in the notes, as well as information for direct borrowings and direct placements.

GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period* - Effective for year-end June 30, 2021, with earlier application encouraged - This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB 90 - *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61* - Effective for year-end June 30, 2020, with earlier application encouraged - This statement addresses accounting and financial reporting for a majority equity interest in a legally separate organization. It provides a definition of a majority equity interest and provides guidance for further presentation as either an investment or a component unit, based on specific criteria.

Required Supplementary Information

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

General (School Operating) Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

Year Ended June 30, 2018	Budget		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Local sources:				
Borough appropriation	\$ 55,841,300	\$ 55,841,300	\$ 55,841,300	\$ -
Other	2,442,966	2,403,368	961,998	(1,441,370)
State of Alaska	197,161,820	185,103,794	186,069,895	966,101
Federal	2,211,560	2,211,563	2,636,426	424,863
Total Revenues	257,657,646	245,560,025	245,509,619	(50,406)
Expenditures				
Current:				
Instruction	113,183,710	104,957,131	101,794,578	3,162,553
Special education instruction	43,983,289	38,232,944	39,081,449	(848,505)
Special education support services - students	16,647,174	15,341,845	16,060,550	(718,705)
Support services - students	10,458,079	9,301,963	8,995,374	306,589
Support services - instruction	8,181,836	9,478,710	8,970,031	508,679
School administration	8,734,422	9,751,307	9,829,034	(77,727)
School administration support services	9,865,591	10,065,668	10,522,280	(456,612)
District administration	1,269,711	1,310,041	1,531,827	(221,786)
District administration support services	13,291,186	12,425,158	10,970,020	1,455,138
Operations and maintenance of plant	24,697,034	25,414,649	24,128,328	1,286,321
Student activities	3,200,905	3,437,464	3,609,356	(171,892)
Student transportation - school activities	765,000	814,465	-	814,465
Student transportation - other	10,000	10,128	-	10,128
Community services	-	-	549	(549)
Construction and facilities acquisition	-	406,994	444,271	(37,277)
Total Expenditures	254,287,937	240,948,467	235,937,647	5,010,820
Excess of revenues over expenditures	3,369,709	4,611,558	9,571,972	4,960,414
Other Financing Uses -				
Transfers out	(3,369,709)	(6,514,770)	(4,361,620)	2,153,150
Net change in fund balance	\$ -	\$ (1,903,212)	\$ 5,210,352	\$ 7,113,564
Fund Balance, beginning of year			11,782,705	
Fund Balance, end of year			\$ 16,993,057	

See accompanying notes to Required Supplementary Information.

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Public Employees' Retirement System (PERS)
Schedule of the District's Information on the Net Pension Liability

<i>Years Ended June 30,</i>	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	1.096690%	\$ 56,692,527	\$ 21,123,351	\$ 77,815,878	\$ 37,767,975	150%	63.37%
2017	1.263560%	\$ 70,627,690	\$ 8,900,517	\$ 79,528,207	\$ 32,540,635	217%	59.55%
2016	1.283510%	\$ 62,250,192	\$ 16,670,606	\$ 78,920,798	\$ 30,298,959	205%	63.96%
2015	0.678199%	\$ 31,632,130	\$ 28,809,640	\$ 60,441,770	\$ 28,697,672	110%	62.37%
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2009	*	*	*	*	*	*	*

*Information for these years is not available

See accompanying notes to Required Supplementary Information.

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Public Employees' Retirement System (PERS)
Schedule of the District's Contributions

<i>Years Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 3,832,125	\$ 3,832,125	\$ -	\$ 35,206,733	10.885%
2017	\$ 3,594,967	\$ 3,594,967	\$ -	\$ 37,767,975	9.741%
2016	\$ 3,169,854	\$ 3,169,854	\$ -	\$ 32,540,635	9.741%
2015	\$ 2,902,874	\$ 2,902,874	\$ -	\$ 30,298,959	9.519%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*

*Information for these years is not available

See accompanying notes to Required Supplementary Information.

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Teachers' Retirement System (TRS)

Schedule of the District's Information on the Net Pension Liability

<i>Years Ended June 30</i>	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	4.69305000%	\$ 95,109,945	\$ 165,981,415	\$ 261,091,360	\$ 101,197,628	94%	72.39%
2017	5.74558000%	\$ 131,191,382	\$ 155,927,205	\$ 287,118,587	\$ 95,217,509	138%	68.40%
2016	4.74949000%	\$ 88,361,932	\$ 141,230,415	\$ 229,592,347	\$ 92,055,028	96%	73.82%
2015	1.86717332%	\$ 55,997,692	\$ 295,698,194	\$ 351,695,886	\$ 88,788,045	63%	55.70%
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2009	*	*	*	*	*	*	*

*Information for these years is not available

See accompanying notes to Required Supplementary Information.

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Teachers' Retirement System (TRS)
Schedule of the District's Contributions

<i>Years Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 5,272,973	\$ 5,272,973	\$ -	\$ 98,511,549	5.353%
2017	\$ 4,891,948	\$ 4,891,948	\$ -	\$ 101,197,628	4.834%
2016	\$ 4,448,917	\$ 4,448,917	\$ -	\$ 95,217,509	4.672%
2015	\$ 4,729,021	\$ 4,729,021	\$ -	\$ 92,055,028	5.137%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*

*Information for these years is not available

See accompanying notes to Required Supplementary Information.

Matanuska Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Public Employees' Retirement System

Schedule of the District's Proportionate Share on the Net OPEB Liability

<i>Years Ended June 30,</i>	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	Alaska Proportionate Share of the Net OPEB Liability	Total Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2018	1.0967%	\$ 9,107,688	\$ 3,454,993	\$ 12,562,681	\$ 37,767,975	24.11%	89.68%
2017	*	*	*	*	*	*	*
2016	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2009	*	*	*	*	*	*	*

*Information for these years is not available.

See accompanying notes to Required Supplementary Information.

Matanuska Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Public Employees' Retirement System OPEB Plan
Schedule of the District's Contributions

<i>Years Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 1,314,898	\$ 1,314,898	\$ -	\$ 35,206,733	3.73%
2017	*	*	*	*	*
2016	*	*	*	*	*
2015	*	*	*	*	*
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*

*Information for these years is not available.

See accompanying notes to Required Supplementary Information.

Matansuka Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Teachers' Retirement System

Schedule of the District's Proportionate Share on the Net OPEB Liability

<i>Years Ended June 30,</i>	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	Alaska Proportionate Share of the Net OPEB Liability	Total Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2018	4.67820%	\$ 7,721,834	\$ 15,091,607	\$ 22,813,441	\$ 101,197,628	7.63%	93.75%
2017	*	*	*	*	*	*	*
2016	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2009	*	*	*	*	*	*	*

*Information for these years is not available.

See accompanying notes to Required Supplementary Information.

Matanuska Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Teachers' Retirement System OPEB Plan
Schedule of the District's Contributions

<i>Years Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 2,921,616	\$ 2,921,616	\$ -	\$ 98,511,549	2.97%
2017	*	*	*	*	*
2016	*	*	*	*	*
2015	*	*	*	*	*
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*

*Information for these years is not available.

See accompanying notes to Required Supplementary Information.

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Required Supplementary Information

1. Budgetary Comparison Schedule

The budgetary comparison schedule is presented on the modified accrual basis of accounting.

2. Public Employees' Retirement System - Schedule of the District's Information on the Net Pension Liability

This table is presented based on the Plan measurement date. For June 30, 2018, the Plan measurement date is June 30, 2017. There were no changes in benefit terms from the prior measurement period. There were no changes in assumptions from the prior measurement period. There were no changes in allocation methodology.

3. Public Employees' Retirement System Pension Plan - Schedule of the District's Contributions

This table is based on the District's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

4. Teachers' Retirement System - Schedule of the District's Information on the Net Pension Liability

This table is presented based on the Plan measurement date. For June 30, 2018, the Plan measurement date is June 30, 2017. There were no changes in benefit terms from the prior measurement period. There were no changes in assumptions from the prior measurement period. There were no changes in allocation methodology.

5. Teachers' Retirement System Pension Plan - Schedule of the District's Contributions

This table is based on the District's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

6. Public Employees' Retirement System - Schedule of the District's Proportionate Share on the Net OPEB Liability

This table is presented based on the Plan measurement date. For June 30, 2018, the Plan measurement date is June 30, 2017. There were no changes in benefit terms from the prior measurement period. There were no changes in assumptions from the prior measurement period. There were no changes in allocation methodology.

7. Public Employees' Retirement System OPEB Plan - Schedule of the District's Contributions

This table is based on the District's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

8. Teachers' Retirement System - Schedule of the District's Proportionate Share on the Net OPEB Liability

This table is presented based on the Plan measurement date. For June 30, 2018, the Plan measurement date is June 30, 2017. There were no changes in benefit terms from the prior measurement period. There were no changes in assumptions from the prior measurement period. There were no changes in allocation methodology.

9. Teachers' Retirement System OPEB Plan - Schedule of the District's Contributions

This table is based on the District's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

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Additional Supplementary Information

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General Fund

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

General (School Operating) Fund
Balance Sheet

<i>June 30,</i>	2018	2017
Assets		
Cash	\$ 14,985,912	\$ 12,155,860
Accounts receivable - other	314,294	960,523
Inventory	1,276,988	1,574,574
Prepaid items	1,323,677	1,013,015
Due from other funds	8,069,947	8,620,471
Total Assets	\$ 25,970,818	\$ 24,324,443
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 1,036,871	\$ 5,457,921
Accrued payroll and related liabilities	7,940,290	7,083,817
Unearned revenue	600	-
Total Liabilities	8,977,761	12,541,738
Fund Balance		
Nonspendable	2,600,665	2,587,589
Restricted	1,768,396	1,606,630
Committed	500,000	-
Assigned	500,000	500,000
Unassigned	11,623,996	7,088,486
Total Fund Balance	16,993,057	11,782,705
Total Liabilities and Fund Balances	\$ 25,970,818	\$ 24,324,443

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

General (School Operating) Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual

<i>Years Ended June 30,</i>	2018			2017
	Budget	Actual	Variance with Budget	Actual
Revenues				
Local sources:				
Borough appropriation	\$ 55,841,300	\$ 55,841,300	\$ -	\$ 55,841,300
Facility use	150,000	137,590	(12,410)	152,155
Other local reimbursement	1,950,000	445,329	(1,504,671)	1,854,746
Other	303,368	379,079	75,711	533,684
Total local sources	58,244,668	56,803,298	(1,441,370)	58,381,885
State sources:				
PERS on behalf	1,041,608	1,047,303	5,695	1,507,427
TRS on behalf	13,552,780	14,396,752	843,972	14,735,551
Public school funding	170,509,406	170,509,407	1	170,159,336
Other state revenue	-	116,433	116,433	-
Total state sources	185,103,794	186,069,895	966,101	186,402,314
Federal sources:				
E-rate	1,211,563	1,280,412	68,849	1,349,403
Medicaid reimbursement	1,000,000	1,356,014	356,014	1,090,092
Total federal sources	2,211,563	2,636,426	424,863	2,439,495
Total Revenues	245,560,025	245,509,619	(50,406)	247,223,694
Expenditures				
Current:				
Instruction	104,957,131	101,794,578	3,162,553	104,833,810
Special education instruction	38,232,944	39,081,449	(848,505)	40,109,476
Special education support services - students	15,341,845	16,060,550	(718,705)	15,820,580
Support services - students	9,301,963	8,995,374	306,589	10,045,393
Support services - instruction	9,478,710	8,970,031	508,679	10,129,465
School administration	9,751,307	9,829,034	(77,727)	9,973,301
School administration support services	10,065,668	10,522,280	(456,612)	11,344,458
District administration	1,310,041	1,531,827	(221,786)	1,827,810
District administration support services	12,425,158	10,970,020	1,455,138	12,094,122
Operations and maintenance of plant	25,414,649	24,128,328	1,286,321	25,805,958
Student activities	3,437,464	3,609,356	(171,892)	3,763,633
Student transportation - school activities	814,465	-	814,465	809,345
Student transportation - other services	10,128	-	10,128	-
Community services	-	549	(549)	-
Food services	-	-	-	6,859
Construction and facilities acquisition	406,994	444,271	(37,277)	400,000
Total Expenditures	240,948,467	235,937,647	5,010,820	246,964,210
Excess of revenues over expenditures	4,611,558	9,571,972	4,960,414	259,484
Other Financing Uses - Transfers out	(6,514,770)	(4,361,620)	2,153,150	(3,192,212)
Net change in fund balance	<u>\$ (1,903,212)</u>	5,210,352	<u>\$ 7,113,564</u>	(2,932,728)
Fund Balance, beginning of year		11,782,705		14,715,433
Fund Balance, end of year		<u>\$ 16,993,057</u>		<u>\$ 11,782,705</u>

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

General (School Operating) Fund
Schedule of Expenditures - Budget and Actual

<i>Years Ended June 30,</i>	2018			2017
	Budget	Actual	Variance with Budget	Actual
Expenditures				
Instruction:				
Certificated salaries	\$ 56,070,749	\$ 55,586,666	\$ 484,083	\$ 57,527,983
Non-certificated salaries	3,874,271	3,277,807	596,464	3,398,980
Employee benefits	33,748,895	33,220,295	528,600	34,029,638
Professional and technical services	1,518,967	1,257,978	260,989	373,062
Staff travel	157,794	53,302	104,492	77,272
Student travel	341,175	273,282	67,893	173,682
Utility services	758	3,669	(2,911)	2,171
Other purchased services	2,345,421	1,360,917	984,504	2,355,129
Insurance and bond premiums	1,100	-	1,100	-
Supplies, materials and media	6,458,870	6,349,258	109,612	6,458,527
Other expenditures	378,196	399,942	(21,746)	387,323
Equipment	60,935	11,462	49,473	50,043
Total instruction	104,957,131	101,794,578	3,162,553	104,833,810
Special education instruction:				
Certificated salaries	14,148,471	14,432,563	(284,092)	14,209,044
Non-certificated salaries	8,978,639	9,131,265	(152,626)	10,227,280
Employee benefits	14,817,975	15,050,541	(232,566)	15,502,958
Professional and technical services	26,150	9,105	17,045	12,661
Staff travel	3,386	2,937	449	1,181
Student travel	6,891	7,529	(638)	5,630
Utility services	-	-	-	12
Other purchased services	3,456	10,275	(6,819)	1,105
Supplies, materials and media	186,809	330,186	(143,377)	148,818
Other expenditures	61,167	107,048	(45,881)	787
Total special education instruction	38,232,944	39,081,449	(848,505)	40,109,476
Special education support services - students:				
Certificated salaries	7,027,397	7,221,228	(193,831)	7,029,914
Non-certificated salaries	1,329,851	1,437,323	(107,472)	1,395,946
Employee benefits	4,646,672	5,018,538	(371,866)	4,907,310
Professional and technical services	1,655,135	1,592,346	62,789	2,146,823
Staff travel	113,010	106,965	6,045	103,361
Student travel	5,700	6,354	(654)	3,398
Utility services	-	25	(25)	40
Other purchased services	65,100	51,652	13,448	46,911
Supplies, materials and media	356,850	505,832	(148,982)	143,476
Tuition and stipends	66,556	66,555	1	-
Other expenditures	75,574	53,732	21,842	43,401
Total special education support services - students	15,341,845	16,060,550	(718,705)	15,820,580

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

General (School Operating) Fund
Schedule of Expenditures - Budget and Actual, continued

<i>Years Ended June 30,</i>	2018			2017
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Support services - students:				
Certificated salaries	\$ 4,465,058	\$ 4,479,479	\$ (14,421)	\$ 5,100,338
Non-certificated salaries	1,411,277	1,217,097	194,180	1,244,014
Employee benefits	3,088,366	3,037,087	51,279	3,489,781
Professional and technical services	131,500	86,450	45,050	93,693
Staff travel	13,650	4,686	8,964	8,950
Student travel	-	-	-	719
Other purchased services	39,002	26,757	12,245	18,701
Supplies, materials and media	108,789	143,664	(34,875)	87,823
Other expenditures	44,321	154	44,167	1,374
Total support services - students	9,301,963	8,995,374	306,589	10,045,393
Support services - instruction:				
Certificated salaries	3,792,919	3,610,113	182,806	4,261,396
Non-certificated salaries	242,539	221,173	21,366	195,765
Employee benefits	1,954,159	2,166,753	(212,594)	2,294,290
Professional and technical services	82,582	82,504	78	106,038
Staff travel	114,899	50,807	64,092	177,286
Student travel	9,310	-	9,310	7,654
Utility services	2,261,783	2,066,520	195,263	2,105,824
Other purchased services	265,990	239,356	26,634	38,218
Supplies, materials and media	645,063	247,076	397,987	597,863
Other expenditures	93,607	285,729	(192,122)	227,138
Equipment	15,859	-	15,859	117,993
Total support services - instruction	9,478,710	8,970,031	508,679	10,129,465
School administration:				
Certificated salaries	6,540,825	6,528,963	11,862	6,609,948
Non-certificated salaries	9,630	11,216	(1,586)	11,947
Employee benefits	3,079,978	3,178,841	(98,863)	3,170,705
Staff travel	74,866	75,133	(267)	88,429
Other purchased services	2,475	2,167	308	52,080
Supplies, materials and media	33,540	23,328	10,212	30,563
Other expenditures	9,993	9,386	607	9,629
Total school administration	9,751,307	9,829,034	(77,727)	9,973,301

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

General (School Operating) Fund
Schedule of Expenditures - Budget and Actual, continued

<i>Years Ended June 30,</i>	2018		Variance	2017
	Budget	Actual	with Budget	Actual
Expenditures, continued				
School administration support services:				
Non-certificated salaries	\$ 5,629,670	\$ 5,608,432	\$ 21,238	\$ 5,999,887
Employee benefits	4,014,139	3,989,776	24,363	4,246,773
Professional and technical services	40,000	35,636	4,364	38,275
Staff travel	9,755	4,185	5,570	8,289
Utility services	76,840	58,038	18,802	64,273
Other purchased services	46,366	576,208	(529,842)	56,138
Supplies, materials and media	239,720	228,667	11,053	252,215
Other expenditures	2,178	21,338	(19,160)	671,784
Equipment	7,000	-	7,000	6,824
Total school administration support services	10,065,668	10,522,280	(456,612)	11,344,458
District administration:				
Certificated salaries	330,657	473,642	(142,985)	516,793
Non-certificated salaries	269,235	350,267	(81,032)	417,859
Employee benefits	391,055	507,209	(116,154)	559,565
Professional and technical services	2,793	567	2,226	-
Staff travel	96,780	51,412	45,368	55,864
Student travel	2,260	1,891	369	2,913
Other purchased services	165,440	111,232	54,208	225,240
Supplies, materials and media	17,959	16,788	1,171	17,723
Other expenditures	33,862	18,819	15,043	31,853
Total district administration	1,310,041	1,531,827	(221,786)	1,827,810
District administration support services:				
Certificated salaries	18,963	51,317	(32,354)	14,203
Non-certificated salaries	5,147,661	5,066,242	81,419	5,468,363
Employee benefits	3,436,926	3,142,551	294,375	3,216,643
Professional and technical services	418,858	686,271	(267,413)	267,112
Staff travel	100,940	44,680	56,260	75,061
Utility services	10,317	78,136	(67,819)	7,258
Other purchased services	1,824,275	1,023,893	800,382	1,734,571
Insurance and bond premiums	614,530	590,706	23,824	369,918
Supplies, materials and media	1,047,367	363,656	683,711	786,108
Other expenditures	57,329	605,793	(548,464)	341,072
Equipment	322,000	347,422	(25,422)	264,172
Other capital outlay	-	-	-	115,049
Total district administration support services	12,999,166	12,000,667	998,499	12,659,530
Less indirect cost recovery	(574,008)	(1,030,647)	456,639	(565,408)
Net district administration support services	12,425,158	10,970,020	1,455,138	12,094,122

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

General (School Operating) Fund
Schedule of Expenditures - Budget and Actual, continued

Years Ended June 30,	2018			2017
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Operations and maintenance of plant:				
Non-certificated salaries	\$ 6,767,461	\$ 6,846,805	\$ (79,344)	\$ 7,593,359
Employee benefits	4,472,997	4,504,746	(31,749)	4,834,415
Professional and technical services	4,713	20,686	(15,973)	760
Staff travel	14,496	14,475	21	11,258
Utility services	610,867	492,548	118,319	474,592
Energy	6,304,815	5,992,982	311,833	5,868,236
Other purchased services	4,065,854	3,218,925	846,929	3,884,534
Insurance and bond premiums	1,470,000	1,402,331	67,669	1,523,921
Supplies, materials and media	1,649,769	1,600,476	49,293	1,543,650
Other expenditures	13,093	15,083	(1,990)	7,971
Equipment	40,584	19,271	21,313	63,262
Total operations and maintenance of plant	25,414,649	24,128,328	1,286,321	25,805,958
Student activities:				
Certificated salaries	1,704,460	1,657,923	46,537	1,694,603
Non-certificated salaries	641,578	641,052	526	634,593
Employee benefits	413,452	678,845	(265,393)	648,843
Staff travel	519	594	(75)	1,868
Student travel	420,614	441,859	(21,245)	572,168
Other purchased services	100,107	90,046	10,061	102,210
Supplies, materials and media	52,486	23,866	28,620	27,044
Other expenditures	104,248	75,171	29,077	82,304
Total student activities	3,437,464	3,609,356	(171,892)	3,763,633
Student transportation - school activities				
Student travel	49,465	-	49,465	43,240
Other purchased services	765,000	-	765,000	766,105
Total student transportation - school activities	814,465	-	814,465	809,345
Student transportation - other services				
Student travel	128	-	128	-
Other purchased services	10,000	-	10,000	-
Total student transportation - other services	10,128	-	10,128	-
Community services:				
Employee benefits	-	549	(549)	-
Total community services	-	549	(549)	-

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

General (School Operating) Fund
Schedule of Expenditures - Budget and Actual, continued

<i>Years Ended June 30,</i>	2018			2017
			Variance with Budget	
	Budget	Actual		Actual
Expenditures, continued				
Food services:				
Non-certificated salaries	-	-	-	5,396
Employee benefits	-	-	-	1,463
Total food services	-	-	-	6,859
Construction and facilities acquisition				
Capital outlay	406,994	406,994	-	400,000
Equipment	-	37,277	(37,277)	-
Total construction and facilities acquisition	406,994	444,271	(37,277)	400,000
Total Expenditures	\$ 240,948,467	\$ 235,937,647	\$ 5,010,820	\$ 246,964,210

Capital Projects Fund

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)
Capital Improvement Projects Capital Project Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

Year Ended June 30, 2018

Revenues	\$ -
Expenditures	
Instruction:	
Certificated salaries	23,046
Employee benefits	3,752
Total instruction	26,798
Operations and maintenance of plant:	
Professional and technical services	24,360
Other purchased services	306,586
Supplies, materials and media	61,281
Total operations and maintenance of plant	392,227
Construction and facilities acquisition:	
Non-certificated salaries	13,537
Employee benefits	1,228
Professional and technical services	62,482
Other purchased services	1,473,722
Supplies, materials and media	100,411
Other expenditures	6,153
Equipment	11,304
Other capital outlay expenses	79,632
Total construction and facilities acquisition	1,748,469
Total Expenditures	2,167,494
Other Financing Sources (uses)	
Transfers in	2,880,730
Transfers out	(31,229)
Total Other Financing Sources (Uses)	2,849,501
Net change in fund balance	682,007
Fund Balance, beginning of year	3,053,923
Fund Balance, end of year	\$ 3,735,930

Special Revenue Funds

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Balance Sheet

	Special Revenue Funds					
	Student Trans- portation	Staff Develop- ment	Suicide Awareness, Prevention & Postvention	Youth in Detention	Obesity Prevention K-12	Alaska Family Services Tobacco Prevention
<i>June 30, 2018</i>						
Assets						
Cash	\$ 184,477	\$ -	\$ -	\$ 271,793	\$ -	\$ -
Accounts receivable:						
Federal and state grants	-	4,126	13,021	-	54,047	26,250
Other	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	\$ 184,477	\$ 4,126	\$ 13,021	\$ 271,793	\$ 54,047	\$ 26,250
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 184,477	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	271,793	-	-
Due to other funds	-	4,126	13,021	-	54,047	26,250
Total Liabilities	184,477	4,126	13,021	271,793	54,047	26,250
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 184,477	\$ 4,126	\$ 13,021	\$ 271,793	\$ 54,047	\$ 26,250

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Balance Sheet, continued

	Special Revenue Funds, continued					
	Nutritional Alaskan Foods Program	Nutrition Services	Title I-D Delinquent	McKinney Homeless	Alternative Schools Grant	Alaska Pre-K Program Grant
<i>June 30, 2018</i>						
Assets						
Cash	\$ 270,777	\$ 83,296	\$ -	\$ -	\$ -	\$ -
Accounts receivable:						
Federal and state grants	-	1,217	4,807	11,541	50,606	168,173
Other	-	-	-	-	-	-
Inventory	-	758,689	-	-	-	-
Total Assets	\$ 270,777	\$ 843,202	\$ 4,807	\$ 11,541	\$ 50,606	\$ 168,173
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ 10,610	\$ -	\$ -	\$ -	\$ -
Unearned revenue	270,777	83,296	-	-	-	-
Due to other funds	-	-	4,807	11,541	50,606	168,173
Total Liabilities	270,777	93,906	4,807	11,541	50,606	168,173
Fund Balances						
Nonspendable	-	758,689	-	-	-	-
Restricted	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	(9,393)	-	-	-	-
Total Fund Balances	-	749,296	-	-	-	-
Total Liabilities and Fund Balances	\$ 270,777	\$ 843,202	\$ 4,807	\$ 11,541	\$ 50,606	\$ 168,173

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Balance Sheet, continued

	Special Revenue Funds, continued						
	Title II-A Teacher & Principal Training & Recruitment	Carl Perkins Vocational Education Basic	Title III-A English Language	IASA Consol- idated Admini- stration	Title I-A Basic	Title VI-B IDEA	Learning Center
<i>June 30, 2018</i>							
Assets							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Federal and state grants	186,356	165,140	14,972	376,378	1,053,381	1,017,100	217,533
Other	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	\$ 186,356	\$ 165,140	\$ 14,972	\$ 376,378	\$ 1,053,381	\$ 1,017,100	\$ 217,533
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,301	\$ -	\$ 12
Unearned revenue	-	-	-	-	-	-	-
Due to other funds	186,356	165,140	14,972	376,378	1,052,080	1,017,100	217,521
Total Liabilities	186,356	165,140	14,972	376,378	1,053,381	1,017,100	217,533
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 186,356	\$ 165,140	\$ 14,972	\$ 376,378	\$ 1,053,381	\$ 1,017,100	\$ 217,533

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Balance Sheet, continued

	Special Revenue Funds, continued					
	Title I-C Migrant Education Summer	Migrant Education Book Program	CEIS IDEA Part B Title VI-B	IDEA Part B Preschool Disabled	Project Aware	Title IV-A Student Spirit & Academic Improvement
<i>June 30, 2018</i>						
Assets						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:						
Federal and state grants	382,971	667	116,730	87,607	138,888	173,883
Other	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	\$ 382,971	\$ 667	\$ 116,730	\$ 87,607	\$ 138,888	\$ 173,883
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 20	\$ -	\$ -	\$ -	\$ 206	\$ -
Unearned revenue	-	-	-	-	-	-
Due to other funds	382,951	667	116,730	87,607	138,682	173,883
Total Liabilities	382,971	667	116,730	87,607	138,888	173,883
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 382,971	\$ 667	\$ 116,730	\$ 87,607	\$ 138,888	\$ 173,883

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Balance Sheet, continued

	Special Revenue Funds, continued							
	Title I-A School Improve- ment	Artists in Schools	Artists In Schools II	WHS AF JROTC	Indian Education	Contributions From Local Sources	Trapper Creek Community Enrichment	UAA Leap Grant
<i>June 30, 2018</i>								
Assets								
Cash	\$ -	\$ 3,764	\$ 3,361	\$ -	\$ -	\$ 246,671	\$ 6,264	\$ 794
Accounts receivable:								
Federal and state grants	19,978	-	-	4,652	242,075	-	-	-
Other	-	-	-	-	-	12,394	-	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	\$ 19,978	\$ 3,764	\$ 3,361	\$ 4,652	\$ 242,075	\$ 259,065	\$ 6,264	\$ 794
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 3,361	\$ -	\$ 740	\$ -	\$ -	\$ -
Unearned revenue	-	3,764	-	-	-	259,065	6,264	794
Due to other funds	19,978	-	-	4,652	241,335	-	-	-
Total Liabilities	19,978	3,764	3,361	4,652	242,075	259,065	6,264	794
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 19,978	\$ 3,764	\$ 3,361	\$ 4,652	\$ 242,075	\$ 259,065	\$ 6,264	\$ 794

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Balance Sheet, continued

	Special Revenue Funds, continued						
	Talkeetna Community Enrichment	Knik Tribal Council	River Rangers State Farm	NEA Student Achieve- ment	Mat-Su Health Foundation	Community Impact	Cultural Program
<i>June 30, 2018</i>							
Assets							
Cash	\$ 12,173	\$ 3,151	\$ 7,386	\$ 563	\$ 134,960	\$ 3,322	\$ 6,302
Accounts receivable:							
Federal and state grants	-	-	-	-	560	-	-
Other	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	\$ 12,173	\$ 3,151	\$ 7,386	\$ 563	\$ 135,520	\$ 3,322	\$ 6,302
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ 900	\$ -	\$ -	\$ 2,297	\$ -	\$ -
Unearned revenue	12,173	2,251	7,386	563	133,223	3,322	6,302
Due to other funds	-	-	-	-	-	-	-
Total Liabilities	12,173	3,151	7,386	563	135,520	3,322	6,302
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 12,173	\$ 3,151	\$ 7,386	\$ 563	\$ 135,520	\$ 3,322	\$ 6,302

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Balance Sheet, continued

	<u>Special Revenue Funds, continued</u>			<u>Debt Service</u>	<u>Capital Projects Funds</u>			
	SV Fire	RJ Jones	Ven-	Debt	Legis-	Legis-	Bond	
	Damage	Memorial	ding	Service	lative	lative	Reimbu-	
<i>June 30, 2018</i>	Reclamation	Fund	Machi-	Fund	Grants	Grants	rsement	Totals
			nes		Small	Large		
Assets								
Cash	\$ 1,450	\$ 4,285	\$ 178	\$ 774,474	\$ -	\$ -	\$ 2,596	\$ 2,022,037
Accounts receivable:								
Federal and state grants	-	-	-	-	-	-	-	4,532,659
Other	-	-	-	-	51,554	9,794	335	74,077
Inventory	-	-	-	-	-	-	-	758,689
Total Assets	\$ 1,450	\$ 4,285	\$ 178	\$ 774,474	\$ 51,554	\$ 9,794	\$ 2,931	\$ 7,387,462
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 178	\$ -	\$ -	\$ -	\$ -	\$ 204,102
Unearned revenue	-	-	-	-	-	-	2,931	1,063,904
Due to other funds	-	-	-	-	51,554	9,794	-	4,589,951
Total Liabilities	-	-	178	-	51,554	9,794	2,931	5,857,957
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	758,689
Restricted	-	4,285	-	-	-	-	-	4,285
Assigned	1,450	-	-	774,474	-	-	-	775,924
Unassigned	-	-	-	-	-	-	-	(9,393)
Total Fund Balances	1,450	4,285	-	774,474	-	-	-	1,529,505
Total Liabilities and Fund Balances	\$ 1,450	\$ 4,285	\$ 178	\$ 774,474	\$ 51,554	\$ 9,794	\$ 2,931	\$ 7,387,462

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances

	Special Revenue Funds						
	Student Transportation	Staff Development	Suicide Awareness, Prevention & Postvention	Youth in Detention	Obesity Prevention K-12	National Math & Science Initiative (NMSI)	
Year Ended June 30, 2018							
Revenues							
Local sources:							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Borough capital projects	-	-	-	-	-	-	
Total local sources	-	-	-	-	-	-	
State of Alaska	16,841,720	-	36,480	95,114	38,400	69,609	
Federal sources:							
Direct from federal government	-	-	-	-	-	-	
Passed through the State of Alaska	-	5,749	-	-	86,107	-	
Passed through other intermediate agencies	-	-	-	-	-	-	
Total federal sources	-	5,749	-	-	86,107	-	
Total Revenues	16,841,720	5,749	36,480	95,114	124,507	69,609	
Expenditures							
Current:							
Instruction	-	-	-	-	-	-	
Special education instruction	-	-	-	88,077	-	-	
Special education support services - students	-	-	-	-	-	-	
Support services - students	-	-	-	-	-	-	
Support services - instruction	-	5,749	33,781	-	115,295	69,609	
Support administration	-	-	-	-	-	-	
District administration	-	-	-	-	-	-	
District administration support services	-	-	2,699	7,037	9,212	-	
Operations and maintenance of plant	-	-	-	-	-	-	
Student activities	-	-	-	-	-	-	
Student transportation - to and from school	17,452,335	-	-	-	-	-	
Student transportation - other transportation service	400,198	-	-	-	-	-	
Community services	-	-	-	-	-	-	
Food services	-	-	-	-	-	-	
Debt service	-	-	-	-	-	-	
Construction and facilities acquisition	-	-	-	-	-	-	
Total Expenditures	17,852,533	5,749	36,480	95,114	124,507	69,609	
Excess (deficiency) of revenues over expenditures	(1,010,813)	-	-	-	-	-	
Other financing sources - transfers in	1,010,813	-	-	-	-	-	
Net change in fund balances	-	-	-	-	-	-	
Fund Balances, beginning of year	-	-	-	-	-	-	
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances, continued

	Special Revenue Funds, continued							
	Alaska Family Services Tobacco Prevention	Safe Children's Act	Nutrit- ional Alaskan Foods Program	Fresh Fruits and Vegetables Program	Nutrition Services	Title I-D Delin- quent	Youth Risk Behavior Survey	
Year Ended June 30, 2018								
Revenues								
Local sources:								
Other	\$ -	\$ -	\$ -	\$ -	\$ 1,097,620	\$ -	\$ -	
Borough capital projects	-	-	-	-	-	-	-	
Total local sources	-	-	-	-	1,097,620	-	-	
State of Alaska	105,000	13,999	40,826	-	-	-	916	
Federal sources:								
Direct from federal government	-	-	-	-	-	-	-	
Passed through the State of Alaska	-	-	-	96,864	5,860,151	23,045	-	
Passed through other intermediate agencies	-	-	-	-	-	-	-	
Total federal sources	-	-	-	96,864	5,860,151	23,045	-	
Total Revenues	105,000	13,999	40,826	96,864	6,957,771	23,045	916	
Expenditures								
Current:								
Instruction	-	-	-	-	-	-	-	
Special education instruction	-	-	-	-	-	-	-	
Special education support services - students	-	-	-	-	-	-	-	
Support services - students	-	74	-	-	-	-	-	
Support services - instruction	105,000	13,925	-	-	-	21,340	916	
School administration	-	-	-	-	-	-	-	
District administration	-	-	-	-	-	-	-	
District administration support services	-	-	-	-	4,613	1,705	-	
Operations and maintenance of plant	-	-	-	-	289,863	-	-	
Student activities	-	-	-	-	-	-	-	
Student transportation - to and from school	-	-	-	-	-	-	-	
Student transportation - other transportation services	-	-	-	-	-	-	-	
Community services	-	-	-	-	-	-	-	
Food services	-	-	40,826	96,864	6,763,639	-	-	
Debt service	-	-	-	-	-	-	-	
Construction and facilities acquisition	-	-	-	-	-	-	-	
Total Expenditures	105,000	13,999	40,826	96,864	7,058,115	23,045	916	
Excess (deficiency) of revenues over expenditures	-	-	-	-	(100,344)	-	-	
Other financing sources - transfers in	-	-	-	-	201,306	-	-	
Net change in fund balances	-	-	-	-	100,962	-	-	
Fund Balances, beginning of year	-	-	-	-	648,334	-	-	
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ 749,296	\$ -	\$ -	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances, continued

	McKinney Homeless	Alternative Schools Grant	Alaska Pre-K Program Grant	Title II-A, Teacher and Principal Training and Recruitment	Carl Perkins Vocational Education Basic	Title III-A English Language
<i>Year Ended June 30, 2018</i>						
Revenues						
Local sources:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough capital projects	-	-	-	-	-	-
Total local sources	-	-	-	-	-	-
State of Alaska	-	73,176	344,918	-	-	-
Federal sources:						
Direct from federal government	-	-	-	-	-	-
Passed through the State of Alaska	60,271	-	-	756,322	402,383	39,458
Passed through other intermediate agencies	-	-	-	-	-	-
Total federal sources	60,271	-	-	756,322	402,383	39,458
Total Revenues	60,271	73,176	344,918	756,322	402,383	39,458
Expenditures						
Current:						
Instruction	-	-	319,398	-	383,222	-
Special education instruction	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-
Support services - instruction	55,812	67,762	-	700,363	-	38,685
School administration	-	-	-	-	-	-
District administration	-	-	-	-	-	-
District administration support services	4,459	5,414	25,520	55,959	19,161	773
Operations and maintenance of plant	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-
Student transportation - other transportation services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Food services	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-
Total Expenditures	60,271	73,176	344,918	756,322	402,383	39,458
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Other financing sources - transfers in	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund Balances, beginning of year	-	-	-	-	-	-
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances, continued

	Special Revenue Funds, continued					
	IASA Con- solidated Admin- istration	Title I-A Basic	Title VI-B IDEA	Learning Center	Title I-C Migrant Education Summer	Migrant Education Book Program
<i>Year Ended June 30, 2018</i>						
Revenues						
Local sources:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough capital projects	-	-	-	-	-	-
Total local sources	-	-	-	-	-	-
State of Alaska	-	-	-	-	-	-
Federal sources:						
Direct from federal government	-	-	-	-	-	-
Passed through the State of Alaska	1,198,942	3,582,824	4,137,773	543,920	825,114	15,750
Passed through other intermediate agencies	-	-	-	-	-	-
Total federal sources	1,198,942	3,582,824	4,137,773	543,920	825,114	15,750
Total Revenues	1,198,942	3,582,824	4,137,773	543,920	825,114	15,750
Expenditures						
Current:						
Instruction	-	2,893,994	-	472,862	764,065	15,750
Special education instruction	-	-	2,017,536	-	-	-
Special education support services - students	-	-	1,517,432	-	-	-
Support services - students	-	161,821	161,862	-	-	-
Support services - instruction	740,430	-	-	-	-	-
School administration	-	261,369	134,796	30,814	-	-
District administration	11,653	-	-	-	-	-
District administration support services	446,859	265,087	306,147	40,244	61,049	-
Operations and maintenance of plant	-	553	-	-	-	-
Student activities	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-
Student transportation - other transportation services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Food services	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-
Total Expenditures	1,198,942	3,582,824	4,137,773	543,920	825,114	15,750
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Other financing sources - transfers in	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund Balances, beginning of year	-	-	-	-	-	-
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances, continued

	Special Revenue Funds, continued						
	CEIS	IDEA Part B	IDEA Part B	Smarter	Project	Title IV-A	Title I-A
	IDEA Part B	Preschool	Disabled	Lunchrooms	Aware	Student Support & Academic Enrichment	School Improvement
<i>Year Ended June 30, 2018</i>	Title VI-B						
Revenues							
Local sources:							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough capital projects	-	-	-	-	-	-	-
Total local sources	-	-	-	-	-	-	-
State of Alaska	-	-	-	-	-	-	-
Federal sources:							
Direct from federal government	-	-	-	-	-	-	-
Passed through the State of Alaska	467,297	246,520	13,789	394,642	175,704	40,943	
Passed through other intermediate agencies	-	-	-	-	-	-	-
Total federal sources	467,297	246,520	13,789	394,642	175,704	40,943	
Total Revenues	467,297	246,520	13,789	394,642	175,704	40,943	
Expenditures							
Current:							
Instruction	-	-	-	-	-	-	-
Special education instruction	369,446	73,558	-	-	-	-	-
Special education support services - students	63,276	154,722	-	-	-	-	-
Support services - students	-	-	-	365,443	-	-	-
Support services - instruction	-	-	13,789	-	172,259	37,914	
School administration	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-
District administration support services	34,575	18,240	-	29,199	3,445	3,029	
Operations and maintenance of plant	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-
Student transportation - other transportation services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-
Total Expenditures	467,297	246,520	13,789	394,642	175,704	40,943	
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-
Other financing sources - transfers in	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-
Fund Balances, beginning of year	-	-	-	-	-	-	-
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances, continued

	Special Revenue Funds, continued					
	WHS AF JROTC Grant	Artists in Schools II	Indian Education	Contributions From Local Sources	Trapper Creek Community Enrichment	Talkeetna Community Enrichment
<i>Year Ended June 30, 2018</i>						
Revenues						
Local sources:						
Other	\$ -	\$ 1,000	\$ -	\$ 240,060	\$ 2,944	\$ 18,729
Borough capital projects	-	-	-	-	-	-
Total local sources	-	1,000	-	240,060	2,944	18,729
State of Alaska	-	1,250	-	-	-	-
Federal sources:						
Direct from federal government	7,523	-	622,438	-	-	-
Passed through the State of Alaska	-	-	-	-	-	-
Passed through other intermediate agencies	-	24,889	-	34,618	-	-
Total federal sources	7,523	24,889	622,438	34,618	-	-
Total Revenues	7,523	27,139	622,438	274,678	2,944	18,729
Expenditures						
Current:						
Instruction	-	3,500	576,385	123,107	-	-
Special education instruction	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-
Support services - instruction	7,523	23,269	-	142,954	-	-
School administration	-	-	-	-	-	-
District administration	-	-	-	-	-	-
District administration support services	-	370	46,053	2,561	-	-
Operations and maintenance of plant	-	-	-	-	-	-
Student activities	-	-	-	1,056	-	-
Student transportation - to and from school	-	-	-	-	-	-
Student transportation - other transportation services	-	-	-	-	-	-
Community services	-	-	-	-	2,944	18,729
Food services	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	5,000	-	-
Total Expenditures	7,523	27,139	622,438	274,678	2,944	18,729
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Other financing sources - transfers in	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund Balances, beginning of year	-	-	-	-	-	-
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances, continued

	Special Revenue Funds, continued					
	Knik Tribal Council	River Rangers TMS	Mat-Su Health Foundation	Cultural Program	SV Fire Damage Reclam- ation	RJ Jones Memorial Fund
<i>Year Ended June 30, 2018</i>						
Revenues						
Local sources:						
Other	\$ -	\$ 2,747	\$ 146,818	\$ 4,730	\$ -	\$ 3
Borough capital projects	-	-	-	-	-	-
Total local sources	-	2,747	146,818	4,730	-	3
State of Alaska	-	-	-	-	-	-
Federal sources:						
Direct from federal government	-	-	-	-	-	-
Passed through the State of Alaska	-	-	-	-	-	-
Passed through other intermediate agencies	35,927	-	-	-	-	-
Total federal sources	35,927	-	-	-	-	-
Total Revenues	35,927	2,747	146,818	4,730	-	3
Expenditures						
Current:						
Instruction	35,927	2,747	-	4,730	-	-
Special education instruction	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-
Support services - instruction	-	-	135,011	-	-	-
School administration	-	-	-	-	-	-
District administration	-	-	-	-	-	-
District administration support services	-	-	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-	-
Student activities	-	-	11,807	-	-	-
Student transportation - to and from school	-	-	-	-	-	-
Student transportation - other transportation services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Food services	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-
Total Expenditures	35,927	2,747	146,818	4,730	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	3
Other financing sources - transfers in	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	3
Fund Balances, beginning of year	-	-	-	-	1,450	4,282
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ 1,450	\$ 4,285

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Governmental Funds
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances, continued

	<u>Debt Service</u>	<u>Capital Projects Funds</u>			
	Debt Service Fund	Legislative Grants Small	Legislative Grants Large	Bond Reimburse- ment	Totals
<i>Year Ended June 30, 2018</i>					
Revenues					
Local sources:					
Other	\$ -	\$ -	\$ -	\$ -	\$ 1,514,651
Borough capital projects	-	108,323	201,769	230,534	540,626
Total local sources	-	108,323	201,769	230,534	2,055,277
State of Alaska	-	-	-	-	17,661,408
Federal sources:					
Direct from federal government	-	-	-	-	629,961
Passed through the State of Alaska	-	-	-	-	18,973,568
Passed through other intermediate agencies	-	-	-	-	95,434
Total federal sources	-	-	-	-	19,698,963
Total Revenues	-	108,323	201,769	230,534	39,415,648
Expenditures					
Current:					
Instruction	-	-	-	-	5,595,687
Special education instruction	-	-	-	-	2,548,617
Special education support services - students	-	-	-	-	1,735,430
Support services - students	-	-	-	-	689,200
Support services - instruction	-	-	-	-	2,501,386
School administration	-	-	-	-	426,979
District administration	-	-	-	-	11,653
District administration support services	60	-	-	-	1,393,470
Operations and maintenance of plant	-	-	-	-	290,416
Student activities	-	-	-	-	12,863
Student transportation - to and from school	-	-	-	-	17,452,335
Student transportation - other transportation services	-	-	-	-	400,198
Community services	-	-	-	-	21,673
Food services	-	-	-	-	6,901,329
Debt service	534,466	-	-	-	534,466
Construction and facilities acquisition	-	108,323	201,769	230,534	545,626
Total Expenditures	534,526	108,323	201,769	230,534	41,061,328
Excess (deficiency) of revenues over expenditures	(534,526)	-	-	-	(1,645,680)
Other financing sources - transfers in	300,000	-	-	-	1,512,119
Net change in fund balances	(234,526)	-	-	-	(133,561)
Fund Balances, beginning of year	1,009,000	-	-	-	1,663,066
Fund Balances, end of year	\$ 774,474	\$ -	\$ -	\$ -	\$ 1,529,505

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Student Transportation Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 16,841,720	\$ 16,841,720	\$ -
Expenditures			
Operations and maintenance of plant:			
Insurance and bond premiums	1,267	-	1,267
Total operations and maintenance of plant	1,267	-	1,267
Student transportation - to and from school:			
Non-certificated salaries	251,017	247,670	3,347
Employee benefits	167,107	164,729	2,378
Utility services	2,000	-	2,000
Other purchased services	18,064,959	17,031,442	1,033,517
Supplies, materials and media	26,000	6,332	19,668
Student transportation - in-lieu-of agreements	18,000	1,919	16,081
Other expenditures	500	243	257
Total student transportation - to and from school:	18,529,583	17,452,335	1,077,248
Student transportation - other transportation services:			
Other purchased services	412,304	400,198	12,106
Total student transportation - other transportation :	412,304	400,198	12,106
Total Expenditures	18,943,154	17,852,533	1,090,621
Deficiency of revenues over expenditures	(2,101,434)	(1,010,813)	(1,090,621)
Other Financing Sources - transfers in	-	1,010,813	1,010,813
Net change in fund balance	<u>\$ (2,101,434)</u>	<u>\$ -</u>	<u>\$ 2,101,434</u>
Fund Balance, beginning of year		-	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Staff Development Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 7,179	\$ 5,749	\$ (1,430)
Expenditures			
Support services - instruction:			
Certificated salaries	1,722	1,721	1
Non-certificated salaries	256	240	16
Employee benefits	78	102	(24)
Staff travel	5,123	3,686	1,437
Total Expenditures	7,179	5,749	1,430
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Suicide Awareness, Prevention & Postvention Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 38,160	\$ 36,480	\$ (1,680)
Expenditures			
Support services - instruction:			
Certificated salaries	5,250	5,250	-
Non-certificated salaries	750	82	668
Employee benefits	885	164	721
Staff travel	8,090	8,086	4
Student travel	1,000	535	465
Other purchased services	14,000	13,975	25
Supplies, materials and media	5,362	5,689	(327)
Total support services - instruction	35,337	33,781	1,556
District administration support services - indirect costs	2,823	2,699	124
Total Expenditures	38,160	36,480	1,680
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Youth in Detention Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 366,907	\$ 95,114	\$ (271,793)
Expenditures			
Special education instruction:			
Certificated salaries	99,361	53,503	45,858
Employee benefits	35,451	18,234	17,217
Professional and technical services	3,005	3,005	-
Staff travel	20,000	13,335	6,665
Supplies, materials and media	202,052	-	202,052
Total special education instruction	359,869	88,077	271,792
District administration support services - indirect costs	7,038	7,037	1
Total Expenditures	366,907	95,114	271,793
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Obesity Prevention K-12 Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues			
State of Alaska	\$ 38,400	\$ 38,400	\$ -
Federal education grants passed through the State of Alaska	87,500	86,107	(1,393)
Total Revenues	125,900	124,507	(1,393)
Expenditures			
Support services - instruction:			
Certificated salaries	76,566	78,523	(1,957)
Non-certificated salaries	3,655	2,772	883
Employee benefits	23,038	22,963	75
Staff travel	297	135	162
Student travel	500	431	69
Other purchased services	-	2,138	(2,138)
Supplies, materials and media	12,333	8,137	4,196
Other expenditures	196	196	-
Total support services - instruction	116,585	115,295	1,290
District administration support services - indirect costs	9,315	9,212	103
Total Expenditures	125,900	124,507	1,393
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

National Math & Science Initiative (NMSI) Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 241,386	\$ 69,609	\$ (171,777)
Expenditures			
Support services - instruction:			
Certificated salaries	132,419	23,800	108,619
Employee benefits	27,381	712	26,669
Supplies, materials and media	37,986	1,497	36,489
Other expenditures	43,600	43,600	-
Total Expenditures	241,386	69,609	171,777
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Alaska Family Services Tobacco Prevention Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 105,000	\$ 105,000	\$ -
Expenditures			
Support services - instruction:			
Certificated salaries	69,639	69,639	-
Employee benefits	26,075	26,076	(1)
Professional and technical services	5,500	5,500	-
Staff travel	1,272	1,271	1
Other purchased services	440	440	-
Supplies, materials and media	2,074	2,074	-
Total Expenditures	105,000	105,000	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Safe Children's Act Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 13,999	\$ 13,999	\$ -
Expenditures			
Support services - students:			
Staff travel	-	74	(74)
Support services - instruction:			
Certificated salaries	309	309	-
Non-certificated salaries	1,711	1,712	(1)
Employee benefits	171	170	1
Professional and technical services	2,250	2,250	-
Staff travel	86	12	74
Supplies, materials and media	9,472	9,472	-
Total support services - instruction	13,999	13,925	74
Total Expenditures	13,999	13,999	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nutritional Alaskan Foods for Schools Program Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 311,602	\$ 40,826	\$ (270,776)
Expenditures			
Food services - supplies, materials and media	311,602	40,826	270,776
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Fresh Fruits and Vegetables Program Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 155,650	\$ 96,864	\$ (58,786)
Expenditures			
Food services - supplies, materials and media	155,650	96,864	58,786
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nutrition Services Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues			
Local sources:			
Food service	\$ 1,107,699	\$ 1,073,557	\$ (34,142)
Other local revenue	51,585	24,063	(27,522)
Total local sources	1,159,284	1,097,620	(61,664)
Federal grants passed through the State of Alaska	5,662,255	5,860,151	197,896
Total Revenues	6,821,539	6,957,771	136,232
Expenditures			
District Administration Support Services - other purchased services	-	4,613	(4,613)
Operations and maintenance of plant:			
Utility services	18,858	17,244	1,614
Energy	202,349	215,495	(13,146)
Other purchased services	12,000	3,369	8,631
Insurance and bond premiums	24,525	20,330	4,195
Supplies, materials and media	41,869	33,425	8,444
Total operations and maintenance of plant	299,601	289,863	9,738
Food services:			
Non-certificated salaries	2,567,946	2,546,942	21,004
Employee benefits	1,179,590	1,175,916	3,674
Staff travel	5,618	6,060	(442)
Utility services	59	94	(35)
Other purchased services	45,000	47,589	(2,589)
Supplies, materials and media	3,153,620	2,947,300	206,320
Other expenditures	40,557	39,738	819
Total food services	6,992,390	6,763,639	228,751
Total Expenditures	7,291,991	7,058,115	233,876
Deficiency of revenues over expenditures	(470,452)	(100,344)	370,108
Other Financing Sources - transfers in	470,452	201,306	(269,146)
Net change in fund balance	<u>\$ -</u>	100,962	<u>\$ 100,962</u>
Fund Balance, beginning of year		<u>648,334</u>	
Fund Balance, end of year		<u>\$ 749,296</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Title I-D Delinquent Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 24,447	\$ 23,045	\$ (1,402)
Expenditures			
Support services - instruction:			
Certificated salaries	2,687	1,791	896
Non-certificated salaries	11,477	11,478	(1)
Employee benefits	8,474	8,071	403
Total support services - instruction	22,638	21,340	1,298
District administration support services - indirect costs	1,809	1,705	104
Total Expenditures	24,447	23,045	1,402
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Youth Risk Behavior Survey Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

				Variance with
<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Final Budget	
Revenues - State of Alaska	\$ 916	\$ 916	\$	-
Expenditures				
Support services - instruction - supplies, materials and media	916	916		-
Net change in fund balance	<u>\$ -</u>	-	<u>\$</u>	-
Fund Balance, beginning of year		<u>-</u>		
Fund Balance, end of year		<u>\$ -</u>		

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

McKinney Homeless Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

			Variance with
<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 64,460	\$ 60,271	\$ (4,189)
Expenditures			
Support services - instruction:			
Staff travel	5,109	4,302	807
Student travel	1,500	1,308	192
Other purchased services	2,160	731	1,429
Supplies, materials and media	49,366	47,874	1,492
Other expenditures	1,555	1,597	(42)
Total support services - instruction	59,690	55,812	3,878
District administration support services - indirect costs	4,770	4,459	311
Total Expenditures	64,460	60,271	4,189
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Alternative Schools Grant Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 73,900	\$ 73,176	\$ (724)
Expenditures			
Support services - instruction:			
Certificated salaries	1,000	1,000	-
Non-certificated salaries	4,423	4,423	-
Employee benefits	5,946	5,946	-
Professional and technical services	6,470	6,470	-
Staff travel	584	584	-
Student travel	3,619	3,619	-
Other purchased services	20,453	20,453	-
Supplies, materials and media	25,777	25,107	670
Other expenditures	160	160	-
Total support services - instruction	68,432	67,762	670
District administration support services - indirect costs	5,468	5,414	54
Total Expenditures	73,900	73,176	724
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		-	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Alaska Pre-K Program Grant Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 354,000	\$ 344,918	\$ (9,082)
Expenditures			
Instruction:			
Certificated salaries	165,981	158,848	7,133
Non-certificated salaries	62,087	61,048	1,039
Employee benefits	94,723	94,790	(67)
Supplies, materials and media	5,017	4,712	305
Total instruction	327,808	319,398	8,410
District administration support services - indirect costs	26,192	25,520	672
Total Expenditures	354,000	344,918	9,082
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Title II-A, Teacher and Principal Training and Recruitment Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 1,059,571	\$ 756,322	\$ (303,249)
Expenditures			
Support services - instruction:			
Certificated salaries	310,549	292,788	17,761
Non-certificated salaries	196,800	52,539	144,261
Employee benefits	121,595	110,456	11,139
Professional and technical services	171,400	119,100	52,300
Staff travel	119,400	78,489	40,911
Other purchased services	4,600	3,179	1,421
Supplies, materials and media	30,076	17,636	12,440
Other expenditures	26,755	26,176	579
Total support services - instruction	981,175	700,363	280,812
District administration support services - indirect costs	78,396	55,959	22,437
Total Expenditures	1,059,571	756,322	303,249
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		-	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Carl Perkins Vocational Education Basic Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 404,282	\$ 402,383	\$ (1,899)
Expenditures			
Instruction:			
Certificated salaries	131,873	131,872	1
Non-certificated salaries	6,467	6,467	-
Employee benefits	57,694	57,694	-
Staff travel	12,303	12,298	5
Supplies, materials and media	148,605	146,802	1,803
Other expenditures	28,089	28,089	-
Total instruction	385,031	383,222	1,809
District administration support services - indirect costs	19,251	19,161	90
Total Expenditures	404,282	402,383	1,899
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Title III-A English Language Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 43,000	\$ 39,458	\$ (3,542)
Expenditures			
Support services - instruction:			
Non-certificated salaries	2,312	2,312	-
Employee benefits	215	211	4
Professional and technical services	20,125	19,547	578
Other purchased services	660	660	-
Supplies, materials and media	9,110	6,220	2,890
Other expenditures	9,735	9,735	-
Total support services - instruction	42,157	38,685	3,472
District administration support services - indirect costs	843	773	70
Total Expenditures	43,000	39,458	3,542
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

IASA Consolidated Administration Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 1,214,809	\$ 1,198,942	\$ (15,867)
Expenditures			
Support services - instruction:			
Certificated salaries	357,282	430,879	(73,597)
Non-certificated salaries	112,608	79,776	32,832
Employee benefits	175,655	211,744	(36,089)
Staff travel	13,000	12,186	814
Utility services	200	-	200
Other purchased services	1,500	1,503	(3)
Supplies, materials and media	25,000	3,853	21,147
Other expenditures	4,825	489	4,336
Total support services - instruction	690,070	740,430	(50,360)
District administration:			
Certificated salaries	44,561	11,142	33,419
Non-certificated salaries	7,704	-	7,704
Employee benefits	24,289	511	23,778
Total district administration	76,554	11,653	64,901
District administrative support services:			
Certificated salaries	75,439	75,436	3
Non-certificated salaries	163,796	163,650	146
Employee benefits	119,068	119,065	3
Indirect costs	89,882	88,708	1,174
Total district administration support services	448,185	446,859	1,326
Total Expenditures	1,214,809	1,198,942	15,867
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Title I-A Basic Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 3,949,631	\$ 3,582,824	\$ (366,807)
Expenditures			
Instruction:			
Certificated salaries	1,075,081	907,762	167,319
Non-certificated salaries	627,601	577,105	50,496
Employee benefits	590,033	569,426	20,607
Other professional services	52,353	49,313	3,040
Staff travel	35,279	24,153	11,126
Student travel	34,590	33,636	954
Utility services	756	700	56
Other purchased services	29,057	14,101	14,956
Supplies, materials and media	723,604	657,754	65,850
Other expenditures	65,301	60,044	5,257
Total instruction	3,233,655	2,893,994	339,661
Support services - students:			
Certificated salaries	110,501	110,500	1
Employee benefits	51,320	51,321	(1)
Total support services - students	161,821	161,821	-
School administration:			
Certificated salaries	188,381	188,380	1
Employee benefits	71,549	71,549	-
Staff travel	1,440	1,440	-
Total school administration	261,370	261,369	1
District administration support services - indirect costs	292,227	265,087	27,140
Operations and maintenance of plant - utility services	558	553	5
Total Expenditures	3,949,631	3,582,824	366,807
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Title VI-B IDEA Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 5,696,210	\$ 4,137,773	\$ (1,558,437)
Expenditures			
Special education instruction:			
Certificated salaries	375,726	49,464	326,262
Non-certificated salaries	1,259,510	1,081,071	178,439
Employee benefits	1,330,829	887,001	443,828
Total special education instruction	2,966,065	2,017,536	948,529
Special education support services - students:			
Certificated salaries	167,601	144,028	23,573
Non-certificated salaries	911,892	692,280	219,612
Employee benefits	620,109	477,067	143,042
Professional and technical services	37,000	36,500	500
Staff travel	12,500	8,285	4,215
Other purchased services	24,400	14,400	10,000
Supplies, materials and media	199,000	140,758	58,242
Other expenditures	30,000	4,114	25,886
Total special education support services - students	2,002,502	1,517,432	485,070
Support services - students:			
Certificated salaries	27,005	27,004	1
Non-certificated salaries	70,420	68,235	2,185
Employee benefits	73,899	66,623	7,276
Total support services - students	171,324	161,862	9,462
School administration:			
Certificated salaries	116,166	116,161	5
Employee benefits	18,700	18,635	65
Total school administration	134,866	134,796	70
District administration support services - indirect costs	421,453	306,147	115,306
Total Expenditures	5,696,210	4,137,773	1,558,437
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Learning Center Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 609,680	\$ 543,920	\$ (65,760)
Expenditures			
Instruction:			
Certificated salaries	192,206	169,100	23,106
Non-certificated salaries	38,422	38,134	288
Employee benefits	51,786	44,788	6,998
Professional and technical services	93,138	85,646	7,492
Staff travel	19,270	19,141	129
Student travel	64,690	54,895	9,795
Other purchased services	9,008	9,008	-
Supplies, materials and media	62,737	50,370	12,367
Other expenditures	1,780	1,780	-
Total instruction	533,037	472,862	60,175
School administration:			
Certificated salaries	22,504	22,301	203
Employee benefits	9,030	8,513	517
Total school administration	31,534	30,814	720
District administration support services - indirect costs	45,109	40,244	4,865
Total Expenditures	609,680	543,920	65,760
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Title I-C Migrant Education Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 1,059,251	\$ 825,114	\$ (234,137)
Expenditures			
Instruction:			
Certificated salaries	477,292	397,078	80,214
Non-certificated salaries	55,581	30,911	24,670
Employee benefits	202,499	186,835	15,664
Professional and technical services	90,407	24,610	65,797
Staff travel	1,532	1,532	-
Student travel	31,358	31,357	1
Utility services	1,250	1,083	167
Other purchased services	30,000	13,950	16,050
Supplies, materials and media	90,359	76,539	13,820
Other expenditures	600	170	430
Total instruction	980,878	764,065	216,813
District administration support services - indirect costs	78,373	61,049	17,324
Total Expenditures	1,059,251	825,114	234,137
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Migrant Education Book Program Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual**

			Variance with
<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 15,750	\$ 15,750	\$ -
Expenditures			
Instruction - supplies, materials and media	15,750	15,750	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

CEIS IDEA Part B Title VI-B Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 478,047	\$ 467,297	\$ (10,750)
Expenditures			
Special education instruction:			
Certificated salaries	16,187	16,186	1
Non-certificated salaries	244,292	244,318	(26)
Employee benefits	119,321	108,942	10,379
Total special education instruction	379,800	369,446	10,354
Special education support services - students:			
Certificated salaries	45,344	45,887	(543)
Employee benefits	17,533	17,389	144
Total special education support services - students	62,877	63,276	(399)
District administration support services - indirect costs	35,370	34,575	795
Total Expenditures	478,047	467,297	10,750
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

IDEA Part B Preschool Disabled Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 380,197	\$ 246,520	\$ (133,677)
Expenditures			
Special education instruction			
Certificated salaries	30,646	30,834	(188)
Non-certificated salaries	45,181	16,579	28,602
Employee benefits	67,570	26,145	41,425
Total special education instruction	143,397	73,558	69,839
Special education support services			
Certificated salaries	74,216	73,429	787
Employee benefits	18,885	11,815	7,070
Professional and technical services	56,000	38,837	17,163
Staff travel	13,000	1,537	11,463
Other purchased services	1,000	469	531
Supplies, materials and media	30,068	14,010	16,058
Other expenditures	15,500	14,625	875
Total special education support services - students	208,669	154,722	53,947
District administration support services - indirect costs	28,131	18,240	9,891
Total Expenditures	380,197	246,520	133,677
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Smarter Lunchrooms Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 14,700	\$ 13,789	\$ (911)
Expenditures			
Support services instruction:			
Professional and technical services	4,800	4,800	-
Supplies, materials and media	9,900	8,989	911
Total Expenditures	14,700	13,789	911
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Project Aware Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 436,085	\$ 394,642	\$ (41,443)
Expenditures			
Support services - students:			
Certificated salaries	280,934	265,483	15,451
Non-certificated salaries	918	60	858
Employee benefits	96,455	89,540	6,915
Staff travel	2,767	2,766	1
Other purchased services	7,572	3,376	4,196
Supplies, materials and media	15,172	4,218	10,954
Total support services - students	403,818	365,443	38,375
District administration support services - indirect costs	32,267	29,199	3,068
Total Expenditures	436,085	394,642	41,443
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Title IV-A Student Support & Academic Enrichment Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 186,642	\$ 175,704	\$ (10,938)
Expenditures			
Support services - instruction:			
Certificated salaries	20,500	20,500	-
Non-certificated salaries	787	787	-
Employee benefits	997	997	-
Professional and technical services	158,724	148,000	10,724
Staff travel	81	81	-
Student travel	1,894	1,894	-
Total support services - students	182,983	172,259	10,724
District administration support services - indirect costs	3,659	3,445	214
Total Expenditures	186,642	175,704	10,938
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Title I-A School Improvement Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 41,317	\$ 40,943	\$ (374)
Expenditures			
Support services - instruction:			
Professional and technical services	37,040	37,000	40
Supplies, materials, and media	1,219	914	305
Total support services - instruction	38,259	37,914	345
District administration support services - indirect costs	3,058	3,029	29
Total Expenditures	41,317	40,943	374
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

WHS AF JROTC Grant Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal direct	\$ 10,282	\$ 7,523	\$ (2,759)
Expenditures			
Support services - instruction:			
Student travel	4,236	4,236	-
Other purchased services	192	470	(278)
Supplies, materials, and media	5,854	2,817	3,037
Total Expenditures	10,282	7,523	2,759
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Artists in Schools II Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues			
Local sources - other	\$ 1,000	\$ 1,000	\$ -
State of Alaska	1,250	1,250	-
Federal sources passed through intermediate agencies	24,889	24,889	-
Total Revenues	27,139	27,139	-
Expenditures			
Instruction:			
Professional and technical services	3,250	3,250	-
Supplies, materials and media	250	250	-
Total instruction	3,500	3,500	-
Support services - instruction:			
Certificated salaries	6,151	6,151	-
Non-certificated salaries	494	494	-
Employee benefits	1,225	1,225	-
Professional and technical services	9,210	9,210	-
Staff travel	4,630	4,630	-
Supplies, materials and media	1,559	1,559	-
Total support services - instruction	23,269	23,269	-
District administration support services - indirect costs	370	370	-
Total Expenditures	27,139	27,139	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Indian Education Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - direct federal education grants	\$ 625,748	\$ 622,438	\$ (3,310)
Expenditures			
Instruction:			
Certificated salaries	311,367	311,365	2
Non-certificated salaries	32,878	32,878	-
Employee benefits	164,140	161,473	2,667
Professional and technical services	5,928	5,533	395
Staff travel	1,266	1,265	1
Student travel	3,541	3,541	-
Other purchased services	622	622	-
Supplies, materials and media	59,588	59,588	-
Other expenditures	120	120	-
Total instruction	579,450	576,385	3,065
District administration support services - indirect costs	46,298	46,053	245
Total Expenditures	625,748	622,438	3,310
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Contributions from Local Sources Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues			
Local sources - other	\$ 499,625	\$ 240,060	\$ (259,565)
Federal sources passed through intermediate agencies	52,145	34,618	(17,527)
Total Revenues	551,770	274,678	(277,092)
Expenditures			
Instruction:			
Certificated salaries	229,396	76,570	152,826
Employee benefits	22,537	22,537	-
Supplies, materials and media	24,000	24,000	-
Total instruction	275,933	123,107	152,826
Support services - instruction:			
Certificated salaries	33,159	23,213	9,946
Employee benefits	12,795	8,692	4,103
Professional and technical services	4,900	4,900	-
Staff travel	3,390	2,541	849
Other purchased services	1,500	-	1,500
Supplies, materials and media	129,042	96,859	32,183
Equipment	81,137	6,749	74,388
Total support services - instruction	265,923	142,954	122,969
District administration support services - indirect costs	3,858	2,561	1,297
Student activities - supplies, materials and media	1,056	1,056	-
Construction and facilities acquisition	5,000	5,000	-
Total Expenditures	551,770	274,678	277,092
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Trapper Creek Community Enrichment Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual**

			Variance with
<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Final Budget
Revenues - other local	\$ 10,199	\$ 2,944	\$ (7,255)
Expenditures			
Community services:			
Non-certificated salaries	5,863	1,336	4,527
Employee benefits	1,830	297	1,533
Professional and technical services	1,036	1,036	-
Supplies, materials and media	1,370	175	1,195
Other expenditures	100	100	-
Total Expenditures	10,199	2,944	7,255
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)
Talkeetna Community Enrichment Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - other local	\$ 30,901	\$ 18,729	\$ (12,172)
Expenditures			
Community services:			
Non-certificated salaries	27,548	17,127	10,421
Employee benefits	2,303	1,602	701
Supplies, materials and media	750	-	750
Other expenditures	300	-	300
Total Expenditures	30,901	18,729	12,172
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Knik Tribal Council - Local Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual**

			Variance with
<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Final Budget
Revenues - federal sources passed through intermediate agencies	\$ 38,179	\$ 35,927	\$ (2,252)
Expenditures			
Instruction:			
Certificated salaries	11,806	11,805	1
Employee benefits	1,836	1,836	-
Professional and technical services	12,000	12,000	-
Student travel	2,700	900	1,800
Supplies, materials and media	9,437	9,306	131
Other expenditures	400	80	320
Total Expenditures	38,179	35,927	2,252
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

River Ranger TMS - Local Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - local sources	\$ 10,132	\$ 2,747	\$ (7,385)
Expenditures			
Instruction:			
Student travel	2,570	2,570	-
Supplies, materials and media	7,562	177	7,385
Total Expenditures	10,132	2,747	7,385
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Mat-Su Health Foundation Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - other local	\$ 469,437	\$ 146,818	\$ (322,619)
Expenditures			
Support services - instruction:			
Certificated salaries	16,900	900	16,000
Non-certificated salaries	78,300	-	78,300
Employee benefits	9,669	32	9,637
Professional and technical services	87,391	67,529	19,862
Staff travel	5,000	-	5,000
Student travel	900	520	380
Other purchased services	131,190	26,895	104,295
Supplies, materials and media	116,385	39,135	77,250
Other expenditures	12,000	-	12,000
Equipment	11,702	-	11,702
Total support services - instruction	469,437	135,011	334,426
Student activities - equipment	-	11,807	(11,807)
Total Expenditures	469,437	146,818	322,619
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Cultural Program Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - other local	\$ 10,790	\$ 4,730	\$ (6,060)
Expenditures			
Instruction:			
Professional and technical services	300	300	-
Student travel	3,750	-	3,750
Supplies, materials and media	6,410	4,350	2,060
Other expenditures	330	80	250
Total Expenditures	10,790	4,730	6,060
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

SV Fire Damage Reclamation Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual**

			Variance with
<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Final Budget
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>1,450</u>	
Fund Balance, end of year		<u>\$ 1,450</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

RJ Jones Memorial Fund Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

<i>Year Ended June 30, 2018</i>		Actual
Revenues - local - earnings on investments	\$	3
Expenditures		
Student Activities - professional and technical services		-
Net change in fund balance		3
Fund Balance, beginning of year		4,282
Fund Balance, end of year	\$	4,285

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Legislative Grants Small Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - local sources - borough capital projects	\$ 108,360	\$ 108,323	\$ (37)
Expenditures			
Construction and facilities acquisition:			
Other purchased services	48,627	48,627	-
Supplies, materials and media	45,901	54,146	(8,245)
Equipment	13,832	5,550	8,282
Total Expenditures	108,360	108,323	37
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Legislative Grants Large Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - local sources - borough capital projects	\$ 202,663	\$ 201,769	\$ (894)
Expenditures			
Construction and facilities acquisition:			
Other purchased services	89,733	89,733	-
Supplies, materials and media	112,930	112,036	894
Total Expenditures	202,663	201,769	894
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Bond Reimbursement Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
Revenues - local sources - borough capital projects	\$ 414,169	\$ 230,534	\$ (183,635)
Expenditures			
Construction and facilities acquisition:			
Other purchased services	48,122	29,653	18,469
Supplies, materials and media	91,434	87,440	3,994
Equipment	274,613	113,441	161,172
Total Expenditures	414,169	230,534	183,635
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Debt Service Fund

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Debt Service Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

Year Ended June 30, 2018

Revenues	\$ -
Expenditures	
District administration support services:	
Other purchased services	60
Total instruction	60
Debt service:	
Interest on long-term debt	401,222
Other capital outlay expenses	133,244
Total construction and facilities acquisition	534,466
Total Expenditures	534,526
Other Financing Sources - transfers in	300,000
Net change in fund balance	(234,526)
Fund Balance, beginning of year	1,009,000
Fund Balance, end of year	\$ 774,474

Proprietary Funds

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Enterprise Funds
Combining Statement of Net Position

<i>June 30, 2018</i>	Mat-Su Construction Trade	Adult Welding Classes	Families In Transition	Alaska Works Partnership	Totals
Assets					
Cash	\$ 223,144	\$ 54,015	\$ 426	\$ 28,139	\$ 305,724
Prepaid items	2,000	-	-	-	2,000
Total Assets	\$ 225,144	\$ 54,015	\$ 426	\$ 28,139	\$ 307,724
Liabilities and Net Position					
Current Liabilities					
Unearned revenue	\$ -	\$ -	\$ 426	\$ -	\$ 426
Net Position - unrestricted	225,144	54,015	-	28,139	307,298
Total Liabilities and Net Position	\$ 225,144	\$ 54,015	\$ 426	\$ 28,139	\$ 307,724

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Enterprise Funds
Combining Statement of Revenues,
Expenses and Changes in Net Position

<i>Year Ended June 30, 2018</i>	Mat-Su Construction Trade	Adult Welding Classes	Alaska Works Partnership	Parent Advisory Local Wellness	Totals
Operating Revenues					
Sales	\$ -	\$ 4,600	\$ -	\$ 1,077	\$ 5,677
Operating Expenses					
Instruction	30	3,516	-	1,077	4,623
Change in net position	(30)	1,084	-	-	1,054
Net Position, beginning of year	225,174	52,931	28,139	-	306,244
Net Position, end of year	\$ 225,144	\$ 54,015	\$ 28,139	\$ -	\$ 307,298

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Nonmajor Enterprise Funds
Combining Statement of Cash Flows

<i>Year Ended June 30, 2018</i>	Mat-Su Construction Trade	Adult Welding Classes	Families In Transition	Alaska Works Partnership	Parent Advisory Local Wellness	Totals
Cash Flows from Operating Activities						
Receipts from customers and users	\$ -	\$ 4,600	\$ -	\$ -	\$ -	\$ 4,600
Payments to suppliers	(30)	(3,516)	-	-	(1,077)	(4,623)
Net cash flows from (for) operating activities	(30)	1,084	-	-	(1,077)	(23)
Net increase (decrease) in cash and cash equivalents	(30)	1,084	-	-	(1,077)	(23)
Cash and Cash Equivalents, beginning of year	223,174	52,931	426	28,139	1,077	305,747
Cash and Cash Equivalents, end of year	\$ 223,144	\$ 54,015	\$ 426	\$ 28,139	\$ -	\$ 305,724
Reconciliation of Operating Income						
Cash Flows for Operating Activities						
Operating income (loss)	\$ (30)	\$ 1,084	\$ -	\$ -	\$ -	\$ 1,054
Adjustments to reconcile operating loss to net cash flows for operating activities:						
Decrease in deferred revenue	-	-	-	-	(1,077)	(1,077)
Net Cash Flows from (for) Operating Activities	\$ (30)	\$ 1,084	\$ -	\$ -	\$ (1,077)	\$ (23)

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Workers Compensation Self-Insurance Internal Service Fund
Statements of Net Position

<i>June 30,</i>	2018	2017
Assets		
Cash	\$ 4,676,081	\$ 3,598,125
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 13,766	\$ 12,860
Due to other funds	3,479,996	2,556,044
Insurance claims incurred but not reported	1,182,319	1,029,221
Total Current Liabilities	4,676,081	3,598,125
Net Position	-	-
Total Liabilities and Net Position	\$ 4,676,081	\$ 3,598,125

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Workers Compensation Self-Insurance Internal Service Fund
Statements of Revenues, Expenses and
Changes in Net Position

<i>Years Ended June 30,</i>	2018	2017
Operating Revenues - interfund charges	\$ 2,339,069	\$ 2,005,272
Operating Expenses		
District administration support services:		
Claims expense	1,812,411	1,608,467
General and administrative	527,007	397,063
Total Operating Expenses	2,339,418	2,005,530
Operating loss	(349)	(258)
Nonoperating Revenue - interest income	349	258
Change in net position	-	-
Net Position, beginning of year	-	-
Net Position, end of year	\$ -	\$ -

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Workers Compensation Self-Insurance Internal Service Fund
Statements of Cash Flows

<i>Years Ended June 30,</i>	2018	2017
Cash Flows from Operating Activities		
Receipts from interfund charges	\$ 3,263,021	\$ 2,757,828
Payments to suppliers	(2,185,414)	(1,659,684)
Net cash flows from operating activities	1,077,607	1,098,144
Cash Flows from Investing Activities		
Interest received	349	258
Net increase in cash and cash equivalents	1,077,956	1,098,402
Cash and Cash Equivalents, beginning of year	3,598,125	2,499,723
Cash and Cash Equivalents, end of year	\$ 4,676,081	\$ 3,598,125
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating loss	\$ (349)	\$ (258)
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:		
Increase in due to other funds	923,952	710,703
Decrease (Increase) in accounts receivable	-	41,853
Increase (decrease) in accounts payable	906	1,575
Increase (decrease) in insurance claims incurred but not reported	153,098	344,271
Total adjustments	1,077,956	1,098,402
Net Cash Flows from Operating Activities	\$ 1,077,607	\$ 1,098,144

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Fiduciary Fund

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Student Activities Agency Fund
Balance Sheets

<i>June 30,</i>	2018	2017
Assets		
Cash	\$ 2,329,033	\$ 1,944,642
Liabilities		
Due to student activities and community schools	\$ 2,329,033	\$ 1,944,642

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Student Activities Agency Fund
Statement of Receipts, Disbursements and Changes
in Cash Balance and Due to Student Organizations

<i>Year Ended June 30, 2018</i>	Balance at July 1, 2017	Receipts	Disburse- ments	Balance at June 30, 2018
American Charter	\$ 10,701	\$ 31,440	\$ 21,703	\$ 20,438
Beryozava	589	226	30	785
Big Lake Elementary	61,939	59,065	54,526	66,478
Birchtree Charter	61,876	135,922	134,110	63,688
Burchell High School	65,429	17,981	32,793	50,617
Butte Elementary School	21,650	32,898	29,402	25,146
Colony High	216,840	605,276	573,588	248,528
Colony Middle	85,399	136,368	135,586	86,181
Cottonwood Creek	40,394	71,972	76,017	36,349
Dena'ina	4,521	32,374	22,517	14,378
Finger Lake	25,476	39,267	26,416	38,327
Fronteras Spanish Immersion	47,679	73,236	63,524	57,391
Glacier View	8,981	2,352	782	10,551
Goose Bay	30,052	10,768	8,829	31,991
Houston High	87,850	254,994	228,030	114,814
Houston Middle	41,871	42,863	35,032	49,702
Iditarod	15,426	32,286	28,406	19,306
Knik Elementary	16,448	27,028	29,761	13,715
Larson	27,782	45,496	41,773	31,505
Machentanz Elementary	52,148	116,573	90,965	77,756
Mat-Su Career and Tech Ed	75,874	218,276	183,026	111,124
Mat-Su Central School	6,779	78,074	78,681	6,172
Mat-Su Day School	19,612	14,122	16,983	16,751
Meadow Lakes	35,491	30,665	40,098	26,058
Palmer High	155,891	418,132	374,197	199,826
Palmer Middle	55,473	98,901	90,943	63,431
Pioneer Peak	21,052	34,458	35,604	19,906
Redington Jr/Sr High	82,888	256,689	215,333	124,244
Shaw Elementary	30,147	67,824	62,107	35,864
Sherrod	49,414	101,934	88,116	63,232
Snowshoe	25,062	41,086	40,404	25,744
Su Valley	76,897	85,628	82,078	80,447
Sutton	2,063	5,623	5,441	2,245
Swanson	21,011	39,373	35,015	25,369
Talkeetna	22,015	20,792	13,562	29,245
Tanaina	46,823	39,016	40,742	45,097
Teeland	59,272	145,116	131,515	72,873

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Student Activities Agency Fund
Statement of Receipts, Disbursements and Changes
in Cash Balance and Due to Student Organizations, continued

<i>Year Ended June 30, 2018</i>	Balance at July 1, 2017	Receipts	Disburse- ments	Balance at June 30, 2018
Trapper Creek	\$ 3,207	\$ 5,675	\$ 2,889	\$ 5,993
Twindly-Bridge	10,987	31,600	18,731	23,856
Valley Pathways	19,711	9,421	7,335	21,797
Wasilla High	142,131	475,818	419,479	198,470
Wasilla Middle	36,921	104,089	90,323	50,687
Willow	22,870	18,338	18,252	22,956
Total Due to Student Activities	\$ 1,944,642	\$ 4,109,035	\$ 3,724,644	\$ 2,329,033

Schedule of Compliance

Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Schedule of Compliance - AS 14.17.505
Year Ended June 30, 2018

Total fund balance - School Operating Fund	\$ 16,993,057
less exemptions per 4 AAC 09.160(a):	
Inventory	1,276,988
Prepaid items	1,323,677
Reserve for correspondence program	1,768,396
Self-insurance	<u>500,000</u>
Fund balance subject to 10% limitation	<u>\$ 12,123,996</u>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	<u>\$ 12,123,996</u>	=	<u>5%</u>
Current year expenditures	\$ 235,937,647		

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

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These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.		
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MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 1

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting, unaudited)

	Fiscal Year				
	2008-09	2009-10	2010-11	2011-12	2012-13
Governmental activities:					
Net investment in capital assets	\$ 1,315,150	\$ 1,571,667	\$ 2,364,292	\$ 5,707,926	\$ 6,935,776
Restricted					
Endowment & Scholarships	5,677	5,712	5,745	5,764	5,768
Correspondence	-	-	-	-	-
Unrestricted	243,274	1,247,677	6,672,023	9,628,437	11,235,950
Total Net Position	<u>\$ 1,564,101</u>	<u>\$ 2,825,056</u>	<u>\$ 9,042,060</u>	<u>\$ 15,342,127</u>	<u>\$ 18,177,494</u>

	Fiscal Year				
	2013-14	2014-15	2015-16	2016-17	2017-2018
Governmental activities:					
Net investment in capital assets	\$ 6,659,975	\$ 7,873,567	\$ 11,719,917	\$ 12,468,508	\$ 12,420,350
Restricted					
Endowment & Scholarships	5,772	-	-	-	4,285
Correspondence	-	909,690	1,227,235	1,610,912	1,768,396
Unrestricted	16,453,611	(67,493,691)	(101,330,211)	(147,605,306)	(160,442,006)
Total Net Position	<u>\$ 23,119,358</u>	<u>\$ (58,710,434)</u>	<u>\$ (88,383,059)</u>	<u>\$ (133,525,886)</u>	<u>\$ (146,248,975)</u>

Note:

- Beginning with the fiscal year 2013 financial reports, the district is now using the term net position in place of net asset per GASB Statement No. 63 changes effective for periods beginning after December 15, 2011.
- Beginning with Fiscal Year 2015, the District adopted the provisions of GASB Statement No. 68 Accounting and Financial Reporting for Pensions, which among other accounting and reporting criteria, requires the District to recognize its proportional share of the Net Pension Liability (and related deferred inflow/outflow accounts), as of the beginning of the District's fiscal year. As a result of the implementation of this statement, the Unrestricted amount for the District's net position is negative as opposed to positive numbers in prior years.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2008-09	2009-10	2010-11	2011-12
Expenses				
Governmental activities:				
Instruction	\$ 94,133,794	\$ 94,601,470	\$ 101,676,435	\$ 102,652,990
Special education instruction	29,629,313	31,328,062	34,791,877	34,635,679
Special education support svcs - students	10,652,847	11,810,969	12,562,755	13,424,756
Support services - students	7,783,258	7,684,522	9,372,873	9,134,244
Support services - instruction	10,201,097	9,619,364	13,789,623	11,608,145
School administration	7,492,197	7,078,405	8,961,567	8,644,008
School administration support services	8,083,649	8,502,451	8,445,556	8,690,991
District administration	1,420,554	1,652,256	2,081,487	2,183,125
District administration support services	8,676,686	9,418,471	11,127,927	11,124,510
Operations and maintenance of plant	19,326,776	20,764,598	20,186,592	24,642,884
Student activities	2,952,583	2,853,439	3,619,406	3,817,866
Student transportation service - to and from school	-	-	-	-
Student transportation service - student activities	11,174,965	11,954,203	12,528,426	14,054,946
Community Services	12,288	166,234	170,616	71,929
Food services	5,683,849	5,729,154	5,842,775	6,102,001
Construction and facilities acquisition	54,507	51,860	146,825	204,284
Interest on long-term debt	-	-	-	-
Total expenses	217,278,363	223,215,458	245,304,740	250,992,358
Program Revenues				
Governmental activities:				
Charges for Services:				
Food services	1,555,972	1,449,019	1,311,006	1,251,850
Operating grants and contributions	26,897,652	32,812,129	42,671,259	59,152,213
Total program revenues	28,453,624	34,261,148	43,982,265	60,404,063
Net expense - governmental activities	(188,824,739)	(188,954,310)	(201,322,475)	(190,588,295)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Grants and contributions not restricted to specific programs:				
Borough direct appropriation	44,012,143	43,964,884	48,078,905	48,048,419
State grants and entitlements not restricted	139,211,733	144,179,481	157,110,238	145,190,155
E-rate	320,588	381,036	373,968	956,307
Medicaid	-	-	223,583	1,032,785
Out of District Reimbursement	816,872	752,689	1,033,518	1,277,377
Other	4,164,313	937,175	719,267	383,319
Total general revenue	188,525,649	190,215,265	207,539,479	196,888,362
Change in Net Position	\$ (299,090)	\$ 1,260,955	\$ 6,217,004	\$ 6,300,067

Notes:

- FY08 State contribution for OBO (On Behalf Of) Retirements benefits were recorded as other state revenue.
- Beginning with the fiscal year 2013 financial reports, the district is now using the term net position in place of net assets per GASB Statement 63 changes effective for periods beginning after December 15, 2011.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting), continued

Fiscal Year					
2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
\$ 111,528,252	\$ 115,177,488	\$ 133,133,390	\$ 122,469,569	\$ 129,211,154	\$ 107,165,419
37,990,290	39,598,495	44,347,523	48,649,106	50,200,983	40,822,523
14,444,346	14,890,203	18,887,579	16,189,170	20,122,446	17,627,881
10,142,769	10,221,597	11,371,555	12,929,378	13,950,916	9,372,277
12,929,046	11,920,978	15,877,378	14,381,217	14,075,318	11,487,186
9,251,490	9,750,103	12,258,280	11,442,708	12,271,585	10,249,983
9,321,729	10,237,800	10,151,374	12,952,086	13,400,426	10,107,832
2,510,421	2,381,199	2,652,052	2,676,091	2,666,430	1,540,370
11,152,661	11,473,216	10,321,568	16,529,327	14,864,925	12,205,977
23,314,018	23,899,444	23,926,623	29,164,991	28,816,558	24,384,005
4,127,474	4,261,180	4,580,399	3,911,398	4,283,203	3,545,267
-	-	-	-	18,046,667	17,462,016
14,984,891	14,625,526	15,281,946	17,055,480	809,345	400,198
28,425	33,206	27,159	19,978	23,994	22,180
6,227,749	6,158,475	6,521,325	6,775,158	7,103,926	6,940,007
1,086,884	2,561,948	1,702,221	731,402	1,945,688	1,926,253
-	-	-	-	-	401,222
<u>269,040,445</u>	<u>277,190,858</u>	<u>311,040,372</u>	<u>315,877,059</u>	<u>331,793,564</u>	<u>275,660,596</u>
1,238,418	1,143,678	1,108,593	1,039,643	1,115,178	1,097,620
73,268,002	74,179,332	101,938,313	62,405,666	54,554,845	52,947,144
74,506,420	75,323,010	103,046,906	63,445,309	55,670,023	54,044,764
<u>(194,534,025)</u>	<u>(201,867,848)</u>	<u>(207,993,466)</u>	<u>(252,431,750)</u>	<u>(276,123,541)</u>	<u>(221,615,832)</u>
48,845,260	51,226,720	51,291,720	52,665,941	55,841,300	55,841,300
144,671,947	152,514,643	160,874,324	164,091,360	170,159,334	170,625,841
818,873	977,158	1,222,684	2,437,337	1,349,403	1,280,412
1,005,974	166,098	1,150,746	1,066,987	1,090,092	1,356,014
1,501,007	1,500,450	1,669,618	1,797,802	1,854,746	445,329
526,331	424,643	430,864	699,698	685,839	516,669
<u>197,369,392</u>	<u>206,809,712</u>	<u>216,639,956</u>	<u>222,759,125</u>	<u>230,980,714</u>	<u>230,065,565</u>
<u>\$ 2,835,367</u>	<u>\$ 4,941,864</u>	<u>\$ 8,646,490</u>	<u>\$ (29,672,625)</u>	<u>\$ (45,142,827)</u>	<u>\$ 8,449,733</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2008-09	2009-10	2010-11	2011-12
General Fund				
Nonspendable	\$ 489,920	\$ 851,140	\$ 962,784	\$ 2,125,081
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	500,000	500,000	500,000	500,000
Unassigned	747,819	1,132,482	1,400,935	1,699,886
Total general fund	<u>\$ 1,737,739</u>	<u>\$ 2,483,622</u>	<u>\$ 2,863,719</u>	<u>\$ 4,324,967</u>
All other governmental funds				
Nonspendable, reported in:				
Special revenue funds	-	-	540,394	540,361
Restricted	5,677	5,712	5,745	5,764
Committed, reported in;				
Capital projects funds	117,238	876,189	7,227,733	8,000,740
Assigned, reported in:				
Special revenue funds	-	-	1,529,129	1,321,630
Unassigned, reported in:				
Special revenue funds	1,985,082	1,675,402	(540,394)	-
Total all other governmental fund:	<u>\$ 2,107,997</u>	<u>\$ 2,557,303</u>	<u>\$ 8,762,607</u>	<u>\$ 9,868,495</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting), continued

Fiscal Year					
2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
\$ 1,344,040	\$ 1,503,064	\$ 1,623,546	\$ 1,763,837	\$ 2,587,589	\$ 2,600,665
-	-	903,914	1,221,455	1,606,630	1,768,396
-	-	-	-	-	500,000
500,000	500,000	500,000	500,000	500,000	500,000
6,582,546	10,809,725	14,278,535	11,230,141	7,088,486	11,623,996
<u>\$ 8,426,586</u>	<u>\$ 12,812,789</u>	<u>\$ 17,305,995</u>	<u>\$ 14,715,433</u>	<u>\$ 11,782,705</u>	<u>\$ 16,993,057</u>
645,710	630,557	633,195	563,139	879,944	758,689
5,768	5,772	5,776	5,780	4,282	4,285
6,080,793	5,895,826	6,654,120	4,857,129	3,053,923	3,735,930
835,841	1,195,490	1,499,642	1,859,118	1,010,450	775,924
-	-	-	-	(231,610)	(9,393)
<u>\$ 7,568,112</u>	<u>\$ 7,727,645</u>	<u>\$ 8,792,733</u>	<u>\$ 7,285,166</u>	<u>\$ 4,716,989</u>	<u>\$ 5,265,435</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 4

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2008-09	2009-10	2010-11	2011-12
Revenues from local sources:				
Borough direct appropriation	\$ 44,012,143	\$ 43,964,884	\$ 48,078,905	\$ 48,048,419
E-rate reimbursement	320,588	381,036	See Direct Fed.	See Direct Fed.
Food services	1,555,972	1,449,019	1,340,169	1,401,593
Earnings on investments	89	35	988	651
Other local revenue	1,618,700	3,203,579	2,050,752	1,660,026
Total revenue from local sources	<u>47,507,492</u>	<u>48,998,553</u>	<u>51,470,814</u>	<u>51,110,689</u>
Revenue from state sources:				
Foundation program	113,640,165	123,440,655	132,987,274	139,119,165
School Improvement	-	421,312	441,704	459,962
Energy Relief Grant	-	-	-	2,361,367
Senate Bill 18	-	-	-	-
House Bill 65	-	-	-	-
TRS on-behalf	22,408,644	18,917,820	21,480,287	25,502,869
PERS on-behalf	2,763,620	1,399,694	2,200,973	3,249,659
Other state revenue	11,652,431	11,730,340	12,133,717	14,793,929
Total revenue from state sources	<u>150,464,860</u>	<u>155,909,821</u>	<u>169,243,955</u>	<u>185,486,951</u>
Revenue from federal sources:				
Direct	569,630	799,667	968,294	1,271,425
E-Rate	-	-	373,968	956,307
Medicaid reimbursement	-	-	223,583	1,032,785
Through the State of Alaska and other intermediate agencies	14,544,323	18,757,991	28,981,400	17,429,596
Total revenue from federal sources	<u>15,113,953</u>	<u>19,557,658</u>	<u>30,547,245</u>	<u>20,690,113</u>
Total revenues	<u>\$ 213,086,305</u>	<u>\$ 224,466,032</u>	<u>\$ 251,262,014</u>	<u>\$ 257,287,753</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 4

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting), continued

Fiscal Year					
2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
\$ 48,845,260	\$ 51,226,720	\$ 51,291,720	\$ 52,665,941	\$ 55,841,300	\$ 55,841,300
See Direct Fed.	See Direct Fed.	See Direct Fed.	See Direct Fed.	See Direct Fed.	See Direct Fed.
1,238,418	1,143,678	1,108,593	1,039,643	1,115,178	1,097,620
373	351	1,185	34	34	37
2,113,217	7,504,075	6,635,854	8,435,083	6,214,888	1,919,618
52,197,268	59,874,824	59,037,352	62,140,701	63,171,400	58,858,575
141,276,085	143,796,099	155,076,933	164,091,360	170,159,336	170,509,407
466,013	476,483	496,904	-	-	-
2,929,851	-	5,300,487	-	-	-
-	2,517,299	-	-	-	-
-	2,996,786	-	-	-	-
34,140,205	36,858,926	239,848,269	16,045,044	14,735,551	14,396,752
4,178,043	4,187,300	13,941,378	1,875,047	1,507,427	1,047,303
15,835,467	16,164,379	17,283,941	17,834,064	16,457,713	17,777,841
198,825,664	206,997,272	431,947,912	199,845,515	202,860,027	203,731,303
1,457,073	1,073,904	852,066	778,384	804,092	629,961
818,873	977,158	1,222,684	2,437,337	1,349,403	1,280,412
1,005,974	166,098	1,150,746	1,066,987	1,090,092	1,356,014
17,566,958	16,641,195	16,443,827	17,103,205	17,170,462	19,069,002
20,848,878	18,858,355	19,669,323	21,385,913	20,414,049	22,335,389
\$ 271,871,810	\$ 285,730,451	\$ 510,654,586	\$ 283,372,129	\$ 286,445,476	\$ 284,925,267

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
Table 5
Governmental Funds Expenditures
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2008-09	2009-10	2010-11	2011-12	2012-13
Instruction	\$ 93,467,023	\$ 94,597,540	\$ 100,802,148	\$ 103,499,291	\$ 111,582,158
Special education instruction	29,173,380	31,323,282	34,289,387	34,909,793	37,968,642
Special education support svc. - students	10,627,965	11,843,123	12,557,209	13,404,443	14,356,252
Support services - students	7,715,821	7,661,246	9,195,799	9,276,323	10,118,303
Support services - instruction	10,115,314	9,715,076	13,803,008	11,622,599	12,869,796
School administration	7,399,050	7,067,298	8,668,554	8,658,489	9,241,119
School administration support services	7,851,254	8,551,391	8,687,576	8,409,581	9,335,527
District administration	1,414,000	1,639,174	2,126,610	2,153,297	2,495,089
District administration support services	8,160,509	8,974,745	11,305,014	11,277,610	11,108,804
Operations and maintenance of plant	19,635,802	21,069,009	20,609,278	24,274,025	23,049,191
Student activities	2,942,581	2,853,439	3,617,914	3,817,013	4,127,607
Student transportation service	11,116,394	11,860,783	12,491,970	14,037,739	14,971,166
Adult and continuing education instruction	12,217	-	-	-	-
Community services	-	166,234	112,312	71,929	28,425
Food services	5,519,214	5,605,591	5,920,471	5,923,944	6,134,367
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Construction and facilities acquisition	54,507	51,860	197,645	3,217,541	2,684,128
	<u>\$ 215,205,031</u>	<u>\$ 222,979,791</u>	<u>\$ 244,384,895</u>	<u>\$ 254,553,617</u>	<u>\$ 270,070,574</u>

	Fiscal Year				
	2013-14	2014-15	2015-16	2016-17	2017-18
Instruction	\$ 116,008,960	\$ 240,362,437	\$ 108,132,268	\$ 110,759,936	\$ 107,417,063
Special education instruction	39,595,992	72,343,485	39,130,728	42,212,271	41,630,066
Special education support svc. - students	14,977,473	31,087,214	16,183,342	17,240,183	17,795,980
Support services - students	10,296,301	21,320,389	9,853,439	10,599,150	9,684,574
Support services - instruction	11,881,290	26,037,639	13,534,368	12,575,788	11,471,417
School administration	9,727,761	23,633,598	9,911,971	10,212,836	10,256,013
School administration support services	10,349,865	12,078,209	10,699,171	11,344,458	10,522,280
District administration	2,341,882	3,942,710	2,322,675	2,281,051	1,543,480
District administration support services	9,808,134	12,527,440	15,122,521	12,659,529	12,363,490
Operations and maintenance of plant	24,054,428	26,728,663	26,129,500	26,131,547	24,810,971
Student activities	4,289,527	7,299,072	3,534,412	3,770,079	3,622,219
Student transportation service - to and from school	14,628,406	15,287,959	17,051,828	18,040,165	17,452,335
Student transportation service - student activities	-	-	-	809,345	-
Student transportation service - other	-	-	-	-	400,198
Adult and continuing education instruction	-	-	-	-	-
Community services	24,700	25,746	20,854	23,151	22,222
Food services	6,310,791	6,513,662	6,801,723	7,103,929	6,901,329
Debt Service					
Principal	-	-	-	-	133,244
Interest	-	-	-	-	401,222
Construction and facilities acquisition	7,056,205	5,908,069	9,041,458	6,182,963	2,738,366
Total expenditures	<u>\$ 281,351,715</u>	<u>\$ 505,096,292</u>	<u>\$ 287,470,258</u>	<u>\$ 291,946,381</u>	<u>\$ 279,166,469</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 6

Other Financing Sources and Uses and Net Change in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2008-09	2009-10	2010-11	2011-12	2012-13
Excess (deficiency) of revenues over expenditures	\$ (2,118,726)	\$ 1,486,241	\$ 6,877,119	\$ 2,734,136	\$ 1,801,236
Other financing sources (uses):					
Issuance of capital leases					
Transfers in	819,355	920,072	7,797,196	6,956,916	1,306,620
Transfers out	(1,503,166)	(1,211,124)	(8,088,914)	(7,123,916)	(1,306,620)
Total other financing sources (uses)	(683,811.00)	(291,052)	(291,718)	(167,000)	-
Net change in fund balances	\$ (2,802,537)	\$ 1,195,189	\$ 6,585,401	\$ 2,567,136	\$ 1,801,236

	Fiscal Year				
	2013-14	2014-15	2015-16	2016-17	2017-18
Excess (deficiency) of revenues over expenditures	\$ 4,378,736	\$ 5,558,294	\$ (4,098,129)	\$ (5,500,905)	\$ 5,758,798
Other financing sources (uses):					
Issuance of capital leases					
Transfers in	3,391,608	3,692,367	2,646,100	3,192,212	4,392,849
Transfers out	(3,224,608)	(3,692,367)	(2,646,100)	(3,192,212)	(4,392,849)
Total other financing sources (uses)	167,000.00	-	-	-	-
Net change in fund balances	\$ 4,545,736	\$ 5,558,294	\$ (4,098,129)	\$ (5,500,905)	\$ 5,758,798

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
As Reported by the Matanuska-Susitna Borough
Table 7
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Fiscal Year of Assessed Value	Real Property	Personal Property	Tax Exempt Property	Total Taxable Assessed Value
2008	8,827,752,800	61,494,174	1,231,388,492	7,657,858,482
2009	9,160,682,041	66,413,079	1,269,573,453	7,957,521,667
2010	9,289,426,297	70,605,851	1,288,187,547	8,071,844,601
2011	9,538,236,712	70,594,984	1,399,139,093	8,209,692,603
2012	9,844,733,062	71,482,452	1,532,187,448	8,384,028,066
2013	10,083,251,287	50,340,319	1,600,527,289	8,533,064,317
2014	10,350,396,337	63,442,515	1,711,599,833	8,702,239,019
2015	10,700,459,143	52,590,547	1,748,972,499	9,004,077,191
2016	11,241,555,014	55,738,480	2,031,032,480	9,266,261,014
2017	11,827,850,040	57,210,951	2,149,070,847	9,735,990,144

	Direct Tax Rate	Less: Estimated Actual Taxable Value	Percentage of Actual Value
2008	9.644	8,580,916,190	92.74%
2009	10.326	8,697,868,950	92.80%
2010	9.980	8,929,096,710	91.94%
2011	9.956	9,103,817,690	92.09%
2012	10.051	9,063,680,270	94.15%
2013	9.691	9,568,003,300	90.95%
2014	9.852	10,064,353,720	89.47%
2015	9.662	10,268,301,740	87.69%
2016	9.984	10,985,826,830	84.35%
2017	9.984	11,715,012,530	83.11%

Note: Property in the Matanuska-Susitna Borough is reassessed annually at the property's true and full value as of January 1 of the tax year per MSB Code 3.15.060 (A). Tax rates are per \$1,000 of assessed value.

Source: Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2017. This information is for the most recent fiscal year available by the publication date of the School District's CAFR.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
As Reported by Matanuska-Susitna Borough
Table 8
Principal Taxable Properties
Current Year and Nine Years Ago

Taxpayer	2017			2008		
	Taxable Assessed Valuation	Rank	Percentage of Borough's Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Borough's Taxable Assessed Valuation
Mat-Su Valley Medical Center	\$ 99,232,100	1	1.02%	\$ 110,692,282	1	1.39%
Enstar Natural Gas	6,234,300	2	0.06	41,830,600	2	0.53
Fred Meyer Stores, Inc.	4,531,230	3	0.47	37,181,365	3	0.47
Alaska Hotel Properties, Inc.	40,853,700	4	0.42	25,553,000	5	0.32
GCI Cable/Alaska Wireless	28,607,100	5	0.29	19,539,700	8	0.25
Cook Inlet Region, Inc.	27,766,100	6	0.29	17,884,800	9	0.22
Wal-Mart Stores, Inc.	20,018,900	7	0.21	31,774,395	4	0.40
Global Finance & Investments S. A./Gary Lu	24,926,000	8	0.26	15,276,900	10	0.19
Legacy, LLC	18,481,200	9	0.19	-	-	-
DBC, LLC/Target	18,329,100	10	0.19	-	-	-
Alaska Pipeline Co.	-		-	23,289,500	6	0.29
Lowe's HIW Inc.	-		-	22,796,835	7	0.29
	<u>\$ 288,979,730</u>		<u>3.40%</u>	<u>\$ 345,819,377</u>		<u>4.35%</u>

Note: Includes real and personal property

Source:

Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2017.

This information is for the most recent fiscal year available by the publication date of the School District's CAFR.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

As Reported by the Matanuska-Susitna Borough

Table 9

Direct and Overlapping Property Tax Rates

(mill levy rate per \$1000 of assessed value)

Last Ten Fiscal Years

Fiscal Year	Borough Direct Rate	Overlapping Rates							
		Service Area Number							
		Non- Areawide Borough	City of Palmer	City of Wasilla	City of Houston	2	4	7	8
2008	9.644	0.370	3.00	-	3.00	2.35	3.05	1.02	8.48
2009	10.326	0.383	3.00	-	3.00	2.51	3.18	1.08	8.51
2010	9.980	0.429	3.00	-	3.00	2.77	3.55	1.21	8.51
2011	9.956	0.394	3.00	-	3.00	2.94	3.71	1.32	8.51
2012	10.051	0.425	3.00	-	3.00	2.94	3.96	1.32	8.22
2013	9.691	0.489	3.00	-	3.00	3.05	4.06	1.39	4.00
2014	9.852	0.520	3.00	-	3.00	3.05	4.41	1.39	4.00
2015	9.662	0.520	3.00	-	3.00	3.24	4.59	1.39	0.00
2016	10.000	0.517	3.00	-	3.00	3.43	4.82	1.07	-
2017	10.332	0.548	3.00	-	3.00	3.43	4.59	0.91	-

Fiscal Year	Overlapping Rates								
	Service Area Number								
	9	14	15	16	17	19	20	21	23
2008	1.82	1.44	3.83	1.47	2.54	2.08	2.66	2.41	3.36
2009	1.97	1.51	4.13	1.60	2.75	2.23	2.83	2.57	3.48
2010	2.18	1.51	4.11	1.78	2.75	2.46	3.17	2.57	3.82
2011	2.41	1.66	4.11	1.50	2.75	2.62	3.39	2.57	4.01
2012	2.58	1.66	4.11	1.50	2.75	2.51	3.62	2.57	4.29
2013	2.78	1.77	4.10	1.50	2.92	2.51	3.86	2.57	4.59
2014	2.78	1.77	4.10	1.50	2.92	2.51	3.86	2.57	4.59
2015	2.78	1.77	4.10	1.50	2.92	2.51	3.50	2.57	4.59
2016	2.78	1.86	4.10	1.50	2.92	2.51	3.50	2.57	4.59
2017	2.78	1.85	4.10	1.50	2.92	2.51	3.50	2.57	4.59

Note: * The Borough Direct Rate represents a single component which is the Areawide Mill Levy Rate. Also, Fire Service Areas (FSA), Road Service Areas (RSA), and Service Areas (SA) are identified by service area numbers.

* In Fiscal Year 2010, FSA #33 and FSA #34 were combined to create FSA #136.

Source: Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2017. This information is for the most recent fiscal year available by the publication date of the School District's CAFR.

(continued)

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

As Reported by the Matanuska-Susitna Borough

Table 9

Direct and Overlapping Property Tax Rates

(mill levy rate per \$1000 of assessed value)

Last Ten Fiscal Years

Fiscal Year	Overlapping Rates							
	Service Area Number							
	24	25	26	27	28	29	30	31
2008	1.51	1.25	2.43	2.76	1.89	2.38	3.28	2.86
2009	1.60	1.33	2.59	2.93	2.01	2.53	3.53	3.12
2010	1.73	1.46	2.86	3.24	2.25	2.73	3.74	3.35
2011	1.84	1.53	3.04	3.24	2.00	2.73	3.74	3.35
2012	1.84	1.61	3.23	3.24	2.00	2.73	3.97	3.68
2013	1.95	1.73	3.45	3.48	2.00	2.89	4.41	3.68
2014	1.95	1.73	3.45	3.48	2.00	2.89	4.41	3.68
2015	2.04	1.73	3.45	3.48	2.00	2.89	4.41	3.68
2016	2.04	1.73	3.45	3.48	2.00	3.01	4.41	3.68
2017	2.04	1.73	3.45	3.48	1.99	3.12	4.41	3.68

Fiscal Year	Overlapping Rates								
	Service Area Number								
	33*	34*	35	69	130	131	132	135	136*
2008	1.82	1.40	0.96	5.26	1.46	3.06	0.68	-	3.22
2009	1.94	1.49	1.02	5.79	1.56	3.07	0.73	-	3.43
2010	0.00	0.00	1.14	6.61	1.72	3.51	0.80	3.00	1.49
2011	-	-	1.21	7.33	1.83	3.47	0.84	3.00	1.56
2012	-	-	1.29	8.21	1.92	3.68	0.88	3.00	1.56
2013	-	-	1.37	9.12	1.97	4.13	0.88	2.96	1.67
2014	-	-	1.46	9.12	1.99	3.24	0.90	2.96	1.67
2015	-	-	1.34	9.12	1.99	3.24	0.90	2.96	1.78
2016	-	-	2.75	9.12	1.99	3.24	0.94	3.21	1.88
2017	-	-	2.75	9.40	2.15	3.24	0.96	3.21	2.20

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

As Reported by the Matanuska-Susitna Borough

Table 10

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Unfunded Senior Citizens and Disabled Veterans Levy	Net Tax Levy	Collected within the Fiscal Year of the Levy	
				Amount	Percentage of Levy
2008	97,208,979	5,841,939	91,367,040	87,627,539	95.91%
2009	107,223,469	6,790,265	100,433,204	96,318,045	95.90%
2010	108,123,032	7,386,682	100,736,350	97,109,667	96.40%
2011	110,203,515	7,743,976	102,459,539	98,954,998	96.58%
2012	114,442,314	8,325,740	106,116,574	101,881,857	96.01%
2013	114,904,572	8,834,593	106,069,979	102,321,617	96.47%
2014	118,906,810	8,920,224	109,986,586	106,109,708	96.48%
2015	121,650,445	9,906,339	111,744,106	108,285,996	96.91%
2016	130,590,976	11,295,573	119,295,403	116,527,024	97.68%
2017	138,589,875	12,166,401	126,423,474	122,648,889	97.01%

Fiscal Year	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Levy
2008	3,611,745	99,929,790	99.50%
2009	3,920,985	101,030,652	100.29%
2010	3,336,857	102,291,855	99.84%
2011	3,035,860	104,917,717	98.87%
2012	3,423,065	105,744,682	99.69%
2013	2,646,586	108,756,294	98.88%
2014	2,240,528	110,526,524	98.91%
2015	1,226,925	117,753,949	98.71%
2016	762,846	117,289,870	98.32%
2017	-	122,648,889	97.01%

Source: Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2017. This information is for the most recent fiscal year available by the publication date of the School District's CAFR.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 11

Significant Own-Sourced Revenue
Last Ten Fiscal Years

Fiscal Year	Food Services Local Revenue	Cost of Full- Priced Meals ^a		Percentage of Students Eligible for Free or Reduced-Price Meals ^b
		Breakfast	Lunch	
2008-09	1,555,972	Free	2.75	36.9%
2009-10	1,449,019	Free	2.75	37.7%
2010-11	1,340,169	Free	2.85	38.6%
2011-12	1,401,593	1.60	2.85	38.2%
2012-13	1,238,418	1.60	2.95	39.5%
2013-14	1,143,679	1.60	2.95	40.0%
2014-15	1,108,593	1.60	2.95	40.0%
2015-16	1,039,643	1.60	2.95	40.4%
2016-17	1,115,178	1.75	3.25	41.2%
2017-18	1,097,620	2.00	3.50	44.0%

Note:

^a The cost of full-price meals are for elementary.

^b Cybersoft Nutrition Services Software - for all sites including non-meal program participants.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

As Reported by the Matanuska-Susitna Borough

Table 12

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Government Activities						
	General	Certificates of Participation	Notes Payable	Unamortized		Capital Leases	
	Obligation Bonds			Bond Premium			
2008	162,545,000	9,020,000	294,958	5,748,621		18,938	
2009	171,850,000	8,420,000	282,203	6,006,827		-	
2010	161,695,000	7,775,000	282,993	5,363,354		-	
2011	184,240,000	7,100,000	359,063	5,812,872		-	
2012	262,845,000	6,390,000	347,777	15,848,933		-	
2013	270,410,000	5,645,000	329,698	18,592,433		-	
2014	299,455,000	13,450,000	311,347	22,851,440		-	
2015	335,920,000	12,195,000	292,721	33,411,389		-	
2016	314,755,000	10,885,000	6,781,005	30,910,711		-	
2017	313,680,000	20,585,000	7,490,497	36,415,101		-	

Fiscal Year	Business-type Activities					
	General	Notes Payable	Unamortized		Percentage of Personal Income	Per Capita
	Obligation Bonds		Bond Premium	Total Primary Government		
2008	8,410,000	995,155	151,940	196,116,125	6.6	2,337
2009	8,025,000	3,984,802	142,444	187,268,593	6.02	2,408
2010	7,630,000	3,951,150	132,948	209,226,033	5.49	2,216
2011	7,220,000	4,606,769	123,452	297,381,931	5.74	2,354
2012	6,665,000	4,561,767	684,094	306,887,992	7.72	3,243
2013	6,200,000	4,434,462	625,457	347,327,706	7.19	3,265
2014	5,735,000	4,346,366	566,821	392,467,297	7.90	3,609
2015	5,250,000	4,395,179	508,184	373,485,079	N/A	3,997
2016	4,750,000	6,147,994	449,547	374,679,257	N/A	3,740
2017	4,230,000	5,956,722	390,911	388,748,231	N/A	3,789

Source:

Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This information is for the most recent fiscal year available by publication date of the School District CAFR.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
As Reported by the Matanuska-Susitna Borough
Table 13
Direct and Overlapping Debt
As of June 30, 2017

Governmental Unit	Debt Outstanding	Percentage Applicable to this Governmental Unit	Share of Direct and Overlapping Debt
Education Debt	\$ 264,425,000	100%	\$ 264,425,000
Certificates of Participations-Public Safety Building	17,815,000	100%	17,815,000
Certificates of Participations-Animal Care Facility	2,770,000	100%	2,770,000
Notes Payable-AK Clean Water Fund Loans	254,628	100%	254,628
Notes Payable-USDA	6,900,000	100%	6,900,000
Notes Payable-University of Alaska	335,869	100%	335,869
Parks and Recreation	22,400,000	100%	22,400,000
Transportation	26,855,000	100%	26,855,000
Total	<u>\$ 341,755,497</u>		<u>\$ 341,755,497</u>
Unamortized bond premiums	\$ 36,415,101	100%	\$ 36,415,101
Total	<u>\$ 378,170,598</u>		<u>\$ 378,170,598</u>
Cities within the Borough, (Palmer and Wasilla) General Obligation Bonds as of June 30, 2017			
Palmer Ice Rink	109,550	100%	109,550
Wasilla Road Improvements	<u>817,487</u>	100%	<u>817,487</u>
Total	<u>\$ 927,037</u>		<u>\$ 927,037</u>
Net Direct and Overlapping Debt			<u>\$ 379,097,635</u>

Note: * The laws of the State of Alaska do not establish a debt limit.

* All debt outstanding is related to Matanuska-Susitna Borough's governmental activities.

Source: Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This information is for the most recent fiscal year available by publication date of the School District CAFR.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

As Reported by Matanuska-Susitna Borough

Table 14

Demographic and Economic Statistics
Last Ten Calendar Years

	(1)	(2)		(3)	(4)
<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands dollars)</u>	<u>Per Capita Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2008	88,088	2,834,775	35,396	16,115	7.4%
2009	82,515	3,298,218	39,971	16,481	8.8%
2010	84,314	3,403,299	40,365	16,663	9.6%
2011	88,995	3,649,774	41,011	16,965	8.9%
2012	91,697	3,852,961	42,018	17,338	8.6%
2013	93,801	4,257,875	45,333	17,247	7.3%
2014	96,074	4,387,086	44,820	17,500	7.2%
2015	98,063	N/A	N/A	17,757	8.6%
2016	100,178	N/A	N/A	18,745	8.1%
2017	102,598	N/A	N/A	18,935	8.2%

N/A - Not available

Note:

This information is as of the most recent fiscal year available by publication date of the School District CAFR.

Source:

- 1) Alaska Department of Labor, Research and Analysis Division
- 2) United States Department of Commerce, Bureau of Economic Analysis
- 3) Matanuska-Susitna Borough School District
- 4) Alaska Department of Labor, Research and Analysis Division

Note: Enrollment numbers used by the Borough may differ from those reported by the Mat-Su Borough School District due to availability of the most recent numbers and publication timing.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT
As Reported by the Matanuska-Susitna Borough
Table 15
Total Employment by Type of Employer
Current Year and Nine Years Ago

Employer Type	2017		2008	
	Employees	Rank	Employees	Rank
Trade, Transportation, and Utilities	4,938	1	4,513	1
Education and Health Services	4,393	2	3,020	2
Local Government	3,423	3	2,554	3
Leisure and Hospitality	2,860	4	2,333	4
Construction	2,090	5	1,648	5
State Government	1,518	6	1,058	6
Professional and Business Services	1,219	7	929	7
Other Services	852	8	626	10
Financial Activities	774	9	728	8
Information	489	10	646	9
Manufacturing	286	11	281	11
Federal Government	233	12	207	12
Natural Resources and Mining	163	13	116	13
Unclassified Employers	48	14	26	14
Total	23,286		18,685	

Note: Beginning in 2012, according to the Alaska Department of Labor, their non-disclosure rules no longer allow them to provide employment information that relates to or identifies employers for the current or previous years. Therefore, the Mat-Su Borough's CAFR began providing total employment by type of employer for the current year and nine years ago. Figures are based on an annual average.

Source: Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This information is for the most recent fiscal year available by publication date of the School District CAFR.

Alaska Department of Labor, Research and Analysis

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 16

Full-Time Equivalent District Employees by Department and Type
(Operating Fund)
Last Ten Fiscal Years

	Actual as of June 30			
	2008-09	2009-10	2010-11	2011-12 c
Personnel by Department				
a Alternative Learning System	78.43	52.44	46.70	80.05
Board / Superintendent	10.75	9.75	9.75	10.75
Business Services	33.75	37.25	28.50	36.00
Charter Schools	43.24	58.60	92.13	102.56
District-wide	11.75	11.00		0.00
Education & Instruction	22.50	27.75	19.30	16.24
b Elementary	448.19	438.93	359.09	636.50
Federal Programs	20.35	22.09	19.00	6.50
Information Technology	30.00	30.00	27.00	26.00
Middle Schools	204.90	193.25	169.00	272.50
b Operations Maint. & Custodial	45.50	144.90	129.85	47.25
Senior High School & JR/SR	237.80	251.60	209.10	322.43
b Student Support Services	413.80	419.77	380.80	85.47
Vocational Education	48.00	23.75	33.50	44.00
Total Personnel	<u>1,648.96</u>	<u>1,721.08</u>	<u>1,523.72</u>	<u>1,686.25</u>
Personnel by Employee Type				
Board / Superintendent (s)	8.00	8.00	8.00	8.00
Management - Certified	7.00	7.00	7.00	6.00
Management - Classified	17.75	17.75	19.00	31.50
Certificated Staff	1,155.90	1,112.29	993.36	1,113.00
Classified Staff	460.31	576.04	496.36	527.75
Total Personnel	<u>1,648.96</u>	<u>1,721.08</u>	<u>1,523.72</u>	<u>1,686.25</u>

Notes:

School-term employees of the district work between 183 and 200 days at seven and a half hours per day. Most other district employees are based on 260 days at seven and a half to eight hours per day.

During FY12 the District implemented a new Financial Software System. This system has refined extraction of the staffing and FTE data from prior methods.

- a Alternative Learning Systems (ALS) include high schools BHS, VPW, Mat-Su Day School, Mat-Su Central (a Correspondence Study School), Alaska Middle College School (a dual high school/college credit school) and Mat-Su Youth Facility.
- b Custodial Staff, Support Service Aids, and Districtwide staff have been cost centered to site in FY12.
- c Increase reflects burden of staffing on General Fund with the exhaustion of ARRA and SFSF funding. Consequently staffing for HS & Elementary schools have increased as the majority of teaching staff had been funded through these programs.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 16

Full-Time Equivalent District Employees by Department and Type
(Operating Fund)

Last Ten Fiscal Years, continued

Actual as of June 30					
2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
84.83	65.83	82.42	110.98	110.75	100.43
10.75	11.75	11.88	11.88	11.88	11.88
35.00	36.75	33.75	34.50	33.25	33.25
113.75	159.47	173.73	161.22	149.78	155.28
0.50	0.49	0.49	1.49	1.49	1.49
22.79	15.25	17.43	17.92	17.43	17.43
653.99	680.25	689.75	736.27	720.97	736.11
6.10	16.10	15.10	16.60	14.60	12.30
28.00	26.68	26.68	29.18	29.50	28.00
273.54	279.18	273.13	266.05	266.19	254.31
45.75	43.25	44.25	43.38	43.38	42.38
325.58	349.56	343.47	367.03	375.09	380.83
86.97	100.42	106.36	122.35	114.50	109.26
38.75	13.50	16.00	12.49	12.00	5.50
<u>1,726.30</u>	<u>1,798.48</u>	<u>1,834.42</u>	<u>1,931.34</u>	<u>1,900.81</u>	<u>1,888.45</u>
8.00	8.00	8.00	8.00	8.00	8.00
7.00	63.85	65.65	64.90	64.39	64.19
31.75	31.50	32.99	33.00	34.00	34.00
1,130.97	1,107.73	1,133.17	1,170.50	1,151.17	1,172.49
548.58	587.40	594.61	654.94	652.41	605.51
<u>1,726.30</u>	<u>1,798.48</u>	<u>1,834.42</u>	<u>1,931.34</u>	<u>1,909.97</u>	<u>1,884.19</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 17

Teacher Salary Information
Last Ten School Years

School	Entry Level	Maximum Teacher	Average Teacher	Percent of Teachers at Maximum on
Year	Salary ^a	Salary ^b	Salary ^c	Column(s) ^d
2008-09	40,600	74,453	59,832	40%
2009-10	42,583	78,089	62,114	27%
2010-11	43,328	79,455	63,574	34%
2011-12	44,195	81,044	64,265	35%
2012-13	45,079	84,645	67,333	40%
2013-14	45,079	84,645	67,924	46%
2014-15	45,642	85,704	68,665	44%
2015-16	46,213	86,775	69,275	46%
2016-17	46,790	87,860	70,098	46%
2017-18	46,790	87,860	70,480	48%

Notes:

- ^a Entry level salary represents a teacher with a bachelor degree and no experience.
- ^b Maximum salary represents a teacher with a masters degree, plus forty-five additional credits, and at least 13 years of teaching experience.
- ^c Average teacher salary is based on a scattergram of contracted certificated salaries for that school year.
- ^d The teacher salary schedule has eight columns:
 1. Bachelor
 2. Bachelor plus 15 credits
 3. Bachelor plus 30 credits
 4. Bachelor plus 45 credits or Masters
 5. Bachelor plus 60 or Masters plus 15 credits
 6. Masters plus 30 credits
 7. Masters plus 45 credits
 8. Doctorate

The percent of teacher FTE at maximum in each column is percentage of total teacher FTE.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 18
Percentage of Students Eligible for Free and Reduced Meals by School
Last Eight Fiscal Years

	FISCAL YEAR							
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
SCHOOL SITE LOCATIONS (Percentage in site number order)								
001 Palmer High	29.15	30.97	29.91	53.61	30.49	27.84	31.77	31.00
002 Su-Valley JR/SR High	60.45	45.31	51.92	57.14	49.35	46.50	41.58	48.00
003 Wasilla High	36.45	24.56	34.36	32.51	39.06	32.45	34.59	36.00
005 Colony High	22.95	20.29	20.54	22.10	26.56	22.51	23.80	25.00
006 Burchell High School	73.94	25.86	68.25	58.72	56.82	100.00	100.00	100.00
007 Houston High	54.70	50.47	54.17	41.63	59.73	48.04	51.79	58.00
010 Palmer Middle	39.18	46.76	44.07	29.70	42.20	37.93	38.68	43.00
011 Wasilla Middle	44.98	40.60	44.20	42.82	50.07	44.83	44.90	46.00
012 Colony Middle	28.44	34.63	28.28	29.13	31.28	25.44	26.92	25.00
013 Teeland Middle	35.53	32.97	33.71	35.46	37.36	35.62	33.55	39.00
014 Houston Middle	65.42	52.32	54.05	50.13	62.94	58.33	55.71	74.61
030 Big Lake Elementary	64.62	50.80	65.39	60.22	48.12	84.49	84.58	84.51
031 Glacier View School	42.86	42.40	38.10	19.71	44.44	48.57	51.52	63.00
032 Iditarod Elementary	55.08	54.82	62.32	58.06	62.95	54.08	55.71	68.58
033 Sherrod Elementary	36.94	43.21	36.40	38.65	45.34	38.53	46.07	43.00
034 Swanson Elementary	36.79	41.86	42.28	43.64	46.71	39.74	40.85	42.00
035 Talkeetna Elementary	44.90	50.62	41.94	39.64	54.29	51.91	58.87	49.00
036 Trapper Creek Elementary	86.21	70.94	77.78	66.67	66.67	86.96	85.71	87.28
038 Willow Elementary	59.12	48.08	59.69	48.80	49.24	49.66	50.69	64.48
039 Snowshoe Elementary	36.63	42.52	36.19	33.75	48.17	49.54	45.09	46.00
041 Butte Elementary	50.65	49.19	51.59	37.76	48.37	48.85	45.95	48.00
042 Sutton Elementary	71.19	67.49	68.29	48.85	58.11	75.00	75.93	62.00
043 Cottonwood Creek Elementary	31.12	38.66	30.32	34.34	36.90	28.44	33.52	37.00
044 Tanaina Elementary	50.12	48.39	54.19	49.01	48.73	50.10	47.35	61.71
045 Pioneer Peak Elementary	27.53	37.38	26.56	39.08	29.60	30.39	29.71	32.00
046 Larson Elementary	41.99	40.06	37.44	44.17	40.21	39.51	40.47	43.00
047 Finger Lake Elementary	38.81	37.49	39.66	37.27	39.38	33.24	36.68	41.00
048 Goosebay Elementary	50.31	42.30	44.56	56.10	48.43	42.99	42.70	49.00
050 Shaw Elementary	46.00	50.03	41.24	29.17	47.14	40.70	39.86	40.00
051 Meadow Lakes Elementary	55.23	48.52	50.00	27.44	55.33	49.89	52.63	62.78
052 Knik Elementary	49.38	52.81	46.91	59.45	52.26	42.05	52.67	46.00
053 Machetan Elementary	27.09	32.55	21.62	48.47	21.23	19.21	20.85	21.00
054 Dena'ina Elementary	-	-	-	-	-	-	47.91	43.00
071 Valley Pathways School	48.39	12.57	40.91	41.81	52.38	46.40	48.96	51.00
073 Mat-Su Career & Tech High School	31.23	21.71	27.40	42.16	26.63	22.88	21.24	24.00
077 Mat-Su Day School	-	-	-	-	-	34.48	40.00	65.06
080 Joe Redington JR/SR High	-	-	-	-	-	48.12	49.73	49.00
Average of All Sites	<u>38.56%</u>	<u>38.19%</u>	<u>39.50%</u>	<u>39.98%</u>	<u>40.02%</u>	<u>40.42%</u>	<u>41.22%</u>	<u>44.00%</u>

Notes:

Information became available with implementation of Cybersoft Software for Food Services in FY09.

Prior to FY09 the district's legacy system did not have the capability to provide the information.

^a Presenting the above information has relevancy for grant application purposes and the ongoing analysis with the Department of Instruction regarding impact of socio-economic status on student achievement.

Studies have shown an extremely high correlation between socio-economic status and student performance.

Source:

Food Services Cybersoft Software

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 19
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Employer's Contribution to PERS / TRS	State of Alaska's Contribution to PERS/TRS on Behalf of the School District
2008-09	16,481	215,205,031	13,058	1.68%	13,042,697	25,172,264
2009-10	16,663	222,979,791	13,382	2.48%	15,612,940	20,317,514
2010-11	16,965	244,384,895	14,406	7.65%	16,621,565	23,681,260
2011-12	17,338	254,553,617	14,682	1.92%	16,410,501	28,752,528
2012-13	17,247	270,070,574	15,659	6.65%	16,410,502	38,318,248
2013-14	17,477	281,351,715	16,098	2.81%	17,489,763	41,046,226
2014-15	17,757	505,096,292	28,445	76.69%	18,270,165	253,789,647
2015-16	18,465	287,470,258	15,568	-45.27%	19,166,901	17,920,091
2016-17	18,809	291,946,381	15,522	-0.30%	19,595,619	16,242,978
2017-18	18,968	279,166,469	14,717	-5.18%	19,060,722	15,444,055

- Notes:**
- a Operating expenditures are total expenditures in governmental funds.
 - b Each year the Matanuska-Susitna Borough School District reports the average number of students enrolled in elementary, middle, and high school classes. Average class size beginning FY13 reflects the number of students enrolled in all classes throughout the district except correspondence study.
FY08-FY09 calculations are as above and do not include self-contained special education classes.
 - c Eligible student for free and reduced lunch provided by Cybersoft Nutrition Services software. Information for all sites, including non-meal program participants.

Source: Average class size is taken from the SchoolMax Student Info System processed by IT Department for Instruction Dept.

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 19

Operating Statistics
Last Ten Fiscal Years, continued

Total Cost of Contribution to PERS/TRS Per Pupil	Percentage Change	Average Class Size ^b			Percentage of Students Eligible for Free or Reduced-Price Meals ^c
		Elementary Schools	Middle Schools	Senior High Schools	
2,319	-10.17%	23.5	21.6	23.4	36.9%
2,156	-7.01%	21.9	24.1	23.2	37.7%
2,376	10.18%	22.4	26.5	28.1	38.6%
2,605	9.65%	24.3	26.5	28.1	38.2%
3,173	21.82%	22.0	24.8	22.0	39.5%
3,349	5.55%	23.5	25.6	23.8	40.0%
15,321	357.44%	23.5	25.6	28.7	40.0%
2,009	-86.89%	25.0	27.1	26.3	40.4%
1,905	-5.13%	23.4	24.8	28.5	41.2%
1,819	-4.53%	21.1	28.4	20.8	44.0%

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 20
Comparative Results from College Entrance Exams
Last Ten School Years

School Year	American College Test (ACT)			Scholastic Assessment Test (SAT)		
	Mat-Su	Alaska	Nation	Mat-Su	Alaska	Nation
2008-09	22.4	21.0	21.1	1,524	1,528	1,509
2009-10	22.6	21.1	21.0	1,526	1,518	1,509
2010-11	20.9	21.2	21.1	1,519	1,513	1,500
2011-12	22.5	21.2	21.1	1,527	1,504	1,498
2012-13	23.8	21.1	20.9	1,515	1,495	1,498
2013-14	22.3	21.0	21.0	1,509	1,485	1,497
2014-15	22.3	21.1	21.0	1,503	1,494	1,490
2015-16	20.3	20.0	20.8	1,396	1,424	1,484
2016-17	20.5	19.8	21.0	a 1,039	a 1,080	a 1,070
2017-18	22.1	20.8	20.9	1,095	1,106	1,049

Source: Results of the ACT are comprised of all grade level students who tested that year. Scores reflect average composite score.

- a In FY17, the SAT format changed from prior years. The new format includes an evidence-based reading and writing section (ERW), a math section, and an optional essay. Scores reflect the combined average ERW and math scores. From FY08 through FY16 the SAT was comprised of three sections: math, reading, and writing.
http://www.act.org/content/dam/act/secured/documents/cccr2017/CCCR_National_2017.pdf
<https://reports.collegeboard.org/sat-suite-program-results/detailed-2017-reports>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 21

Enrollment by School

For the Fiscal Year ended June 30, 2018

	Per DEED Report	
	Average Daily Membership	Official Enrollment Count
Elementary Schools		
Beryozava	19	19
Big Lake	374	374
Butte	279	279
Cottonwood Creek	456	456
Dena'ina Elementary	393	393
Finger Lake	386	384
Fred & Sara Machetanz Elementary	441	441
Glacier View	33	33
Goose Bay	306	306
Knik	282	282
Iditarod	417	417
John Shaw Elementary	427	427
Larson	391	391
Meadow Lakes	398	398
Pioneer Peak	431	431
Sherrod	436	436
Snowshoe	371	370
Sutton	66	66
Swanson	451	451
Talkeetna	100	100
Tanaina	416	416
Trapper Creek	22	22
Willow	139	139
Secondary Schools		
Burchell Alternative High School	203	199
Colony High School	1,122	1,121
Colony Middle School	763	762
Houston High School	367	365
Houston Middle School	380	379
Joe Redington JR/SR High School	606	605
Mat-Su Career & Tech High School	655	654
Mat-Su Middle College School	160	160
Palmer High School	753	753
Palmer Middle School	570	570
Su-Valley High School	187	187
Teeland Middle School	774	774
Valley Pathways Alternative	183	183
Wasilla High School	920	919
Wasilla Middle School	642	642
Charter Schools		
Academy Charter	248	248
American Charter	210	210
Birchtree Charter	412	412
Fronteras Charter	288	288
Midnight Sun Family Learning Center	192	192
Twindly Bridge Charter	478	478
Other Schools		
Correspondence Study School	1,734	1,732
Headstart		
Mat-Su Day School	88	88
Mat-Su Youth Facility	13	15
Total	18,983	18,968

Source:

State of Alaska - Department of Education & EED
State of AK average daily membership final report

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 22

Enrollment History by Grade Level
Last Ten Fiscal Years

Fiscal Year	PK	KG	1	2	3	4	5	Total Elem	6	7
2008-09	119	1,175	1,192	1,250	1,262	1,197	1,196	7,391	1,222	1,254
2009-10	91	1,294	1,206	1,217	1,255	1,292	1,234	7,590	1,209	1,260
2010-11	110	1,187	1,328	1,217	1,267	1,258	1,318	7,686	1,318	1,268
2011-12	119	1,413	1,305	1,327	1,257	1,270	1,294	7,984	1,357	1,292
2012-13	116	1,334	1,405	1,350	1,351	1,239	1,293	8,087	1,304	1,382
2013-14	113	1,323	1,383	1,430	1,374	1,358	1,261	8,242	1,298	1,297
2014-15	94	1,348	1,380	1,417	1,458	1,410	1,408	8,516	1,267	1,335
2015-16	108	1,489	1,386	1,389	1,490	1,508	1,447	8,816	1,451	1,314
2016-17	114	1,420	1,511	1,436	1,442	1,516	1,538	8,977	1,474	1,448
2017-18	116	1,440	1,430	1,532	1,437	1,444	1,517	8,915	1,552	1,490
Projected Enrollment										
2018-19	124	1,471	1,449	1,453	1,511	1,434	1,450	8,892	1,498	1,552

Source:

State of Alaska - Department of Education & EED

Average daily membership final report for the fiscal year reporting

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 22

Enrollment History by Grade Level
Last Ten Fiscal Years, continued

8	Total JR	9	10	11	12	Total SR	Grand Total	Change	Percentage Change
1,327	3,803	1,336	1,260	1,546	1,135	5,277	16,481	367	0.0%
1,255	3,724	1,360	1,342	1,524	1,112	5,339	16,663	183	0.01%
1,309	3,895	1,329	1,320	1,602	1,133	5,383	16,965	302	0.02%
1,273	3,923	1,289	1,335	1,357	1,450	5,431	17,338	374	0.02%
1,292	3,978	1,281	1,262	1,277	1,363	5,183	17,247	(89)	-0.01%
1,379	3,975	1,299	1,274	1,272	1,414	5,260	17,477	230	0.01%
1,320	3,922	1,386	1,312	1,269	1,353	5,319	17,757	281	0.02%
1,392	4,158	1,383	1,416	1,315	1,378	5,491	18,465	707	0.04%
1,340	4,262	1,393	1,374	1,411	1,392	5,570	18,809	344	0.02%
1,454	4,496	1,366	1,376	1,349	1,466	5,557	18,968	159	0.01%
1,484	4,534	1,459	1,368	1,372	1,415	5,614	19,040	72	0.00%

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 23
School Building Information
Last Ten Fiscal Years

Type of School	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Elementary										
Beryozava										
^a Square Feet	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920
Capacity	17	17	17	17	17	17	17	17	17	17
Enrollment	19	21	20	20	22	17	19	22	28	19
Big Lake Elementary										
Square Feet	57,240	57,240	57,240	57,240	57,240	57,240	57,240	58,200	58,200	58,200
Capacity	502	502	502	502	502	502	502	511	511	511
Enrollment	402	369	391	412	417	429	468	449	388	374
Butte Elementary										
Square Feet	49,550	49,550	49,550	49,550	49,550	49,550	49,550	49,550	49,550	49,550
Capacity	435	435	435	435	435	435	435	435	435	435
Enrollment	312	312	300	297	284	287	305	278	274	279
Cottonwood Creek Elementary										
Square Feet	49,550	51,470	51,470	51,470	49,550	49,550	49,550	49,550	53,390	5,390
Capacity	435	451	451	451	435	435	435	435	468	468
Enrollment	486	405	406	373	429	446	467	505	493	456
Dena'ina Elementary										
Square Feet								School	46,010	46,010
Capacity								Opened	403	403
Enrollment								7.1.16	401	394
Finger Lake Elementary										
Square Feet	53,457	54,417	54,417	54,417	53,457	53,457	53,457	54,417	54,417	54,417
Capacity	469	477	477	477	469	469	469	477	477	477
Enrollment	423	344	318	306	294	296	263	315	368	384
Glacier View School										
Square Feet	20,343	20,343	20,343	20,343	20,343	20,343	20,343	20,343	20,343	20,343
Capacity	178	178	178	178	178	178	178	178	178	178
Enrollment	43	36	42	38	43	39	28	31	32	33
Goose Bay Elementary										
Square Feet	53,457	54,417	54,417	54,417	53,457	53,457	53,457	53,457	53,457	53,457
Capacity	444	465	465	465	465	465	465	465	465	465
Enrollment	423	432	469	464	469	480	465	483	319	306
Iditarod Elementary										
Square Feet	45,902	62,598	62,598	62,598	45,902	45,902	45,902	51,347	52,307	53,267
Capacity	403	549	549	549	403	403	403	450	459	459
Enrollment	458	362	340	354	364	337	312	347	382	417
Knik Elementary										
Square Feet	51,533	55,338	55,338	55,338	51,533	51,533	51,533	53,378	52,418	52,418
Capacity	452	485	485	485	452	452	452	468	460	460
Enrollment	395	405	408	400	403	439	459	495	283	282
Larson Elementary										
Square Feet	54,378	54,378	54,378	54,378	54,378	54,378	54,378	54,378	54,378	54,378
Capacity	477	477	477	477	477	477	477	477	477	477
Enrollment	290	344	357	391	385	385	378	390	409	391
Machetanaz Elementary										
Square Feet	School	53,519	53,519	53,519	52,000	52,000	52,000	54,479	55,439	55,439
Capacity	Opened	469	469	469	456	456	456	478	486	486
Enrollment	7.1.09	308	348	452	405	407	423	462	472	441
Meadow Lakes Elementary										
Square Feet	54,378	56,298	56,298	56,298	54,378	54,378	54,378	54,378	54,378	54,378
Capacity	477	494	494	494	477	477	477	477	477	477
Enrollment	424	460	452	410	400	412	440	433	418	398
Pioneer Peak Elementary										
Square Feet	48,944	49,550	49,550	49,550	48,944	48,944	48,944	50,510	50,510	50,510
Capacity	429	435	435	435	429	429	429	443	443	443
Enrollment	411	376	336	353	360	398	389	423	431	431

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 23
School Building Information
Last Ten Fiscal Years

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Shaw Elementary										
Square Feet	54,300	54,300	54,300	54,300	54,300	54,300	54,300	54,300	54,300	54,300
Capacity	476	476	476	476	476	476	476	476	476	476
Enrollment	383	364	380	366	418	393	406	425	407	427
Sherrod Elementary										
Square Feet	54,700	54,378	54,378	54,378	54,700	54,700	54,700	54,378	54,378	54,378
Capacity	480	477	477	477	480	480	480	477	477	477
Enrollment	407	424	457	448	452	439	455	442	428	436
Snowshoe Elementary										
Square Feet	49,550	50,510	50,510	50,510	49,550	49,550	49,550	50,510	50,510	50,510
Capacity	435	443	443	443	435	435	435	443	443	443
Enrollment	378	372	387	380	380	382	399	418	406	370
Sutton Elementary										
Square Feet	25,414	25,414	25,414	25,414	25,414	25,414	25,414	25,414	25,414	25,414
Capacity	223	223	223	223	223	223	223	223	223	223
Enrollment	66	72	61	58	42	38	51	55	60	66
Swanson Elementary										
Square Feet	51,335	51,095	51,095	51,095	51,335	51,335	51,335	51,335	51,335	51,335
Capacity	450	448	448	448	450	450	450	450	450	450
Enrollment	430	440	439	455	443	426	420	426	447	451
Talkeetna Elementary										
Square Feet	28,125	28,595	28,595	28,595	28,125	28,125	28,125	28,595	28,595	28,595
Capacity	247	251	251	251	247	247	247	251	251	251
Enrollment	96	90	111	92	76	89	88	105	112	100
Tanaina Elementary										
Square Feet	53,457	53,457	53,457	53,457	53,457	53,457	53,457	56,337	57,297	57,297
Capacity	469	469	469	469	469	469	469	494	503	503
Enrollment	332	401	402	395	408	426	453	462	424	416
Trapper Creek Elementary										
Square Feet	16,080	16,080	16,080	16,080	16,080	16,080	16,080	16,080	16,080	16,080
Capacity	141	141	141	141	141	141	141	141	141	141
Enrollment	21	23	22	35	35	31	32	22	24	22
Willow Elementary										
Square Feet	33,797	33,797	33,797	33,797	33,797	33,797	33,797	34,757	34,757	34,757
Capacity	296	296	296	296	296	296	296	305	305	305
Enrollment	119	129	131	135	124	114	136	134	131	139
Middle School										
Colony Middle School										
Square Feet	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Capacity	727	727	727	727	727	727	727	727	727	727
Enrollment	665	646	627	633	636	651	665	726	743	762
Houston Middle School										
Square Feet	93,152	93,152	93,152	93,152	93,152	93,152	93,152	93,152	93,152	93,152
Capacity	565	565	565	565	565	565	565	565	565	565
Enrollment	341	323	343	403	372	390	327	307	339	379
Palmer Middle School										
Square Feet	128,452	128,452	128,452	128,452	128,452	128,452	128,452	128,452	128,452	128,452
Capacity	778	778	778	778	778	778	778	778	778	778
Enrollment	632	597	569	634	602	641	590	609	559	570
Teeland Middle School										
Square Feet	135,000	134,539	134,539	134,539	135,000	135,000	135,000	135,403	135,403	135,403
Capacity	818	815	815	815	818	818	818	821	821	821
Enrollment	698	724	716	675	713	697	724	747	746	774
Wasilla Middle School										
Square Feet	124,809	136,518	136,518	136,518	124,809	124,809	124,809	131,718	129,798	129,798
Capacity	756	827	827	827	756	756	756	798	787	787
Enrollment	799	809	838	824	826	798	719	525	583	642
Secondary										
Colony High School										
Square Feet	194,000	194,960	194,960	194,960	194,000	194,000	194,000	194,960	194,960	194,960
Capacity	1,176	1,182	1,182	1,182	1,176	1,176	1,176	1,182	1,182	1,182
Enrollment	1,189	1,238	1,188	1,178	1,094	1,102	1,120	1,117	1,135	1,121

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 23
School Building Information
Last Ten Fiscal Years

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Houston High School										
Square Feet	88,240	88,240	88,240	88,240	88,240	88,240	88,240	88,240	88,240	88,240
Capacity	535	535	535	535	535	535	535	535	535	535
Enrollment	414	404	387	409	389	376	387	391	389	365
Joe Redington Sr Jr/Sr High School										
Square Feet							School	107,306	107,306	107,306
Capacity							Opened	650	650	650
Enrollment							7.1.15	459	521	605
Mat-Su Career & Technical High School										
Square Feet	75,400	81,025	81,025	81,025	75,400	75,400	75,400	114,085	115,005	116,925
Capacity	457	491	491	491	457	457	457	691	697	697
Enrollment	346	406	416	423	436	423	457	540	581	654
Palmer High School										
Square Feet	196,606	196,606	196,606	196,606	196,606	196,606	196,606	196,606	196,606	196,606
Capacity	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192	1,192
Enrollment	899	794	763	797	764	785	762	772	807	753
Su-Valley Jr/Sr High School										
Square Feet	7,680	50,578	50,578	50,578	50,578	50,578	50,578	50,578	50,578	50,578
Capacity	47	307	307	307	307	307	307	307	307	307
Enrollment	180	164	190	174	164	165	177	188	189	187
Wasilla High School										
Square Feet	200,326	211,246	211,246	211,246	200,326	200,326	200,326	200,326	200,326	200,326
Capacity	1,214	1,280	1,280	1,280	1,214	1,214	1,214	1,214	1,214	1,214
Enrollment	1,253	1,276	1,235	1,279	1,236	1,202	1,159	1,067	1,029	919
Burchell Alternative High School										
Square Feet	33,794	37,482	37,482	37,482	33,794	33,794	33,794	38,282	38,282	38,282
Capacity	205	227	227	227	205	205	205	232	232	232
Enrollment	221	228	277	259	180	265	287	311	253	199
Valley Pathways Alternative High School										
Square Feet	6,629	11,520	11,520	11,520	11,520	47,792	47,792	47,792	47,792	47,792
Capacity	40	70	70	70	70	290	290	290	290	290
Enrollment	206	203	215	180	162	170	196	204	179	183
Charter Schools										
Academy Charter										
Square Feet	20,734	28,414	28,414	28,414	33,880	50,934	50,934	50,934	50,934	50,934
Capacity	126	172	172	172	205	309	309	309	309	309
Enrollment	229	227	231	231	237	236	234	241	244	248
American Charter (Formerly MV)										
^a Square Feet	9,000	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400
Capacity	55	39	39	39	39	39	39	39	39	39
Enrollment	194	193	198	212	188	191	188	174	188	210
Birchtree Charter										
^a Square Feet		School	21,000	31,400	35,000	35,000	35,000	43,000	43,000	43,000
Capacity		Opened	127	190	212	212	212	261	261	261
Enrollment		7.01.10	219	289	308	329	364	391	413	412
Fronteras Charter										
Square Feet	14,663	17,250	17,250	17,250	17,250	17,250	17,250	31,000	34,840	34,840
Capacity	89	105	105	105	105	105	105	188	211	211
Enrollment	187	203	221	214	220	231	247	248	289	288
Midnight Sun Family Learning Center										
^a Square Feet	19,216	17,956	17,956	17,956	19,216	19,216	19,216	22,816	22,816	22,816
Capacity	116	109	109	109	116	116	116	138	138	138
Enrollment	165	163	165	164	167	164	192	189	184	192
Twindly Bridge Charter										
Square Feet	7,294	7,294	7,294	7,294	7,294	7,294	7,294	7,294	7,294	7,294
Capacity	44	44	44	44	44	44	44	44	44	44
Enrollment	290	279	308	298	292	262	317	394	451	478
Other MSBSD Schools										

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 23
School Building Information
Last Ten Fiscal Years

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Mat-Su Middle College School										
^a Square Feet				School						
Capacity				Opened	100	100	100	100	100	100
Enrollment				7.1.12	37	82	93	89	117	160
Mat-Su Day School										
Square Feet	2,880	4,800	4,800	4,800	4,800	21,500	21,500	23,300	23,300	23,300
Capacity	17	29	29	29	29	130	130	141	141	141
Enrollment	38	41	51	57	65	77	68	76	85	88
Mat-Su Central School (Formerly Correspondence Study School)										
^a Square Feet	7,200	8,118	18,421	18,421	18,500	18,500	18,500	18,500	18,500	18,500
Capacity	44	49	112	112	112	112	112	112	112	112
Enrollment	1,193	1,243	1,220	1,359	1,490	1,512	1,614	1,561	1,633	1,732
Mat-Su Youth Facility										
^a Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Capacity	15	15	15	15	15	15	15	15	15	15
Enrollment	5	5	9	11	15	15	15	15	15	15
TOTAL ENROLLMENT	16,481	16,663	16,965	17,338	17,247	17,477	17,757	18,465	18,809	18,968

Notes:

^a Indicates a use of facility not owned by MSBSD.

Source: School District Operations & Maintenance Department.

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Matanuska-Susitna Borough School District

**(A Component Unit of the Matanuska-Susitna
Borough)**

**Federal and State Single Audit Reports
Year Ended June 30, 2018**

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Matanuska-Susitna Borough School District
(A Component Unit of the Matanuska-Susitna Borough)

Federal and State Single Audit Reports
Year Ended June 30, 2018

Matanuska-Susitna Borough School District

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

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Members of the School Board
Matanuska-Susitna Borough School District
Palmer, Alaska

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Matanuska-Susitna Borough School District, a component unit of the Matanuska-Susitna Borough, Alaska, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Matanuska-Susitna Borough School District's basic financial statements, and have issued our report thereon dated November 15, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Matanuska-Susitna Borough School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Matanuska-Susitna Borough School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Matanuska-Susitna Borough School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Matanuska-Susitna Borough School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
November 15, 2018



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

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Members of the School Board
Matanuska-Susitna Borough School District
Palmer, Alaska

Report on Compliance for Each Major Federal Program

We have audited Matanuska-Susitna Borough School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Matanuska-Susitna Borough School District's major federal programs for the year ended June 30, 2018. Matanuska-Susitna Borough School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Matanuska-Susitna Borough School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Matanuska-Susitna Borough School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Matanuska-Susitna Borough School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Matanuska-Susitna Borough School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Matanuska-Susitna Borough School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Matanuska-Susitna Borough School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Matanuska-Susitna Borough School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Matanuska-Susitna Borough School District, a component unit of the Matanuska-Susitna Borough, Alaska, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Matanuska-Susitna School District's basic financial statements. We issued our report thereon dated November 15, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BDO USA, LLP

Anchorage, Alaska
November 15, 2018

Matanuska-Susitna Borough School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass - Through Entity Identifying Number</i>	<i>Provided to Subrecipients</i>	<i>Total Federal Expenditures</i>
U.S. Department of Agriculture				
Child Nutrition Cluster:				
Passed through the State of Alaska,				
Department of Education and Early Development:				
School Breakfast Program	10.553	03301	\$ -	\$ 1,130,567
National School Lunch Program	10.555	03301	-	4,087,313
National School Lunch Program - Donated Produce	10.555	03301	-	349,191
Direct - National School Lunch Program	10.555		-	181,533
Total CFDA 10.555 National School Lunch Program				4,618,037
Total Child Nutrition Cluster				5,748,604
Passed through the State of Alaska,				
Department of Education and Early Development:				
Child and Adult Care Food Program	10.558	03301	-	97,400
State Administrative Expenses for Child Nutrition	10.560	FD 18.MSSD.01	-	14,147
Team Nutrition Grants				
Smarter lunchrooms	10.574	TN 18.MSSD.01	-	10,873
Smarter lunchrooms	10.574	NS 18.MSSD.01	-	2,916
Total CFDA 10.574 Team Nutrition Grants				13,789
Fresh Fruit and Vegetable Program	10.582	FF 18.MSSD.01	-	29,340
Fresh Fruit and Vegetable Program	10.582	FF 18.MSSD.02	-	67,524
Total CFDA 10.582 Fresh Fruit and Vegetable Program				96,864
Total U.S. Department of Agriculture				5,970,804
U.S. Department of Education				
Passed through the State of Alaska,				
Department of Education and Early Development:				
Title I Grants to Local Educational Agencies:				
Title I-A Consolidated Administration	84.010	IP 18.MSSD.01	-	607,925
Title I-A Basic	84.010	IP 18.MSSD.01	-	3,582,824
Title I-A School Improvement 1003a	84.010	PF 18.MSSD.03	-	987
Title I-A School Improvement 1003a	84.010	PF 18.MSSD.04	-	39,956
Title I ACAD ACH Award	84.010	AA 18.MSSD.01	-	5,000
Total for CFDA 84.010 Title I Grants to Local Educational Agencies				4,236,692

The accompanying notes are an integral part of this schedule.

Matanuska-Susitna Borough School District
Schedule of Expenditures of Federal Awards, continued
Year Ended June 30, 2018

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass - Through Entity Identifying Number</i>	<i>Provided to Sub- recipients</i>	<i>Total Federal Expenditures</i>
U.S. Department of Education, continued				
Passed through the State of Alaska,				
Department of Education and Early Development, continued:				
Migrant Education State Grant Program:				
Title I-C Migrant Education	84.011	IP 18.MSSD.01	-	825,114
Title I-C Consolidated Administration	84.011	IP 18.MSSD.01	-	336,135
Migrant Education Book	84.011	MB 18.MSSD.01	-	15,750
Total for CFDA 84.011 Migrant Education State Grant Program				1,176,999
Title 1 State Agency Program for Neglected and - Delinquent Children and Youth	84.013	IP 18.MSSD.01	-	23,045
Title 1D Consolidated Administration	84.013	IP 18.MSSD.01	-	3,308
Total for CFDA 84.013 Title 1 State Agency Program for Neglected and Delinquent Children and Youth				26,353
Special Education Cluster (IDEA):				
Special Education-Grants to States:				
IDEA Part B Title VI-B Reg.	84.027	SE 18.MSSD.01	-	4,137,773
CEIS - IDEA Part B Title VI-B	84.027	SE 18.MSSD.01	-	467,297
Special Education 619 Program Audit	84.027A	SA 18.MSSD.01	-	154,152
Total for CFDA 84.027 Special Education Grants to States				4,759,222
Special Education - Preschool Grants - IDEA, Part B Preschool Disabled	84.173	SE 18.MSSD.01	-	92,368
Total Special Education Cluster (IDEA)				4,851,590
Career and Technical Education - Basic Grants to States - Carl Perkins Basic	84.048	EK 18.MSSD.01	-	402,383
Education for Homeless Children and Youth - McKinney-Vento Homeless	84.196	FR 18.MSSD.01	-	60,271
Twenty-First Century Community Learning Centers - Alaska Community Learning Center Program	84.287	AC 18.MSSD.01	-	543,920
Supporting Effective Instruction State Grants:				
Title II-A Teacher & Principal Training and Recruitment	84.367	IP 18.MSSD.01	-	756,322
Title II-A Consolidated Administration	84.367	IP 18.MSSD.01	-	251,574
Total for CFDA 84.367 Supporting Effective Instruction State Grants				1,007,896

The accompanying notes are an integral part of this schedule.

Matanuska-Susitna Borough School District
Schedule of Expenditures of Federal Awards, continued
Year Ended June 30, 2018

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass - Through Entity Identifying Number</i>	<i>Provided to Sub- recipients</i>	<i>Total Federal Expenditures</i>
U.S. Department of Education, continued				
Passed through the State of Alaska, Department of Education and Early Development, continued:				
Title IV-A Student Support and Academic Enrichment Program	84.424A	IP 18.MSSD.01	-	\$ 175,704
English Language Acquisition State Grants - Title III-A, English Language Acquisition	84.365	IP 18.MSSD.01	-	39,458
Direct - Indian Education Grants to Local Educational Agencies	84.060A		-	622,438
Passed through Big Brothers Big Sisters of Alaska Alaska Native Educational Programs	84.356A	FY17-FY18	-	34,618
Total U.S. Department of Education				13,178,322
U.S. Department of Health and Human Services				
Passed through the State of Alaska, Department of Education and Early Development: Substance Abuse and Mental Health Services Projects of Regional and National Significance:				
Project Aware 1	93.243	AW 18.MSSD.01	-	49,683
Project Aware 2	93.243	AW 18.MSSD.02	-	344,959
Total for CFDA 93.243 Substance Abuse and Mental Health Projects of Regional and National Significance				394,642
Passed through Boys & Girls Clubs of Southcentral Alaska Block Grants for Prevention and Treatment of Substance Abuse Boys & Girls Club, United Way of Mat-Su THRIVE Mat-Su				
	93.959	602-207-18022	-	18,639
Passed through Knik Tribal Child Care and Development Block Grant - Child Care Mandatory & Matching Funds of the Child Care & Dev. Fund ANSEP Middle School Academy				
	93.596	FY18	-	21,306
Total U.S. Department of Health and Human Services				434,587
U.S. Department of the Interior				
Passed through Knik Tribal - Compact Funds	15.U01	15.PL102-477	-	980
National Endowment for the Humanities				
Passed through the Alaska State Council on the Arts Promotion of the arts partnership agreement -Artist in schools				
	45.025	FY18AIS0017	-	1,250
Total Expenditures of Federal Awards				\$ 19,585,943

The accompanying notes are an integral part of this schedule.

Matanuska-Susitna Borough School District
Note to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Matanuska-Susitna Borough School District under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Matanuska-Susitna Borough School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Matanuska-Susitna Borough School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

Matanuska-Susitna Borough School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



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

3601 C Street, Suite 600
Anchorage, AK 99503

**Independent Auditor's Report on Compliance for Each Major State Program;
Report on Internal Control Over Compliance; and Report on the Schedule of
State Financial Assistance Required by the *State of Alaska Audit Guide and
Compliance Supplement for State Single Audits***

Members of the School Board
Matanuska-Susitna Borough School District
Palmer, Alaska

Report on Compliance for Each Major State Program

We have audited Matanuska-Susitna Borough School District's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of Matanuska-Susitna Borough School District's major state programs for the year ended June 30, 2018. Matanuska-Susitna Borough School District's major state programs are identified in the accompanying schedule of state financial assistance.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Matanuska-Susitna Borough School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Matanuska-Susitna Borough School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Matanuska-Susitna Borough School District's compliance.

Opinion on Each Major State Program

In our opinion, Matanuska-Susitna Borough School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Matanuska-Susitna Borough School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Matanuska-Susitna Borough School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Matanuska-Susitna Borough School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Matanuska-Susitna Borough School District, a component unit of the Matanuska-Susitna Borough, Alaska, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Matanuska-Susitna School District's basic financial statements. We issued our report thereon dated November 15, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and is not a required part of the basic financial statements. Such information 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. The 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 schedule of state financial assistances is fairly stated in all material respects in relation to the basic financial statements as a whole.

BDO USA, LLP

Anchorage, Alaska
November 15, 2018

Matanuska-Susitna Borough School District

Schedule of State Financial Assistance

Year Ended June 30, 2018

Name of Award	Grant Number	Total Grant Award	State Share of Expenditures
Department of Education and Early Development			
Major programs:			
Public School Funding	FY18	\$ 170,509,407	\$ 170,509,407
Student Transportation	FY18	16,841,720	16,841,720
Total major programs			187,351,127
Nonmajor programs:			
Alaska Pre K Program	PK 18.MSSD.01	354,000	344,918
Foster Care Transportation	FY18	116,433	116,433
Youth in Detention	EY 18.MSSD.01	366,907	95,114
Alternative Schools	BH 18.MSSD.01	73,900	73,176
Suicide Awareness, Prevention and Postvention	SP 18.MSSD.01	38,160	36,480
Safe Children's Act	SC 17.MSSD.01	27,108	13,999
Youth Risk Behavior Survey	YR 17.MSSD.01	15,733	916
Passed through the State of Alaska			
Alaska State Council on the Arts	FY18AIS0017	1,250	1,250
Total nonmajor programs			682,286
Total Department of Education and Early Development			188,033,413
Department of Administration			
Major programs:			
PERS on behalf	FY18	1,047,303	1,047,303
TRS on behalf	FY18	14,396,752	14,396,752
Total Department of Administration			15,444,055
Department of Commerce, Community, and Economic Development			
Nonmajor programs:			
Nutritional Alaska Foods for Schools	14-NAFS-033	233,305	40,826
National Math and Science Initiative	15-DC-435	500,000	69,609
Total Department of Commerce, Community, and Economic Development			110,435
Total State Financial Assistance			\$ 203,587,903

The accompanying notes are an integral part of this schedule.

Matanuska-Susitna Borough School District

Notes to Schedule of State Financial Assistance Year Ended June 30, 2018

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state grant activity of Matanuska-Susitna Borough School District under programs of the State of Alaska for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Matanuska-Susitna Borough School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Matanuska-Susitna Borough School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

Matanuska-Susitna Borough School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes

☒ no

Significant deficiency(ies) identified?

☐ yes

☒ (none reported)

Noncompliance material to financial statements noted?

☐ yes

☒ no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

☐ yes

☒ no

Significant deficiency(ies) identified?

☐ yes

☒ (none reported)

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)

☐ yes

☒ no

Identification of major federal programs:

CFDA Numbers	Name of Federal Program or Cluster	Agency
84.011	Migrant Education State Grant Program	U.S. Dept. of Education
10.553/10.555	Child Nutrition Cluster	U.S. Dept. of Agriculture
84.027/84.173	Special Education Cluster	U.S. Dept. of Education

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?

☒ yes

☐ no

Matanuska-Susitna Borough School District
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2018

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified?

 yes

 X no

Significant deficiency(ies) identified?

 yes

 X (none reported)

Type of auditor's report issued on compliance for major
state programs:

Unmodified

Dollar threshold used to distinguish a state major program: \$ 500,000

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards

There were no findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards.

Section III - Federal Award Findings and Questioned Costs
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There were no findings and questioned costs for federal awards as defined in 2 CFR 200.516(a) that are required to be reported.

Section IV - State Award Findings and Questioned Costs

There were no findings and questioned costs for State awards (as defined in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*) that are required to be reported.



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