



MATANUSKA SUSITNA

BOROUGH SCHOOL DISTRICT

A COMPONENT UNIT OF THE
MATANUSKA-SUSITNA BOROUGH
PALMER, ALASKA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2017

We prepare all students for success

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
JUNE 30, 2017**

**MATANUSKA-SUSITNA BOROUGH
SCHOOL DISTRICT
PALMER, ALASKA**



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**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, 2017

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, 2017 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 control that has been established for this purpose. Because the cost of internal control 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, 2017 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, 2017, 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 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.

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. The District partnered with the Borough to acquire Twindly Bridge Charter School's facility in 2016 and to finance the new construction of Fronteras Spanish Immersion Charter School in 2017. Both schools are responsible for the financial activities associated with these two buildings while all other buildings are recorded on the Borough's financial reports.

In many respects the two agencies operate independently. However, the Borough does monitor the District's unspent year-end funds and may require a percentage of any unspent funds be returned to the Borough. Until FY 2013 the District, under Borough Code 3.04.110(c), was required to return 50% 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. The ordinance also stated that the District could not build its unassigned fund balance to a sum greater than \$5 million. Under that ordinance, any amount greater than \$5 million would automatically lapse back to the Borough.

On April 17, 2013, the School Board passed Resolution No. 13-006 which requested that the Assembly consider a lapse for only "the portion of funds provided by the Matanuska-Susitna Borough with no limitation on the amount of total funds to be held as unassigned fund balance." 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.

Through persistent lobbying efforts, Borough Code was amended by the Assembly on August 6, 2013 under Ordinance Serial No. 13-096. This ordinance called for 25% of any increase in unassigned fund balance to lapse back to the Borough with no limitation to the total amount of fund balance held by the District aside from that amount defined by AS 14.17.505(a).

The District viewed this change as being reasonable and fair-minded since 25% is roughly the same percent of local annual support provided by the Borough when compared to total general fund revenue. With this new lapse policy in place, the District was able to build upon its reserves.

At the end of FY14, FY15, and FY16 the Assembly approved for the School District to keep 100% of the increase in fund balance. At the end of FY16, the School District's expenditures exceeded revenues which resulted in a lack of unspent funds and a use of fund balance. No lapse back to the Borough occurred as there was no increase in unassigned fund balance. Similarly, the School's District's expenditures exceeded its revenues in FY17 which resulted in a use of fund balance with no lapse to the Borough.

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

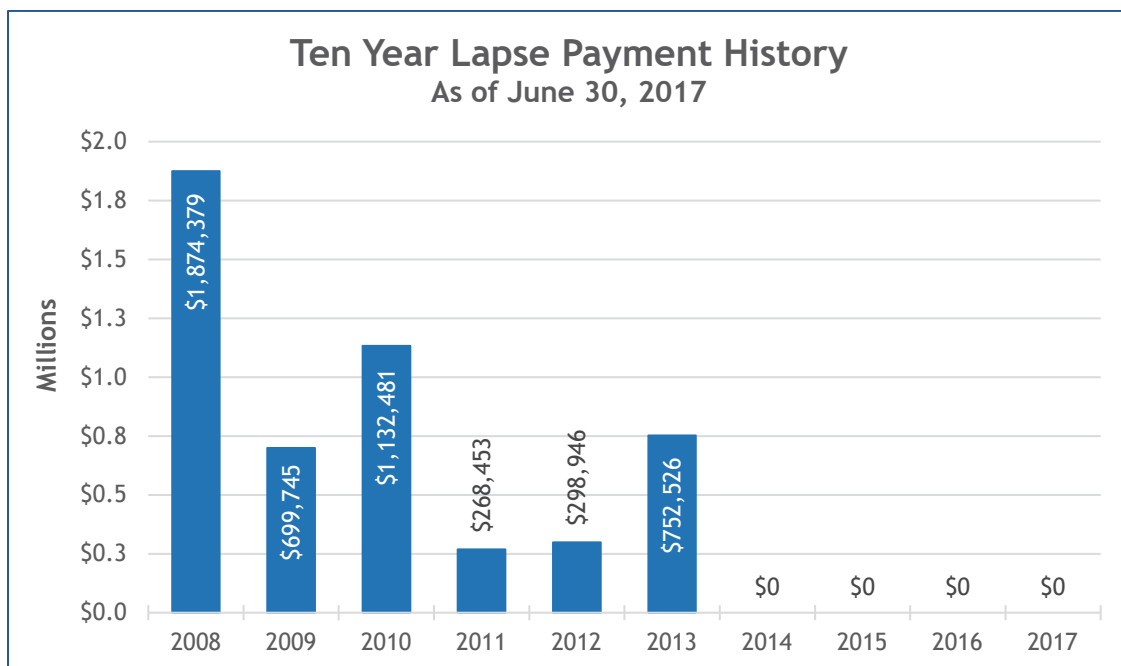


Chart 1

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 (Mat-Su 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 Mat-Su 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 100,000 people currently reside in the Borough, with that number expected to continue to grow. One of the fastest growing areas in the State, the Borough's employment growth has increased an average of 5.5 percent per year over the last decade. The Borough is also within a reasonable commuting distance from Alaska's largest city, Anchorage, with approximately 34 percent of the population commuting each day.

The Matanuska-Susitna Borough School District serves approximately 18,809 students at 47 schools. The District provides 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.

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.

Several long-term goals have been established within the District's Strategic Plan. These goals are as follows:

- We will improve student success, achievement, and performance.
- We will increase the graduation rate.
- We will maintain and continuously improve safe and healthy environments for our students and staff.
- Our schools will welcome families and community members in the education of our youth.

The School Board established short-term objectives for FY17 to better align the District with its mission and long-term goals. These priorities are listed below:

- Increase Classroom and Site Support
- Improve School Environments: Social-Emotional & Physical Plant
- Maintain a High Standard in the Stewardship of Public Funds
- Improve Internal and External Relationships and Communication
- Maintain Strategies to Increase Public Relations
- Technology Roadmap Implementation

The District serves the community best when it meets student needs and is responsive to parents and community stakeholders. At MSBSD, 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.

Initiatives

In addition to having long-term goals, the MSBSD Board of Education developed a list of objectives to help carry out goals during the 2016-17 school year. The board objectives for the school year are outlined below:

- **Increase Classroom and Site Support**
The School Board wishes to increase the expertise in classrooms by providing systematic professional development for all staff on district-wide curriculum, technology enhancements, classroom instruction, and social-emotional learning programs; developing and implementing a leadership academy to support and mentor current and future administrative candidates; using the evaluation system to increase the efficacy of all staff; and implementing systems of support to increase the graduation rate.
- **Improve School Environments: Social-Emotional & Physical Plant**
The District continued with year four of the Flippen by Design initiative; further implementing a K-12 Social Emotional curriculum in core and intervention programs; constructed and opened two elementary schools and one charter school, updated facility documents, continued ALICE training with a focus on the safety and well-being of students, and improved emergency preparedness communication plans through the use of CrisisGo, a smart phone application that sends emergency communications to a large group of people while maintaining a detailed log/record.
- **Maintain a High Standard in the Stewardship of Public Funds**
High standards in stewardship of public funds occurs with a focus on transparency. The budget department distributed a consolidated handbook to aid the public in better understanding the budget development process. Internally, the Accounting department updated and published Student Activities Accounting and P-Card Manuals to ensure proper accounting procedures are adhered to throughout the District. The District also continues to strive to produce financial documents that meet all required criteria for the Association of School Business Officials Certificate of Excellence in Financial Reporting and Meritorious Budget Award.
- **Improve Internal and External Relationships and Communication**
Internal communications have been improved by developing site based communication plans that include staff, student, and parent communication. The CrisisGo application as detailed above was also deployed. Business and Operations communications have been improved through the publication of a bi-weekly newsletter, The Business Bulletin.
- **Maintain Strategies to Increase Public Relations**
The District communicated the ideals of being responsive, resourceful, and relevant to staff, community members, students, and schools. The Superintendent participated in community engagement forums including a live, interactive event with AARP Alaska and four public budget open houses. Our Public Information Office hosted a student intern who produced District informational videos to add content to both the District's website and social media accounts.

- **Technology Roadmap Implementation**
New technology standards for teachers were developed and the District began a three year refresh cycle to bring all staff devices to that standard. For students, the District began implementing Chromebooks with a rural enhanced access initiative and distributed approximately 5,000 devices District-wide. Talkeetna Elementary, Trapper Creek Elementary, Su-Valley Jr./Sr. High School, Sutton Elementary, Glacier View School, Willow Elementary, and Beryozava School went one-to-one. Additional devices were deployed at Houston High School and Houston Middle School. Along with devices, the District underwent a technology infrastructure modernization by enhancing and improving wireless access across the District. Additionally, the 2nd year Technology Expo was hosted at Wasilla High School. This community event allows students to showcase how they are utilizing technology to support learning in the classroom.

Accountability

The District is accountable to its stakeholders in many ways. One manner in which the successes of the District's educational programs were measured in the past was via No Child Left Behind (NCLB), also known as the Elementary and Secondary Education Act (ESEA) reauthorization of 2001. More specifically, Adequate Yearly Progress (AYP) is the accountability function of No Child Left Behind that mandates all students must demonstrate competence in language arts and mathematics through written assessments given in grades 3-10.

In September 2012, the State of Alaska applied for a flexibility waiver under the Elementary and Secondary Education Act (ESEA). This waiver was approved in May 2013 by the United States Department of Education. One month after the waiver was approved the State Board of Education & Early Development adopted a new accountability system for public schools. The new system was named the Alaska School Performance Index (ASPI).

In addition to a new accountability system, Alaska chose the Achievement and Assessment Institute (AAI) at the University of Kansas to develop a custom assessment that measures the Alaska English Language Arts & Mathematics Standards adopted in 2012. The State's previous assessment, the Standards Based Assessment (SBA) was administered for the final time in April 2014. The new, custom assessment from AAI, Alaska Measures of Progress (AMP), was administered for the first time in spring 2015. During FY16, the Alaska Department of Education and Early Development determined that the assessment did not adequately satisfy reliability requirements.

In December of 2015, NCLB was repealed and replaced by, The Every Student Succeeds Act (ESSA). With this transition, the Alaska Department of Education selected Data Recognition Corp (DRC) for statewide assessments in english, language arts, and science. This replaced AMP and was exercised for the first time in spring 2017. English, language arts, and math were administered to grades 3-10 and science was administered to grades 4, 8, and 10.

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 May or 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 Director of Finance. After Director of Finance 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.

These internal controls are part of the District's larger comprehensive risk management plan which also includes IT backups and disaster recovery processes in the event of a major disaster. The IT system disaster recovery plan was developed utilizing the

District's financial management system functionality to switch the data load, processes, and workflow to alternate servers outside the State of Alaska. If the unexpected should occur, key staff have been identified to assist with carrying out critical functions as a part of the District's disaster recovery continuity plan. The normal day-to-day business operations are protected on a smaller scale through nightly data backups.

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 and FY17.

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 2 Represents the District's historical revenue sources.

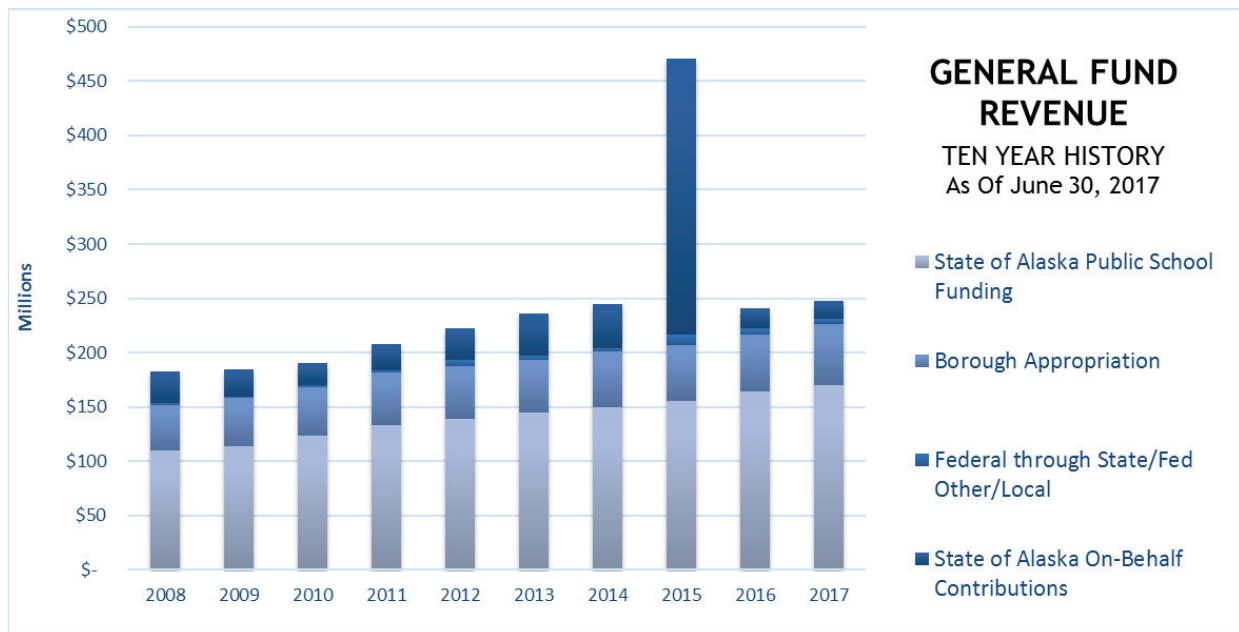


Chart 2

As shown in Chart 2, FY17 State of Alaska On-Behalf Contributions remained relatively stagnant from the prior fiscal year. 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.

In terms of other revenue, the Borough appropriation increased by approximately 6% or \$3,175,359 million over the amount received in FY16. Another factor increasing District revenue was an increase in average daily membership by 344 students from the prior year. As a result, State of Alaska public school funding revenue increased by \$6,067,975.

For FY15, the District experienced an increase in unassigned fund balance as the Borough allowed the District to retain 100% of unspent funds at year end. The District's expenditures exceeded revenues for FY16 by \$2,590,562 as the District budgeted a use of fund balance to bridge a budget deficit and adopt a balanced budget. Again in FY17, the District's expenditures exceeded revenues by \$2,932,728. This resulted in a use of fund balance as depicted by Chart 3.

Through the FY17 Adopted Budget, the District planned for expenses to exceed revenue categories. The budget included the use of fund balance in the amount of \$8.2M. The full budgeted amount was not fully expended due to unspent funds appropriated to employee benefits, other purchased services (district-wide contracts), energy, and utility accounts, general liability and property insurance accounts, and other non-personnel budgets throughout the District as spending restrictions were implemented towards the end of FY17 in an effort to preserve fund balance.

Chart 3 represents the District's last five years of general fund balance as classified by GASB 54.

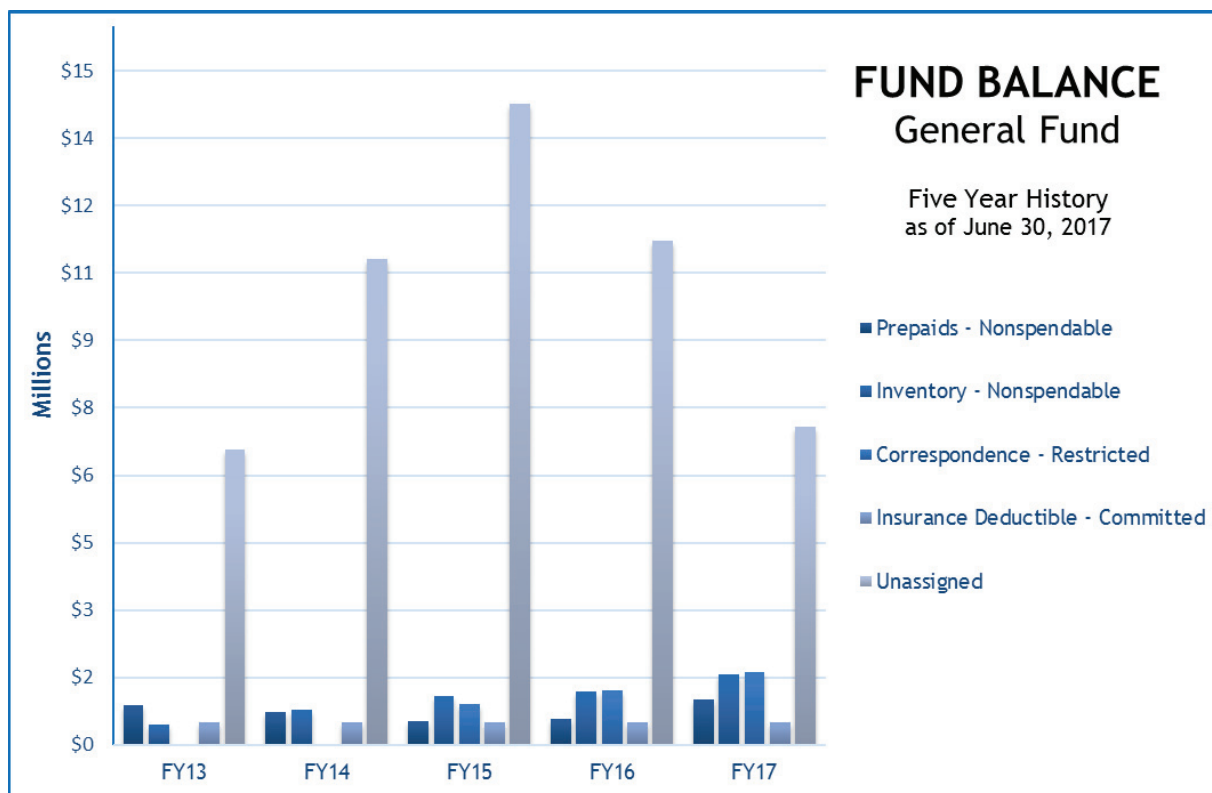


Chart 3

Financial Forecast

For FY18 budgeting purposes, student enrollment projections will take into account the recent growth in student enrollment as experienced in FY16 and FY17.

The Governor's budget, released December 15, 2016, included no major cuts to educational funding and maintained the BSA at \$5,930 but underfunded Pupil

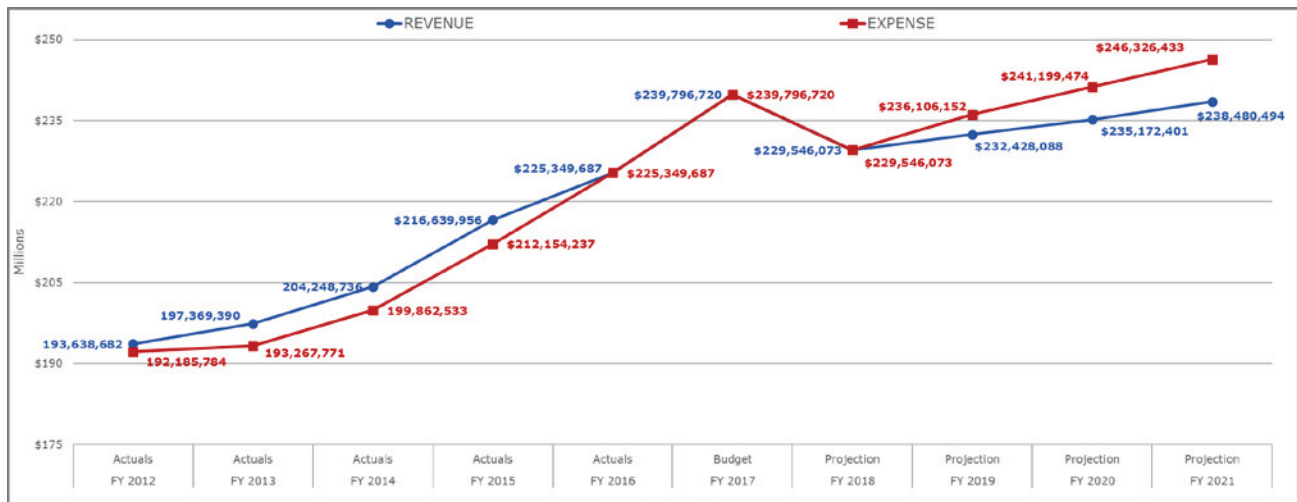
Transportation. This necessitated a subsidy to that fund of over \$3 million. After 121 days, the first regular session of the 30th Legislature ended with no compromise on education funding. The Legislature did eventually adopt a budget that included full funding of the BSA and Pupil Transportation.

Taking into consideration a number of economic factors, MSBSD prepared a long-term forecast that extends through Fiscal Years 2018-2021. Specific assumptions for the District's long-term forecast are listed below:

- Student enrollment is expected to continue growth. The adopted budget for FY 2018 was set with a projected student enrollment of 19,100.
- The intensive count is projected to be 492.
- Borough Revenue will not increase, with a funding level of \$55,841,300 for FY18. Borough Revenue is expected to increase by 3% from FY19-FY21.
- The BSA is maintained at \$5,930 for FY18-FY21.
- 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 FY2018.
- 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 6% which is split 50/50 between the District and employee.
- Utilities increase at an annual rate of 6.75% after FY18.
- Insurance Bonds & Premiums increase at a rate of 3% annually.
- Transfers to other funds includes subsidies for the Pupil Transportation and Food Service Funds.

Through maintaining class sizes, current staffing levels, and other services as they exist today, the deficits in FY18, FY19, and FY20, as seen in Chart 4, are projected to be \$3.6M, \$6.0M, and \$7.8M, respectively. This trend of expenses exceeding revenue is referred to as a structural deficit because operations cannot be sustained without increased revenue or specific austerity measures taking place.

General Fund Long-Term Forecast



*Graph adapted from Matanuska-Susitna Borough School District Adopted Budget Book 2017-18

Chart 4

In uncertain financial times, the District remains committed to providing the best education possible with limited resources. Making use of these resources for the success of every child, MSBSD focuses its spending on the instructional area. Alaska Statute 14.17.520 once 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 FY17 audited expenditures exceed the State of Alaska’s mandate by spending 77% of its operating fund within the instructional component and 23% in instructional support or non-instruction, as shown in Chart 5 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.

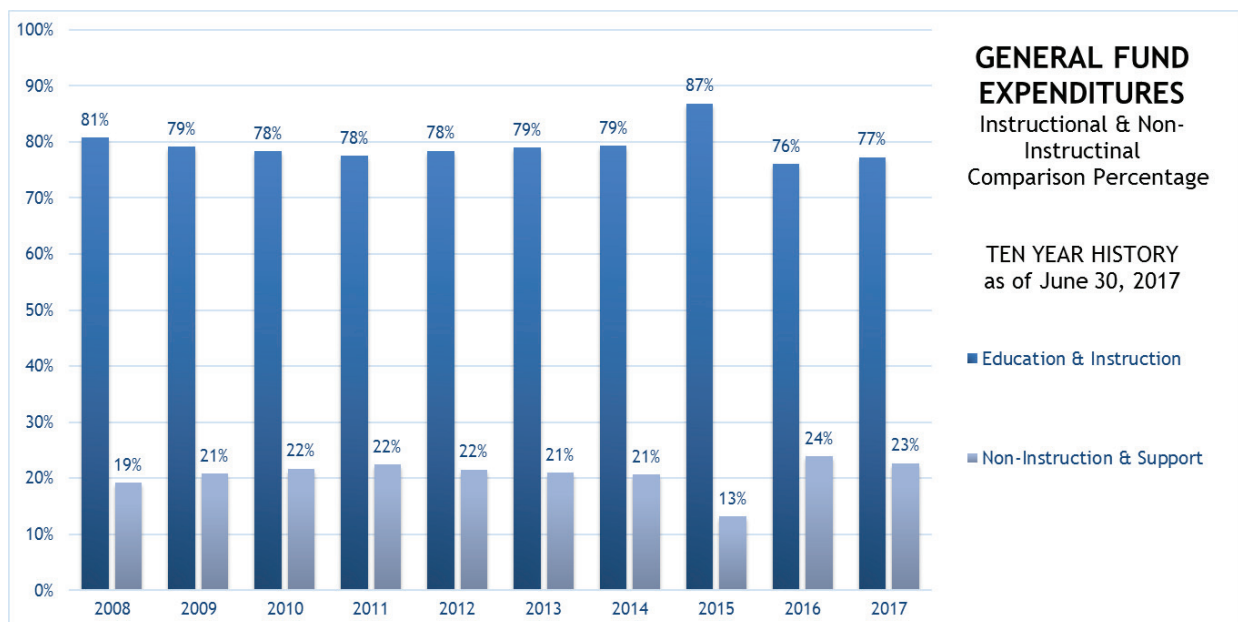


Chart 5

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, 2016. This was the eighth 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,



Dr. Monica Goyette
Superintendent



Luke Fulp, SFO
Assistant Superintendent of Business
and Operations



Ashley Bjornson
Director of Finance



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



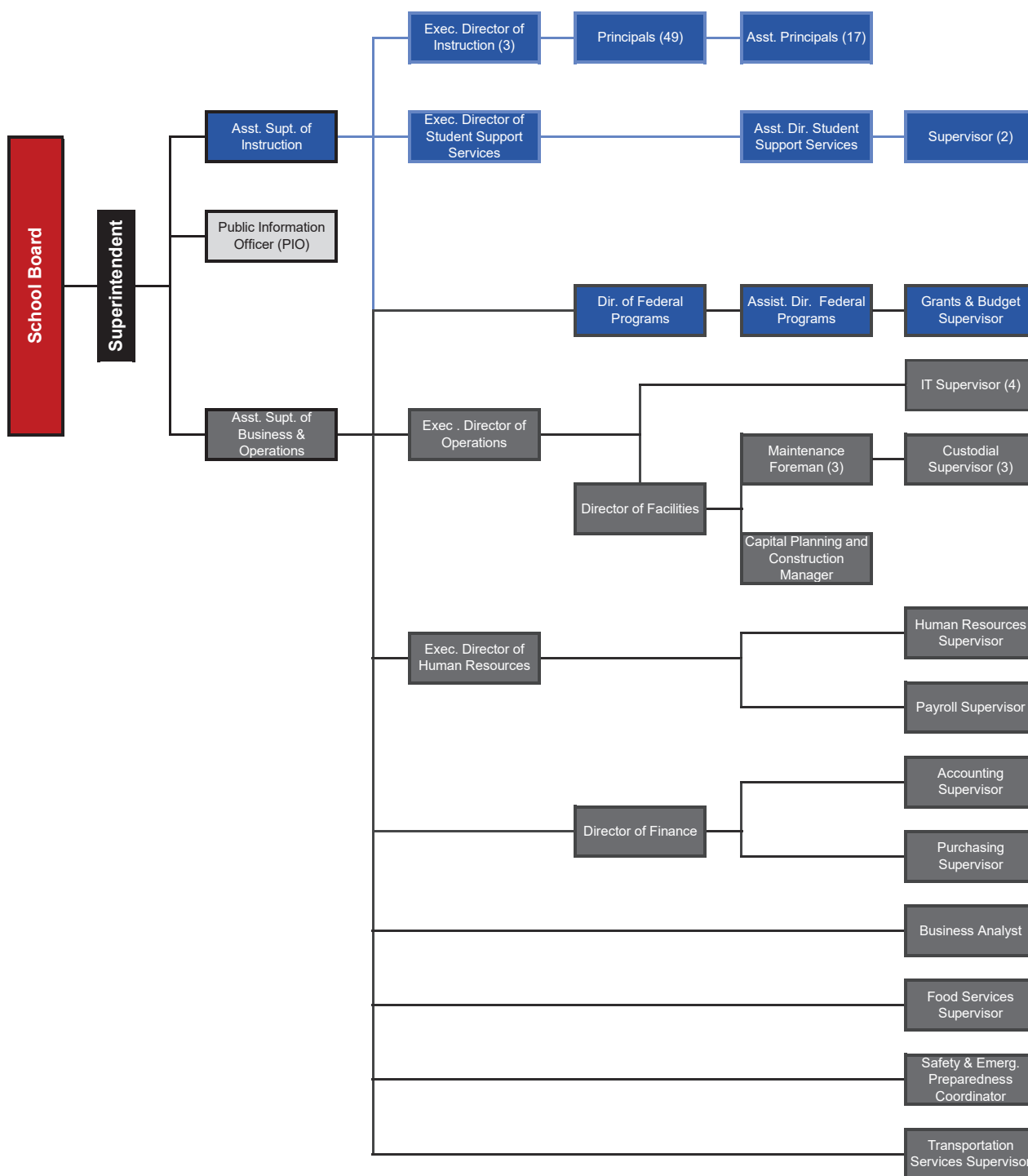
DISTRICTWIDE ADMINISTRATION

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

**MSBSD ORGANIZATION CHART
AS OF 6/30/2017**





**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, 2016.**

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



Anthony N. Dragona, Ed.D., RSBA
President

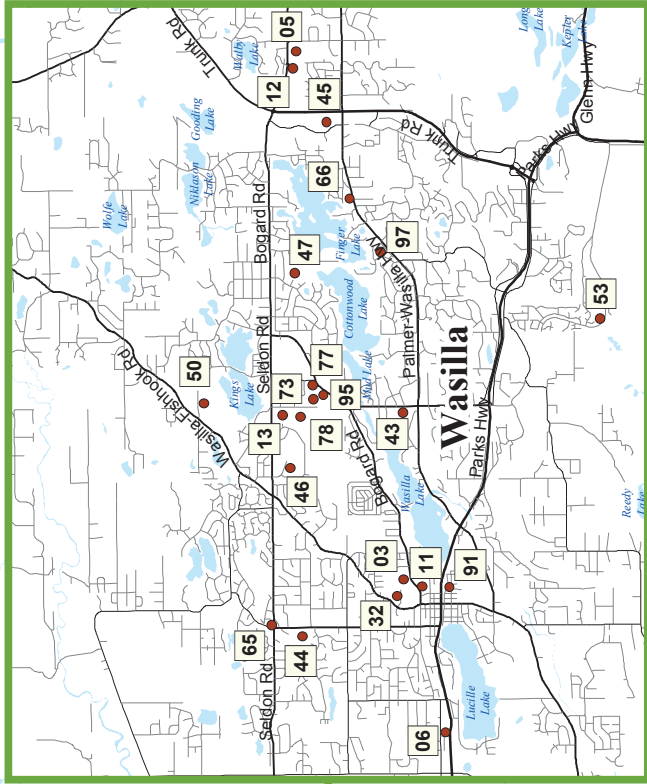
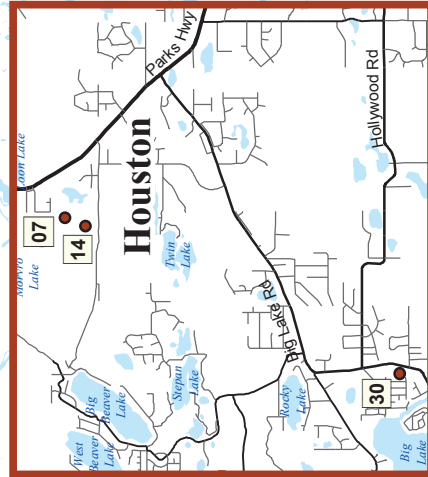
John D. Musso, CAE
Executive Director

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
37. 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. Knik 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

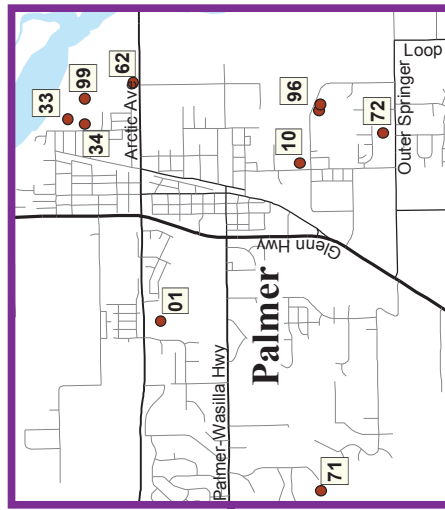


Wasilla Area Inset

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
10. Palmer Junior Middle School
33. Sherrod Elementary School
34. Swanson Elementary School
62. Academy Charter School



71. Valley Pathways School
72. Mat-Su Secondary School
96. MSBSD Nutrition Services
96. School District Warehouse
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, 2017, 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, 2017, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 pages 56 and 57, and the Schedules of Net Pension Liability, and Pension Contributions on pages 58 through 62 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, 2017 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, 2017, 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, 2017 is 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, 2016 (not presented herein), and have issued our report thereon dated December 8, 2016, 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, 2016 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 2016 financial statements. The individual fund financial statements and schedules for the year ended June 30, 2016 have been subjected to the auditing procedures applied in the audit of the 2016 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, 2016 are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2016.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2017 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Matanuska-Susitna Borough School District's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
November 13, 2017

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Management's Discussion and Analysis

Matanuska-Susitna Borough School District

Management's Discussion and Analysis *Year Ended June 30, 2017*

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, 2017 (FY17). 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, 2017 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 \$16,499,694, a decrease of \$5,500,905 in comparison to the beginning year balance.

At the end of the current fiscal year, the total fund balance for the General Fund was \$11,782,705. Of this amount, \$1,574,574 represents inventory, \$1,013,015 was set aside for prepaid expenses and considered non-spendable, \$1,606,630 was set aside for unspent student allotments and considered restricted, and \$500,000 was assigned for self-insurance. The unassigned fund balance for the General Fund was \$7,088,486 at June 30, 2017.

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 more 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.

The financial statement notes also explain some of the information in the statements and provide detailed data. The statements, 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.

Matanuska-Susitna Borough School District

Management's Discussion and Analysis Year Ended June 30, 2017

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 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.

Matanuska-Susitna Borough School District

Management's Discussion and Analysis *Year Ended June 30, 2017*

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 are 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 Worker's 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, 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 immediately following 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, the District was required to recognize its proportional share of the net pension liability and related deferred inflows/outflows of resources. The School District's total liabilities exceeded assets by \$133,525,886 for the fiscal year ended June 30, 2017. Of this amount, (\$147,605,306) was unrestricted, and \$1,610,912 was restricted for correspondence student allotments. The remaining \$12,468,508 is invested in the School District's capital assets (e.g. facilities, furniture, equipment, and software). 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 increased over the prior year by \$11,452,950. Current liabilities have remained relatively stable at the end of each fiscal year and include: payroll accruals, unemployment payable, health/life insurance payable, student lunch account revenue, and grant revenue with the exception of accounts payable

Matanuska-Susitna Borough School District

Management's Discussion and Analysis Year Ended June 30, 2017

which increased over the prior year by \$3,384,511. Deferred inflows of resources related to pensions increased from the prior year by \$843,028. 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,	2017	2016
Assets		
Current and other assets	\$ 32,002,496	\$ 33,994,521
Noncurrent capital assets	19,848,140	19,419,917
Total Assets	51,850,636	53,414,438
Deferred Outflows of Resources - pension related	46,025,751	34,572,801
Total Assets and Deferred Outflows of Resources	97,876,387	87,987,239
Liabilities		
Current liabilities	15,196,558	11,685,109
Noncurrent liabilities	212,757,830	162,080,332
Total Liabilities	227,954,388	173,765,441
Deferred Inflows of Resources - pension related	3,447,885	2,604,857
Net Position		
Net investment in capital assets	12,468,508	11,719,917
Restricted	1,610,912	1,227,235
Unrestricted	(147,605,306)	(101,330,211)
Total Net Position	(133,525,886)	(88,383,059)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 97,876,387	\$ 87,987,239

Governmental Activities

The following condensed table of changes in net position, displays the revenues and expenditures 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.

Matanuska-Susitna Borough School District

Management's Discussion and Analysis Year Ended June 30, 2017

Table 2
Statement of Activities

Year Ended June 30,	2017	2016
Revenues		
Program revenues:		
Charges for services	\$ 1,115,178	\$ 1,039,643
Operating grants and contributions	54,554,845	62,405,666
General revenues:		
State grants not restricted	170,159,334	164,091,360
Borough district appropriations	55,841,300	52,665,941
E-rate	1,349,403	2,437,337
Out of district reimbursement	1,854,746	1,797,802
Medicaid and other	1,775,931	1,766,685
Total Revenues	286,650,737	286,204,434
Expenses		
Instruction	129,211,154	122,469,569
Special education instruction	50,200,983	48,649,106
Special education support services - student	20,122,446	16,189,170
Support services - students	13,950,916	12,929,378
Support services - instruction	14,075,318	14,381,217
School administration	12,271,585	11,442,708
School administration support services	13,400,426	12,952,086
District administration	2,666,430	2,676,091
District administration support services	14,864,925	16,529,327
Operations and maintenance of plant	28,816,558	29,164,991
Student activities	4,283,203	3,911,398
Student transportation - student activities	809,345	-
Student transportation - to and from school	18,046,667	17,055,480
Community services	23,994	19,978
Food services	7,103,926	6,775,158
Construction and facilities acquisition	1,945,688	731,402
Total Expenses	331,793,564	315,877,059
Change in net position	(45,142,827)	(29,672,625)
Net Position, beginning of year	(88,383,059)	(58,710,434)
Net Position, end of year	\$ (133,525,886)	\$ (88,383,059)

Matanuska-Susitna Borough School District

Management's Discussion and Analysis Year Ended June 30, 2017

The cost of all governmental activities in FY17 was \$331,793,564. Users of the School District's programs paid some of the cost of the School District's programs (\$1,115,178). The federal and state government subsidized certain programs with grants and contributions (\$54,554,845). However, most of the School Districts' normal operating costs were paid with the State of Alaska Foundation Program (\$170,159,334), which does not include On-Behalf Retirement Contributions from the State of Alaska of (\$16,242,978). 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 2017		Fiscal Year 2016	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Expenditures:				
Instruction	\$ 179,412,137	\$ 157,617,938	\$ 171,118,675	\$ 143,301,956
Support services - school	48,148,680	40,221,093	43,499,765	35,082,027
School administration	25,672,011	23,995,221	24,394,794	23,125,393
District administration	17,531,355	16,188,981	19,205,418	17,256,949
Operations and maintenance	28,816,558	28,294,483	29,164,991	28,347,141
Student activities	4,283,203	3,965,735	3,911,398	3,524,358
Student transportation	18,856,012	3,377,356	17,055,480	463,493
Community services	23,994	2,341	19,978	(880)
Food services	7,103,926	515,330	6,775,158	651,283
Construction and facilities acquisition	1,945,688	1,945,063	731,402	680,030
Total	\$ 331,793,564	\$ 276,123,541	\$ 315,877,059	\$ 252,431,750

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 year. As of the end of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$16,499,694 as reported in exhibit C-1.

Matanuska-Susitna Borough School District

Management's Discussion and Analysis Year Ended June 30, 2017

Table 4 reconciles total ending balances for the governmental funds with total net position, as restated due to GASB 68 implementation, on the government-wide balance sheet.

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

June 30,	2017	2016
Total fund balance - governmental funds at June 30	\$ 16,499,694	\$ 22,000,599
Cost of capital assets (net of accumulated depreciation)	19,848,140	19,419,917
Long-term liabilities	(212,757,830)	(162,080,332)
Deferred inflows and outflows - pension related	42,577,866	31,967,944
Enterprise fund net-assets	306,244	308,813
Net Position At June 30	\$ (133,525,886)	\$ (88,383,059)

The School District had three major governmental funds in FY17. 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 \$11,782,705, which includes non-spendable and assigned funds. The unassigned fund balance as of June 30, 2017, was \$7,088,486.

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 upgrading internet speed to school sites, replacing technology equipment, and upgrading facilities for community meetings. The four largest projects were expenditures for relocation of portables between school sites to accommodate student populations at the schools where enrollment was growing; a classroom technology refresh which equipped teachers with devices that met the current technology standard; safety upgrades district wide including door upgrades, fencing and signage, and interior and exterior improvements including playground improvements, fencing, and loading dock improvements. Total expenditures for these 4 projects amounted to \$1,611,613, about 61% 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 \$3,053,923.

Title I-A Basic is a special revenue fund that was considered a major fund in FY17. This federal grant provides financial assistance to schools with high numbers or high percentages of children from low-income families to help ensure that all children meet challenging state academic standards. This grant also supports district-wide Title I preschools.

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

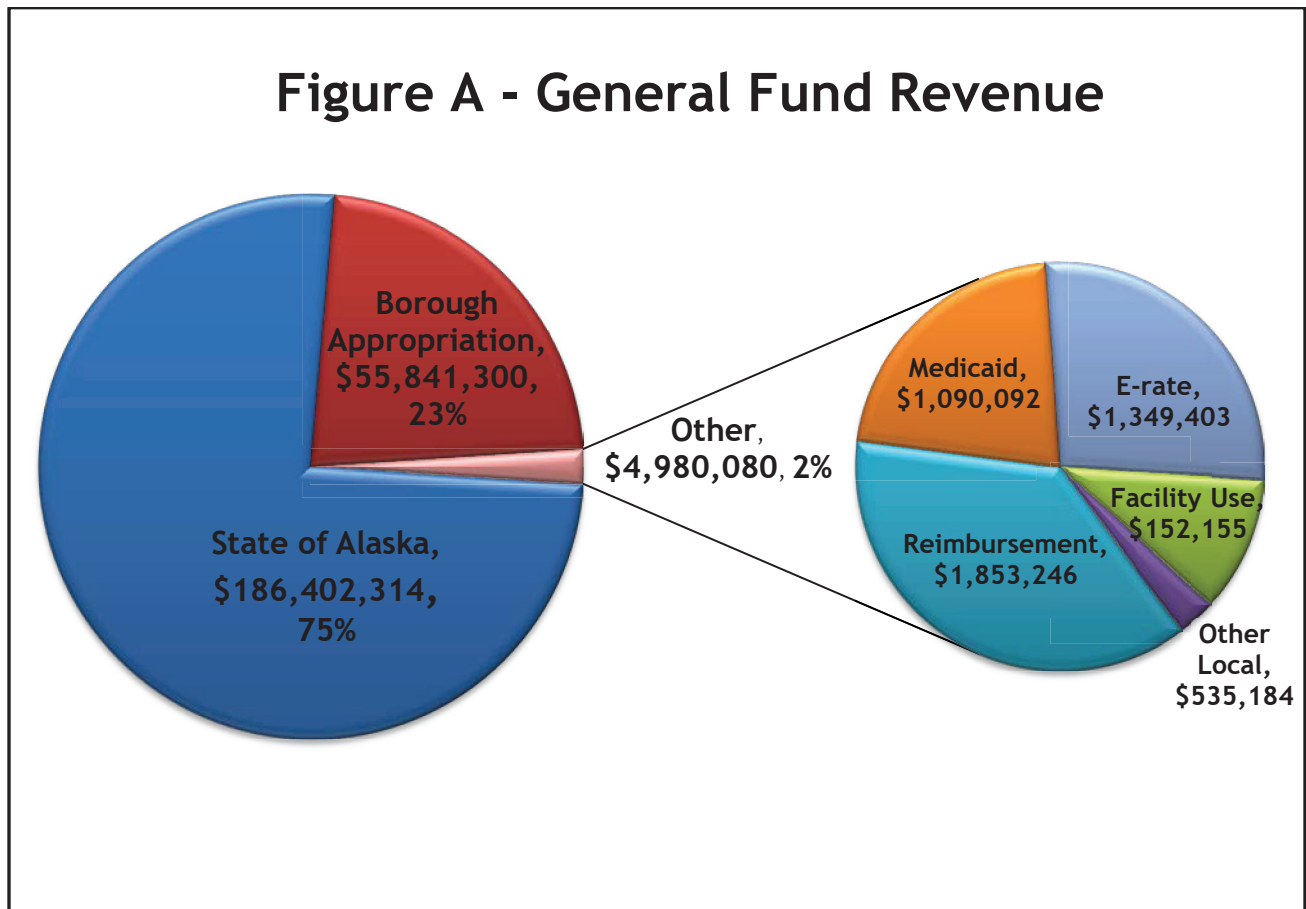
Management's Discussion and Analysis Year Ended June 30, 2017

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

	2017	2016	Increase (Decrease)	Percentage Increase (Decrease)
Borough appropriation	\$ 55,841,300	\$ 52,665,941	\$ 3,175,359	6.03%
Other local	2,540,585	2,497,500	43,085	1.73%
State of Alaska	186,402,314	182,011,451	4,390,863	2.41%
Federal E-Rate	1,349,403	2,437,337	(1,087,934)	-44.64%
Federal Medicaid	1,090,092	1,066,987	23,105	2.17%
Total Revenue	\$ 247,223,694	\$ 240,679,216	\$ 6,544,478	2.72%

Figure A presents a chart of general fund revenue by source for the fiscal year ended June 30, 2017.



Matanuska-Susitna Borough School District

Management's Discussion and Analysis Year Ended June 30, 2017

The School District experienced an overall revenue increase of \$6,544,478 or 2.72%. The Borough appropriation increased \$3,175,359 over the amount received in FY16 as the School Board requested an appropriation increase of 6% over the prior year as a result of increased enrollment. Another factor increasing District revenue was an increase in average daily membership (ADM) by more than 344 students from the prior year. This increase resulted in an increase of Foundation Formula Program revenue of \$6,067,974 (excludes On-Behalf contributions) to the School District. The District E-Rate revenue decreased from the prior year by (\$1,087,934) as eligible infrastructure upgrades were completed in FY16.

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 an increase of 2.64% in expenditures in FY17. Additional positions were added to the budget as a result of enrollment growth and to staff the new Dena'ina Elementary School. Additionally, the District experienced a 25% increase in renewal rate for health insurance. This rate increase was split between the District and employees with the District's cost increasing by 12.5%.

Table 6
General Fund Expenditures

	2017	2016	Increase (Decrease)	Percentage Increase (Decrease)
Instruction	\$ 144,943,286	\$ 138,908,305	\$ 6,034,981	4.34%
Support services - school	35,995,438	34,600,845	1,394,593	4.03%
School administration	21,317,759	20,367,382	950,377	4.67%
District administration	13,921,932	16,446,247	(2,524,315)	-15.35%
Operations and maintenance	25,805,958	25,812,703	(6,745)	-0.03%
Student activities	3,763,633	3,534,412	229,221	6.49%
Student transportation	809,345	786,645	22,700	2.89%
Food services	6,859	6,748	111	1.64%
Construction and facilities acquisition	400,000	160,391	239,609	100.00%
Total Expenditures	\$ 246,964,210	\$ 240,623,678	\$ 6,340,532	2.64%

Matanuska-Susitna Borough School District

Management's Discussion and Analysis Year Ended June 30, 2017

Figure B presents a chart of general fund expenditures by function for the fiscal year ended June 30, 2017.

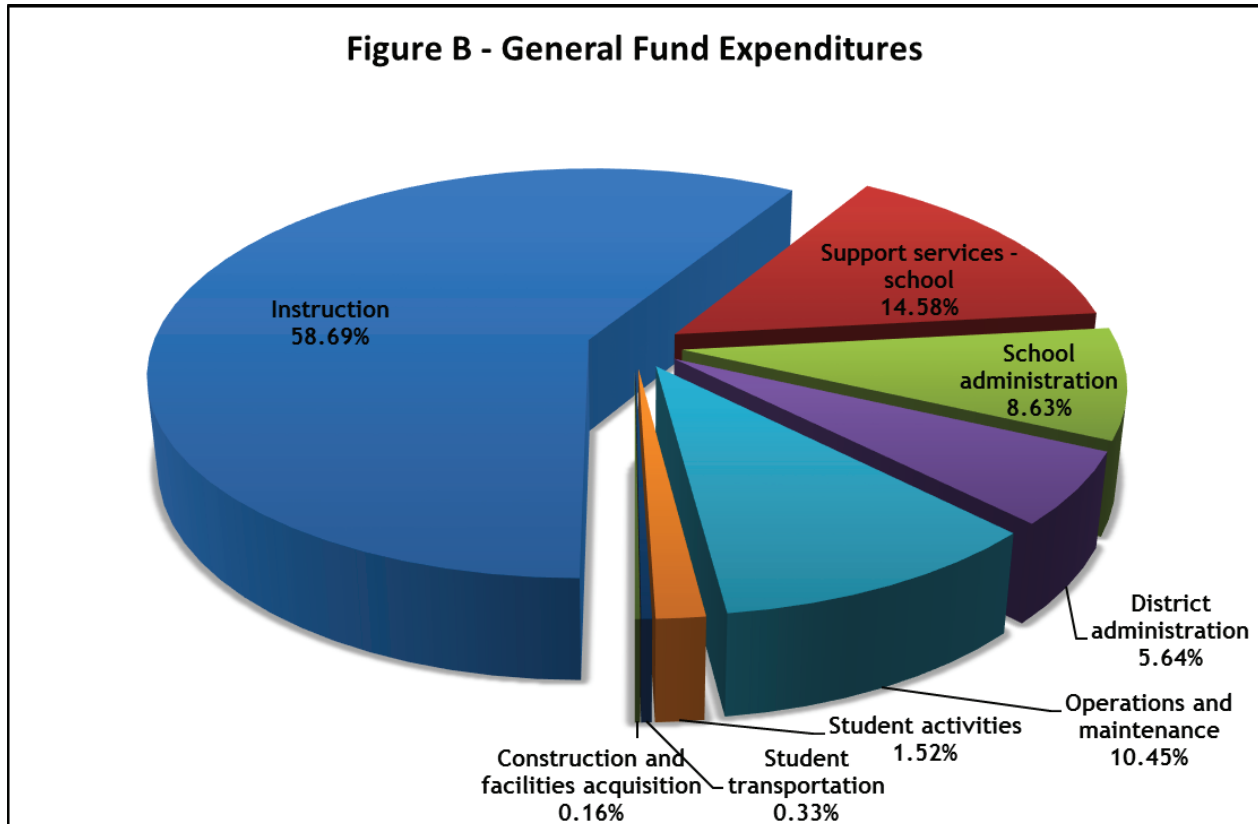


Table 6.1 below has been provided for a comparative view of increases and decreases over prior year, and unlike Table 6, this schedule excludes On-behalf from both years. This view demonstrates that, excluding any impact of On-behalf payments, the School District's expenditures increased 3.60% overall from the prior fiscal year.

The year-over-year increase for instruction was 5.62% and 5.37% for school support services. School administration increased by 5.74%, mainly due to the opening of Dena'ina Elementary. District administration includes services provided by payroll processing, purchasing, information technology, accounting, human resources, and business administration. Expenditures within district administration experienced a decrease of -15.31%. In FY16, District Administration included additional technology spending tied to E-rate funding received in FY16 for upgrades to the District's wireless network. The project was completed in FY16 which resulted in a decreased expense in FY17. Student activities increased by 7.67%, and Construction and Facilities acquisition costs increased by a 100% as the District acquired Twindly Bridge Charter School's building.

Matanuska-Susitna Borough School District

Management's Discussion and Analysis Year Ended June 30, 2017

Table 6.1
General Fund Expenditures

	2017	2016	Percentage Increase (Decrease)	Percentage Increase (Decrease)
Instruction	\$ 133,686,794	\$ 126,575,242	\$ 7,111,552	5.62%
Support services ~ school	33,109,664	31,422,153	1,687,511	5.37%
School administration	20,091,660	19,000,286	1,091,374	5.74%
District administration	13,585,898	16,041,987	(2,456,089)	-15.31%
Operations and maintenance	25,514,237	25,443,873	70,364	0.28%
Student activities	3,516,775	3,266,262	250,513	7.67%
Student transportation	809,345	786,645	22,700	2.89%
Food services	6,859	6,748	111	1.64%
Construction and facilities acquisition	400,000	160,391	239,609	100.00%
Total Expenditures	\$ 230,721,232	\$ 222,703,587	\$ 8,017,645	3.60%

Capital Projects Fund

The School District's Capital Projects Fund expenditures decreased by (\$1,118,785) overall from the prior fiscal year. In FY17, the transfer approved by the School Board was reduced by (\$1,125,000) over the prior year. As the District has utilized a use of fund balance in both FY16 and FY17 to balance expenditures exceeding revenues in the general fund, this has also affected the District's ability to transfer funds and invest in capital projects. The largest capital project expense was the portable relocation project which outfitted and installed portables at schools with capacity issues because of increased enrollment.

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 two of the funds had any activity; Adult Welding Classes and Alaska Works Partnership. There was an overall decrease in cash and cash equivalents from (\$2,569) 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 \$4,457,686. The difference can primarily be attributed to unspent funds appropriated to employee benefits; other purchased services (district-wide contracts); energy and utility accounts; general liability and property insurance accounts; and other non-personnel budgets

Matanuska-Susitna Borough School District

Management's Discussion and Analysis *Year Ended June 30, 2017*

throughout the District as spending restrictions were implemented towards the end of FY17 in an effort to preserve fund balance.

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

1. Increased revenue from the State of Alaska of \$1,859,831 due to increased enrollment in the area of intensive needs students.
2. Increased federal revenue of \$426,335 to account for increased Medicaid reimbursements.
3. Increased expense budgets by \$2,508,483 to account for charter school carry-over and unspent correspondence student allotments.
4. Budgeted expense adjustments that included a true up of salary and benefit accounts.
5. Increased budgeted transfers to other funds by \$3,074,208 to account for the State reducing pupil transportation funding, additional funded needed in the Food Service Fund, and a year-end transfer to the CIP Fund.

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 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 \$4,302,981. This difference can be attributed to:

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

The difference between the original and amended budgets results from the existing balance in existing projects as well as a transfer in the amount of \$40,239 to fund Midnight Sun's land acquisition, an increase in revenue from partnerships with community organizations, and the year-end appropriation of \$850,000 to fund on-going and new projects. The most significant highlights for funded projects can be attributed to:

1. The addition of \$460,000 for nine portable relocations to house growing student enrollment.
2. The addition of \$100,000 to fund District-wide safety and security improvements.
3. The addition of \$290,000 to upgrade the water system at Big Lake Elementary.

Debt Service Fund

A debt service fund was established June 7, 2017 to account for the accumulated resources, \$1,009,000, for Fronteras Charter School's long-term debt related to the construction of their new school building.

Matanuska-Susitna Borough School District

Management's Discussion and Analysis Year Ended June 30, 2017

Capital Asset and Debt Administration

Capital Assets

The School District's investment in capital assets for its governmental and activities as of June 30, 2017, amounts to \$19,848,140 (net of accumulated depreciation). This investment in capital assets consists primarily of land, buildings, equipment, and furnishings. In FY17, the District acquired land adjacent to Midnight Sun Charter School. Additional information is available on footnote 3 of the notes to the financial statements.

Debt Administration

The School District's long-term obligations include \$3,559,126 for compensated absences or accrued leave. Additional information about annual leave is available in footnote 4 of the notes to the financial statements. Additionally, requires all governments to report any "net pension liability." This liability is shown on the Statement of Net Position and amounts to \$201,819,072 for FY17. The School District is opposed to this reporting requirement being passed down to the District or Local Borough level.

Economic Factors and Next Year's Budgets and Rates

As the School District continues to grow, the expenditures and revenues increase. Unfortunately, the expenditures and revenues do not increase at the same rate, leaving the District vulnerable to a structural deficit. This reality makes it necessary for the School District to seek new revenue sources and find new ways to mitigate on-going costs. Although salary increases are negotiated, personnel costs have put significant pressures on the general fund.

In setting the budgets for FY 2018, the School District considered a number of issues, with government-wide impacts among them, resulting in the following assumptions:

- Borough Revenue will not increase, with a set funding level of \$55,841,300.
- Student enrollment is expected to continue to grow. The original budget for FY 2018 was set with a projected student enrollment of 19,100.
- The Intensive student count is projected to be 492 students.
- The base student allocation is maintained at \$5,930.
- PERS/TRS cost sharing will continue in FY18. The School District estimates that the on-behalf retirement contributions from the State will equal \$14,594,388.
- Regular movement on the salary schedule, or the cost of retention, is budgeted for all employee groups.
- Mandatory benefits were adjusted as a percent of increased salaries.
- To adopt a balanced budget and avoid the use of remaining unassigned fund balance, the School Board voted to make the following revenue and expense adjustments to the FY18 Budget:
 - A reduction of 87.59 full-time equivalent positions
 - A reduction to prior year health insurance premiums of (1.7%)
 - A 7% reduction to all site-based budgets
 - A reduction to student activities in the amount of \$0.6M
 - A food service subsidy reduction of \$0.4M
 - Executive salary reductions in the amount of \$0.1M
 - A reduction to budgeted salary contingency of \$0.5M
 - A reduction to substitute allocation expense of \$0.3M

Matanuska-Susitna Borough School District

Management's Discussion and Analysis *Year Ended June 30, 2017*

In prior years, the School District worked towards building a healthy unassigned fund balance. Ordinance #13-096, requires twenty-five percent of any increase in unassigned fund balance to lapse back to the Borough. The remaining seventy-five percent will help build fund balance, not exceeding the amount allowed by the current version of Alaska Statute 14.17.505 (10%) to build an adequate reserve over time to offset unanticipated costs or structural deficits in future years. In both FY16 and FY17 the District budgeted a use of fund balance to adopt a balanced budget thus no increase in unassigned fund balance was anticipated because of the District's structural deficit. In FY17, the District's use of fund balance was \$2,932,728 an increase of \$324,166 over the prior year.

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:

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

	Governmental Activities
<i>June 30, 2017</i>	
Assets and Deferred Outflows of Resources	
Assets	
Cash	\$ 21,376,789
Accounts receivable:	
Federal and state grants	5,721,961
Other	960,523
Receivable from the Borough	473,690
Inventory	2,454,518
Prepaid items	1,015,015
Capital assets not being depreciated	119,632
Capital assets, net of accumulated depreciation	19,728,508
Total Assets	51,850,636
Deferred Outflows of Resources - pension related	46,025,751
Total Assets and Deferred Outflows of Resources	\$ 97,876,387
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	\$ 6,033,286
Accrued payroll and related liabilities	7,083,817
Unearned revenue	1,050,234
Insurance claims incurred but not reported	1,029,221
Noncurrent liabilities:	
Capital lease and note payable- due within one year	612,876
Capital lease payable - due in more than one year	6,766,756
Accrued leave - due within one year	3,559,126
Net pension liability - due in more than one year	201,819,072
Total Liabilities	227,954,388
Deferred Inflows of Resources - pension related	3,447,885
Net Position	
Net investment in capital assets	12,468,508
Restricted	1,610,912
Unrestricted (deficit)	(147,605,306)
Total Net Position	(133,525,886)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 97,876,387

See accompanying notes to basic financial statements.

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

Statement of Activities

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contri- butions	
<i>Year Ended June 30, 2017</i>	Expenses			
Governmental Activities				
Instruction	\$ 129,211,154	\$ -	\$ 16,716,057	\$ (112,495,097)
Special education instruction	50,200,983	-	5,078,142	(45,122,841)
Special education support services - students	20,122,446	-	2,813,812	(17,308,634)
Support services - students	13,950,916	-	1,711,902	(12,239,014)
Support services - instruction	14,075,318	-	3,401,873	(10,673,445)
School administration	12,271,585	-	1,492,327	(10,779,258)
School administration support services	13,400,426	-	184,463	(13,215,963)
District administration	2,666,430	-	603,625	(2,062,805)
District administration support services	14,864,925	-	738,749	(14,126,176)
Operations and maintenance of plant	28,816,558	-	522,075	(28,294,483)
Student activities	4,283,203	-	317,468	(3,965,735)
Student transportation - student activities	809,345	-	-	(809,345)
Student transportation - to and from school	18,046,667	-	15,478,656	(2,568,011)
Community services	23,994	-	21,653	(2,341)
Food services	7,103,926	1,115,178	5,473,418	(515,330)
Construction and facilities acquisition	1,945,688	-	625	(1,945,063)
Total Governmental Activities	\$ 331,793,564	\$ 1,115,178	\$ 54,554,845	(276,123,541)
General Revenues				
Borough contribution				55,841,300
State grants and entitlements not restricted to a specific purpose				170,159,334
E-rate				1,349,403
Medicaid reimbursement				1,090,092
Out of district reimbursement				1,854,746
Other				685,839
Total General Revenues				230,980,714
Change in net position				(45,142,827)
Net Position, beginning of year				(88,383,059)
Net Position, end of year				\$ (133,525,886)

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	Title I-A Basic Special Revenue Fund	Capital Improvement Projects Capital Project	Nonmajor Funds		
<i>June 30, 2017</i>						
Assets						
Cash	\$ 12,155,860	\$ -	\$ 3,292,159	\$ 2,024,898	\$	17,472,917
Accounts receivable:						
Federal and state grants	-	2,371,741	-	3,350,220		5,721,961
Other	960,523	-	-	473,690		1,434,213
Inventory	1,574,574	-	-	879,944		2,454,518
Prepaid items	1,013,015	-	-	-		1,013,015
Due from other funds	8,620,471	-	-	-		8,620,471
Total Assets	\$ 24,324,443	\$ 2,371,741	\$ 3,292,159	\$ 6,728,752	\$	36,717,095
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 5,457,921	\$ 70	\$ 238,236	\$ 324,199	\$	6,020,426
Accrued payroll and related liabilities	7,083,817	-	-	-		7,083,817
Unearned revenue	-	-	-	1,048,731		1,048,731
Due to other funds	-	2,371,671	-	3,692,756		6,064,427
Total Liabilities	12,541,738	2,371,741	238,236	5,065,686		20,217,401
Fund Balances						
Nonspendable	2,587,589	-	-	879,944		3,467,533
Restricted	1,606,630	-	-	4,282		1,610,912
Committed	-	-	3,053,923	-		3,053,923
Assigned	500,000	-	-	1,010,450		1,510,450
Unassigned	7,088,486	-	-	(231,610)		6,856,876
Total Fund Balances	11,782,705	-	3,053,923	1,663,066		16,499,694
Total Liabilities and Fund Balances	\$ 24,324,443	\$ 2,371,741	\$ 3,292,159	\$ 6,728,752	\$	36,717,095

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, 2017

Total fund balances of governmental funds	\$ 16,499,694
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
Buildings	8,100,000
Furnishings and equipment	23,963,139
Accumulated depreciation	<u>(12,334,631)</u>
Total capital assets	<u>19,848,140</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	(3,559,126)
Capital lease payable	(7,379,632)
Net pension liability	<u>(201,819,072)</u>
Total long-term liabilities	<u>(212,757,830)</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	46,025,751
Deferred inflows of resources related to pensions	<u>(3,447,885)</u>
Total deferred pension items	<u>42,577,866</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>306,244</u>
Net Position of Governmental Activities	<u>\$ (133,525,886)</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

Year Ended June 30, 2017	Major Funds				Total Govern- mental Funds
	General	Title I-A	Capital	Nonmajor Funds	
		Basic	Improvement		
		Special Revenue Fund	Projects Capital Project		
Revenues					
Local sources:					
Borough appropriation	\$ 55,841,300	\$ -	\$ -	\$ -	\$ 55,841,300
Other local	2,540,585	-	-	1,461,573	4,002,158
Borough capital projects	-	-	-	3,327,942	3,327,942
State of Alaska	186,402,314	-	-	16,457,713	202,860,027
Federal sources:					
E-rate	1,349,403	-	-	-	1,349,403
Medicaid reimbursement	1,090,092	-	-	-	1,090,092
Direct grants	-	-	-	804,092	804,092
Grants passed through the State of Alaska	-	3,945,780	-	12,914,880	16,860,660
Grants passed through intermediate agencies	-	-	-	309,802	309,802
Total Revenues	247,223,694	3,945,780	-	35,276,002	286,445,476
Expenditures					
Current:					
Instruction	104,833,810	3,343,509	22,344	2,560,273	110,759,936
Special education instruction	40,109,476	-	-	2,102,795	42,212,271
Special education support services - students	15,820,580	-	-	1,419,603	17,240,183
Support services - students	10,045,393	188,491	-	365,266	10,599,150
Support services - instruction	10,129,465	-	-	2,446,323	12,575,788
School administration	9,973,301	239,535	-	-	10,212,836
School administration support services	11,344,458	-	-	-	11,344,458
District administration	1,827,810	-	-	453,241	2,281,051
District administration support services	12,094,122	174,245	-	391,162	12,659,529
Operations and maintenance of plant	25,805,958	-	-	325,589	26,131,547
Student activities	3,763,633	-	-	6,446	3,770,079
Student transportation - to and from school	-	-	-	18,040,165	18,040,165
Student transportation - student activities	809,345	-	-	-	809,345
Community services	-	-	-	23,151	23,151
Food services	6,859	-	-	7,097,070	7,103,929
Construction and facilities acquisition	400,000	-	2,630,862	3,152,101	6,182,963
Total Expenditures	246,964,210	3,945,780	2,653,206	38,383,185	291,946,381
Excess (deficiency) of revenues over expenditures	259,484	-	(2,653,206)	(3,107,183)	(5,500,905)
Other Financing Sources (Uses)					
Transfers in	-	-	850,000	2,342,212	3,192,212
Transfers out	(3,192,212)	-	-	-	(3,192,212)
Net Other Financing Sources (Uses)	(3,192,212)	-	850,000	2,342,212	-
Net change in fund balances	(2,932,728)	-	(1,803,206)	(764,971)	(5,500,905)
Fund Balances, beginning of year	14,715,433	-	4,857,129	2,428,037	22,000,599
Fund Balances, end of year	\$ 11,782,705	\$ -	\$ 3,053,923	\$ 1,663,066	\$ 16,499,694

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, 2017

Net change in fund balances - total governmental funds	\$ (5,500,905)
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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	\$ 3,027,152	
Depreciation expense	(2,598,929)	
		428,223

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.

(2,569)

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	3,327,942	
Expenditures	(3,327,942)	
		-

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

320,368

Changes in net pension liability and related accounts can increase or decrease net position. This is the net increase in equity due to changes in the net pension liability and the related deferred outflows and inflows of resources.

(40,597,026)

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. This is the amount of decrease in annual leave.

209,082

Change in Net Position of Governmental Activities	\$ (45,142,827)
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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, 2017</i>		
Assets		
Current:		
Cash	\$ 305,747	\$ 3,598,125
Prepaid items	2,000	-
Total Assets	\$ 307,747	\$ 3,598,125
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ -	\$ 12,860
Due to other funds	-	2,556,044
Unearned revenue	1,503	-
Insurance claims incurred but not reported	-	1,029,221
Total Current Liabilities	1,503	3,598,125
Net Position - unrestricted	306,244	-
Total Liabilities and Net Position	\$ 307,747	\$ 3,598,125

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, 2017</i>		
Operating Revenues		
Interfund charges	\$ -	\$ 2,005,272
Sales	10,710	-
Total Operating Revenues	10,710	2,005,272
Operating Expenses		
Claims expense	-	1,608,467
Instruction	13,279	-
General and administrative	-	397,063
Total Operating Expenses	13,279	2,005,530
Operating loss	(2,569)	(258)
Non Operating Revenue - interest income	-	258
Change in net position	(2,569)	-
Net Position, beginning of year	308,813	-
Net Position, end of year	\$ 306,244	\$ -

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, 2017</i>		
Cash Flows for Operating Activities		
Receipts from interfund charges	\$ -	\$ 2,757,828
Receipts from customers and users	10,710	-
Payments to suppliers	(13,279)	(1,659,684)
Net cash flows from (for) operating activities	(2,569)	1,098,144
Cash Flows from Investing Activities		
Interest received	-	258
Net increase (decrease) in cash and cash equivalents	(2,569)	1,098,402
Cash and Cash Equivalents, beginning of year	308,316	2,499,723
Cash and Cash Equivalents, end of year	\$ 305,747	\$ 3,598,125
Reconciliation of Operating Loss to Net Cash Flows for Operating Activities		
Operating loss	\$ (2,569)	\$ (258)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Decrease in accounts receivable	-	41,853
Increase in due to other funds	-	710,703
Increase in accounts payable	-	1,575
Increase in insurance claims incurred but not reported	-	344,271
Total adjustments	-	1,098,402
Net Cash Flows from (for) Operating Activities	\$ (2,569)	\$ 1,098,144

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, 2017

Assets

Cash	\$ 1,944,642
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Liabilities

Due to student activities and community schools	\$ 1,944,642
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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, 2017

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 *Title I-A Basic Special Revenue Fund* addresses the needs for schools with high numbers or high percentages of children from low-income families to help ensure that all children meet challenging state academic standards.

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.

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic 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.

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.

The Matanuska-Susitna Borough Assembly adopted an ordinance that permits the District to retain three quarters of the increases of its unassigned fund balance.

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. Borough ordinance does not permit any outstanding encumbrances at the end of the fiscal year.

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.

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

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, 2017, 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.”

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 their estimated fair market value on the date received. The District maintains a capitalization threshold of \$5,000. 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.

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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.

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.

Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

Notes to Basic Financial Statements

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.

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, 2017 follows:

Governmental Activities	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated - land	\$ -	\$ 119,632	\$ -	\$ 119,632
Capital assets being depreciated:				
Furnishings and equipment	21,380,963	2,907,520	(325,344)	23,963,139
Buildings	8,100,000	-	-	8,100,000
Total assets being depreciated	29,480,963	2,907,520	(325,344)	32,063,139
Accumulated depreciation	(10,061,046)	(2,598,929)	325,344	(12,334,631)
Total assets being depreciated, net	19,419,917	308,591	-	19,728,508
Net Capital Assets	\$ 19,419,917	\$ 428,223	\$ -	\$ 19,848,140

Depreciation expense was charged to the governmental functions of the District as follows for the year ended June 30, 2017:

Instruction	\$ 118,504
Special education support services - students	8,379
Support services - students	2,188
Support services - instruction	26,934
School administration support services	11,204
District administration support services	524,746
Operations and maintenance of plant	142,167
Student transportation - to and from school	3,107
Construction and facilities acquisition	1,761,700
Total Depreciation	\$ 2,598,929

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, 2017 follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Capital lease payable	\$ 7,700,000	\$ -	\$ (400,000)	\$ 7,300,000	\$ 533,244
Note payable	-	119,632	(40,000)	79,632	79,632
Annual leave	3,768,208	187,003	(396,085)	3,559,126	3,559,126
Long-term Obligations	\$ 11,468,208	\$ 306,635	\$ (836,085)	\$ 10,938,758	\$ 4,172,002

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. The terms of the agreement require that the District make payments to the Borough of \$400,000 in the years ended June 30, 2017 and 2018, respectively. 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. 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 of \$40,000, and \$79,632 in the years ended June 30, 2017 and 2018, respectively. This is a related party liability that does not bear interest.

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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
2018	\$ 612,876	\$ 361,258	\$ 974,134
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
2023-2027	936,182	1,030,318	1,966,500
2028-2032	1,121,909	844,591	1,966,500
2033-2037	1,344,481	622,019	1,966,500
2038-2042	1,611,211	355,289	1,966,500
2043-2045	1,116,911	63,549	1,180,458
	\$ 7,379,632	\$ 4,214,162	\$ 11,593,792

5. Leases

The District has operating leases for buildings and equipment used for education program sites. Rent and lease expenditures were \$2,251,048 for the year ended June 30, 2017. The future minimum lease payments on non-cancellable leases are as follows:

<i>Year Ending June 30,</i>	
2018	\$ 2,150,835
2019	1,706,434
2020	1,694,969
2021	1,690,659
2022	919,586
Thereafter	2,033,605
	\$ 10,196,088

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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, 2017 follows:

Due from Other Funds

Due from the nonmajor governmental funds to the General Fund for short-term operating advances	\$ 3,692,756
Due from Title I-A Basic Special Revenue Fund to the General Fund for short-term operating advances	2,371,671
Due from Internal Service Fund to the General Fund for short-term operating advances	2,556,044
Total Amount Due From Other Funds	\$ 8,620,471

Transfers

To nonmajor governmental funds from the General Fund for operating subsidies	\$ 2,342,212
To the Capital Improvement Projects Capital Project Fund from the General Fund for capital acquisition subsidy	850,000
Total Transfers to Other Funds	\$ 3,192,212

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.

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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.

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, 2017 were determined in the June 30, 2014 actuarial valuation.

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
PERS				
Pension	14.96%	20.34%	4.14%	24.49%
Postemployment healthcare (see Note 9)	7.04%	5.80%	-%	56.64%
Total PERS Contribution Rates	22.00%	26.14%	4.14%	81.13%

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
TRS				
Pension	7.58%	22.40%	15.46%	37.86%
Postemployment healthcare (see Note 9)	4.98%	5.62%	-%	64.72%
Total TRS Contribution Rates	12.56%	28.02%	15.46%	102.58%

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In 2017, the District was credited with the following contributions to the pension plans:

PERS	District FY16 Measurement Period	District FY17
Employer contributions (including DBUL)	\$ 3,169,854	\$ 3,594,967
Nonemployer contributions (on-behalf)	1,312,847	1,507,427
Total Contributions	\$ 4,482,701	\$ 5,102,394

In addition, employee contributions to the Plan totaled \$1,129,017 during the District fiscal year.

TRS	District FY16 Measurement Period	District FY17
Employer contributions (including DBUL)	\$ 4,448,917	\$ 4,891,948
Nonemployer contributions (on-behalf)	11,171,445	14,735,551
Total Contributions	\$ 15,620,362	\$ 19,627,499

In addition, employee contributions to the Plan totaled \$5,262,202 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, 2017, 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	\$ 70,627,690	\$ 131,191,382
State's proportionate share of NPL associated with the District	8,900,517	155,927,205
Total Net Pension Liability	\$ 79,528,207	\$ 287,118,587

The net pension liabilities were measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability for each Plan was determined by an actuarial valuation 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, 2016 for PERS was 1.26356 percent, which was a decrease of 0.01995 percent, from its proportion as of the prior measurement date. For TRS the District's proportion was 5.74558 percent, representing an increase of 0.99609 percent, from the prior year.

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For the year ended June 30, 2017, the District recognized pension expense of \$17,559,485 for PERS and \$31,524,457 for TRS. In addition, the District recognized on-behalf revenue from the State of Alaska in the amounts of \$1,199,799 and \$18,565,670 for PERS and TRS, respectively. At June 30, 2017, 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	\$ 6,495	\$ 2,478,643
Changes in assumptions	754,902	-
Net difference between projected and actual earnings on pension plan investments	26,988,925	-
Changes in proportion and differences between District contributions and proportionate share of contributions	9,788,514	969,242
District contributions subsequent to the measurement date	8,486,915	-
Total Deferred Outflows and Deferred Inflows of Resources	\$ 46,025,751	\$ 3,447,885

The \$8,486,915 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, 2017. 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,

2018	\$ 11,531,265
2019	5,265,748
2020	10,395,554
2021	6,898,383

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Matanuska-Susitna Borough School District

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Notes to Basic Financial Statements

Actuarial Assumptions

The total pension liability for the measurement period ended June 30, 2016 (District fiscal year 2017) was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2016. The actuarial assumptions used in the June 30, 2015 actuarial valuation were based on the results of an actuarial experience study for the period 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
Asset Valuation Method	Invested assets are reported at fair value
Allocation Methodology	<p>Amounts for FY14 and FY13 were allocated to employers based on actual contributions made in FY14 and FY13, respectively.</p> <p>Amounts for FY 15 were allocated to employers based on the present value of contributions for FY17-39, as determined by projections based on the June 30, 2014 valuation.</p> <p>Amounts for FY16 were allocated to employers based on the present value of contributions for FY18-FY39, as determined by projections based on the June 30, 2015 valuation. The liability is expected to go to zero at 2039.</p>
Investment Return / Discount Rate	8.00% per year (geometric), compounded annually, net of expenses for pension; and 4.3% for healthcare
Salary Scale	<p>Inflation - 3.12% per year</p> <p>Productivity - 0.50% per year</p> <p>Teachers in TRS - graded by years of services from 8.11% to 3.87%</p> <p>All others - graded by age and years of service from 8.55% to 4.34%</p>
Total Inflation	Measured by the consumer price index for urban and clerical workers for Anchorage and is assumed to increase 3.12% annually.
Mortality	<p>Pre-termination - Based on the 2010-2013 actual mortality experience</p> <p>Post-termination - 95% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB</p>

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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. 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):

<i>Asset Class</i>	Long-term Expected Real Rate of Return
Domestic equity	5.35%
Global equity (non-U.S.)	5.55%
Private equity	6.25%
Fixed income composite	0.80%
Real estate	3.65%
Alternative equity	4.70%

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The Actuarial Value of Assets after June 30, 2015 reflects the deferred gains and losses generated by the smoothing method. The current deferred amount is recognized in the first four years of the projections.

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>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net pension liability	1.26356%	\$ 90,964,886	\$ 70,627,690	\$ 53,474,200

<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	5.74558%	\$ 178,764,507	\$ 131,191,382	\$ 91,305,443

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Notes to Basic Financial Statements

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, 2017, 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, 2017 were \$909,059 and \$1,454,491, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2017 were \$2,590,938 and \$2,961,087, respectively.

District contributions are recognized as pension expense/expenditures.

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Notes to Basic Financial Statements

9. Other Post-Employment Benefit (OPEB) Plans

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), the District participates in the Alaska Retiree Healthcare Trust (ARHCT). The ARHCT is self-funded and provides major medical coverage to retirees of the System. Benefits vary by Tier level. The Plan is administered by the State of Alaska, Department of Administration. Employer contribution rates are established in concert with the Defined Benefit Pension Plan described earlier in these notes.

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 to the DB OPEB plans.

Annual Postemployment Healthcare Cost

Actual contributions to the Plans for the last three years were as follows:

<i>PERS</i> <i>Year Ended June 30,</i>	Annual OPEB Costs	District Contributions	% of Costs Contributed
2017	\$ 1,691,688	\$ 1,691,688	100 %
2016	2,093,355	2,093,355	100 %
2015	2,189,957	2,189,957	100 %

On-behalf contributions for PERS OPEB were \$0, \$562,000, and \$0 for 2017, 2016, and 2015, respectively. Those amounts are not reflected in the OPEB costs in the table above.

<i>TRS</i> <i>Year Ended June 30,</i>	Annual OPEB Costs	District Contributions	% of Costs Contributed
2017	\$ 3,213,835	\$ 3,213,835	100 %
2016	3,527,989	3,527,989	100 %
2015	3,497,974	3,497,974	100 %

On-behalf contributions for TRS OPEB were \$0, \$4,873,599, and \$40,450,479 for 2017, 2016, and 2015, respectively. Those amounts are not reflected in the OPEB costs in the table above.

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Defined Contribution OPEB

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, 2017:

	PERS Tier IV	TRS Tier III
Retiree medical plan	1.18%	1.05%
Occupational death and disability benefits	0.17%	-%
Total Contribution Rates	1.35%	1.05%

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, 2016, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,049 per year for each full-time employee, and \$1.31 per hour for part-time employees for both PERS and TRS.

Annual Postemployment Healthcare Cost

In 2017, the District contributed \$1,133,055 in DC OPEB costs to PERS and \$1,569,553 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

10. 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, 2017, 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, 2016 and 2017 for the workers' compensation plan.

	Workers' Compensation Insurance
Claims Liability at June 30, 2015	\$ 1,109,340
Claims and administration expenses	1,557,481
Claims and administration expenses paid	(1,981,871)
Claims Liability at June 30, 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

11. 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 near-by 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.

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Notes to Basic Financial Statements

12. Fund Balances/Appropriation Lapse

Matanuska-Susitna Borough Ordinance Number 13-096 requires that the School District refund or lapse one-quarter of its increase in unassigned fund balance annually as defined by the Borough. For fiscal year 2017, the Matanuska-Susitna Borough School District did not have an increase in unassigned fund balance; therefore Ordinance Number 13-096 is not applicable.

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, 2017:

	Major Funds			
	General Fund	Capital Improvements Projects	Nonmajor Funds	Totals
Nonspendable:				
Inventory	\$ 1,574,574	\$ -	\$ 879,944	\$ 2,454,518
Prepaid items	1,013,015	-	-	1,013,015
Total nonspendable	2,587,589	-	879,944	3,467,533
Restricted:				
Scholarships	-	-	4,282	4,282
Correspondence program	1,606,630	-	-	1,606,630
Total restricted	1,606,630	-	4,282	1,610,912
Committed - Construction	-	3,053,923	-	3,053,923
Assigned:				
SV fire damage reclamation	-	-	1,450	1,450
Insurance reserve	500,000	-	-	500,000
Debt service	-	-	1,009,000	1,009,000
Total assigned	500,000	-	1,010,450	1,510,450
Unassigned	7,088,486	-	(231,610)	6,856,876
Total Fund Balances	\$ 11,782,705	\$ 3,053,923	\$ 1,663,066	\$ 16,499,694

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Notes to Basic Financial Statements

13. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, but believes that GASB Statement 75 will result in the biggest reporting change. However, actual impacts have not yet been determined.

GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions - Effective for year-end June 30, 2018, with earlier application encouraged - This statement contains accounting and financial reporting guidelines for OPEB related activities at the participating employer level and generally brings the OPEB reporting rules into alignment with the new GASB 68 Pension rules.

GASB 81 - Irrevocable Split-Interest Agreements - Effective for year-end June 30, 2018, with earlier application encouraged - This statement establishes recording and recognition criteria for governments who receive resources pursuant to an irrevocable split-interest agreement.

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 86 - Certain Debt Extinguishment Issues - Effective for year-end June 30, 2018, with earlier application encouraged - This statement addresses accounting and financial reporting for in-substance defeasance of debt when only existing resources are used, as well as accounting and financial reporting for prepaid insurance on extinguished debt.

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.

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Required Supplementary Information

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

Year Ended June 30, 2017	Budget		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Local sources:				
Borough appropriation	\$ 55,841,300	\$ 55,841,300	\$ 55,841,300	\$
Other	400,000	498,074	2,540,585	2,042,511
State of Alaska	186,426,412	188,286,243	186,402,314	(1,883,929)
Federal	1,793,363	2,219,698	2,439,495	219,797
Total Revenues	244,461,075	246,845,315	247,223,694	378,379
Expenditures				
Current:				
Instruction	109,436,452	106,896,025	104,833,810	2,062,215
Special education instruction	40,711,787	40,418,019	40,109,476	308,543
Special education support services - students	15,255,768	16,031,297	15,820,580	210,717
Support services - students	10,291,409	10,175,029	10,045,393	129,636
Support services - instruction	9,297,257	10,178,425	10,129,465	48,960
School administration	9,882,786	10,044,571	9,973,301	71,270
School administration support services	10,910,263	10,749,688	11,344,458	(594,770)
District administration	1,510,726	1,574,593	1,827,810	(253,217)
District administration support services	11,759,274	12,769,138	12,094,122	675,016
Operations and maintenance of plant	26,520,471	27,913,570	25,805,958	2,107,612
Student activities	4,462,837	4,078,760	3,763,633	315,127
Student transportation - school activities	-	32,390	809,345	(776,955)
Food services	-	-	6,859	(6,859)
Construction and facilities acquisition	160,391	560,391	400,000	160,391
Total Expenditures	250,199,421	251,421,896	246,964,210	4,457,686
Excess (deficiency) of revenues over expenditures	(5,738,346)	(4,576,581)	259,484	4,836,065
Other Financing Uses -				
Transfers out	(587,285)	(3,661,493)	(3,192,212)	469,281
Net change in fund balance	\$ (6,325,631)	\$ (8,238,074)	\$ (2,932,728)	\$ 5,305,346
Fund Balance, beginning of year			14,715,433	
Fund Balance, end of year			\$ 11,782,705	

See accompanying notes to Required Supplementary Information.

Matanuska-Susitna Borough School District
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Title I-A Basic Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

<i>Year Ended June 30, 2017</i>	Budget		Actual	Variance with
	Original	Final		Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 4,118,273	\$ 4,118,273	\$ 3,945,780	\$ (172,493)
Expenditures				
Current:				
Instruction	3,506,911	3,506,911	3,343,509	163,402
Support services - students	189,000	189,000	188,491	509
School administration	240,500	240,500	239,535	965
District administration support services	181,862	181,862	174,245	7,617
Total Expenditures	4,118,273	4,118,273	3,945,780	172,493
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund Balance, beginning of year			-	
Fund Balance, end of year			\$ -	

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

Years Ended June 30,	District's Proportion of the Net Pension Liability	District's		State of Alaska		Total Net Pension Liability	District's Covered Payroll	District's		Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
		Proportionate Share of the Net Pension Liability	Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Share of the Net Pension Liability as a Percentage of Payroll					
2017	1.26356000%	\$ 70,627,690	\$ 8,900,517	\$ 79,528,207	\$ 32,540,635		217%			59.55%
2016	1.28351000%	\$ 62,250,192	\$ 16,670,606	\$ 78,920,798	\$ 30,298,959		205%			63.96%
2015	0.67819877%	\$ 31,632,130	\$ 28,809,640	\$ 60,441,770	\$ 28,697,672		110%			62.37%
2014	*	*	*	*	*		*			*
2013	*	*	*	*	*		*			*
2012	*	*	*	*	*		*			*
2011	*	*	*	*	*		*			*
2010	*	*	*	*	*		*			*
2009	*	*	*	*	*		*			*
2008	*	*	*	*	*		*			*

*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>	Contributions			Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution	Relative to the Contractually Required Contribution			
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	*	*	*	*	*	*
2008	*	*	*	*	*	*

*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

Years Ended June 30,	District's Proportion of the Net Pension Liability	District's		State of Alaska		District's		Total		District's		District's		District's		Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
		Proportionate Share of the Net Pension	Share of the Net Pension	Proportionate Share of the Net Pension	Liability	Proportionate Share of the Net Pension	Liability	Net Pension	Liability	Covered Payroll	Liability as a Percentage of Payroll	Share of the Net Pension	Liability as a Percentage of Payroll	Share of the Net Pension	Liability as a Percentage of Payroll	
2017	5.74558000%	\$ 131,191,382	\$ 155,927,205	\$ 287,118,587	\$ 95,217,509	\$ 287,118,587	\$ 95,217,509	\$ 287,118,587	\$ 95,217,509	138%	68.40%	\$ 287,118,587	138%	\$ 287,118,587	138%	68.40%
2016	4.74949000%	\$ 88,361,932	\$ 141,230,415	\$ 229,592,347	\$ 92,055,028	\$ 229,592,347	\$ 92,055,028	\$ 229,592,347	\$ 92,055,028	96%	73.82%	\$ 229,592,347	96%	\$ 229,592,347	96%	73.82%
2015	1.86717332%	\$ 55,997,692	\$ 295,698,194	\$ 351,695,886	\$ 88,788,045	\$ 351,695,886	\$ 88,788,045	\$ 351,695,886	\$ 88,788,045	63%	55.70%	\$ 351,695,886	63%	\$ 351,695,886	63%	55.70%
2014	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
2009	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
2008	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*

*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

Years Ended June 30,	Contributions Relative to the			Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contractually Required Contribution			
2017	\$ 4,891,948	\$ 4,891,948	\$ 4,891,948	\$ -	\$ 101,197,628	4.834%
2016	\$ 4,448,917	\$ 4,448,917	\$ 4,448,917	\$ -	\$ 95,217,509	4.672%
2015	\$ 4,729,021	\$ 4,729,021	\$ 4,729,021	\$ -	\$ 92,055,028	5.137%
2014	*	*	*	*	*	*
2013	*	*	*	*	*	*
2012	*	*	*	*	*	*
2011	*	*	*	*	*	*
2010	*	*	*	*	*	*
2009	*	*	*	*	*	*
2008	*	*	*	*	*	*

*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. Schedule of the District's Information on the Net Pension Liability - PERS

Information in this table is presented based on the Plan measurement date. For June 30, 2017, the Plan measurement date is June 30, 2016.

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

This table reports the District's pension contributions to PERS during fiscal year 2017. These contributions are reported as a deferred outflow of resources on the June 30, 2017 basic financial statements.

4. Schedule of the District's Information on the Net Pension Liability - TRS

Information in this table is presented based on the Plan measurement date. For June 30, 2017, the Plan measurement date is June 30, 2016.

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

This table reports the District's pension contributions to TRS during fiscal year 2017. These contributions are reported as a deferred outflow on the June 30, 2017 basic financial statements.

All four pension tables are intended to present 10 years of information. Additional year's information will be added to the schedules as it becomes available.

Neither plan is reporting any changes in benefit terms from the prior measurement period.

Neither plan is reporting any changes in assumptions from the prior measurement period.

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>	2017	2016
Assets		
Cash	\$ 12,155,860	\$ 15,182,293
Accounts receivable - other	960,523	1,154,314
Inventory	1,574,574	1,193,353
Prepaid items	1,013,015	570,484
Due from other funds	8,620,471	6,115,206
Total Assets	\$ 24,324,443	\$ 24,215,650
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 5,457,921	\$ 2,241,981
Accrued payroll and related liabilities	7,083,817	7,256,961
Unearned revenue	-	1,275
Total Liabilities	12,541,738	9,500,217
Fund Balance		
Nonspendable	2,587,589	1,763,837
Restricted	1,606,630	1,221,455
Assigned	500,000	500,000
Unassigned	7,088,486	11,230,141
Total Fund Balance	11,782,705	14,715,433
Total Liabilities and Fund Balances	\$ 24,324,443	\$ 24,215,650

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

Years Ended June 30,	2017			2016
	Budget	Actual	Variance with Budget	Actual
Revenues				
Local sources:				
Borough appropriation	\$ 55,841,300	\$ 55,841,300	\$ -	\$ 52,665,941
Facility use	107,485	152,155	44,670	154,728
Other local reimbursement	1,500	1,854,746	1,853,246	1,797,802
Other	389,089	533,684	144,595	544,970
Total local sources	56,339,374	58,381,885	2,042,511	55,163,441
State sources:				
PERS on behalf	1,834,427	1,507,427	(327,000)	1,875,047
TRS on behalf	16,292,481	14,735,551	(1,556,930)	16,045,044
Public school funding	170,159,335	170,159,336	1	164,091,360
Total state sources	188,286,243	186,402,314	(1,883,929)	182,011,451
Federal sources:				
E-rate	1,393,363	1,349,403	(43,960)	2,437,337
Medicaid reimbursement	826,335	1,090,092	263,757	1,066,987
Total federal sources	2,219,698	2,439,495	219,797	3,504,324
Total Revenues	246,845,315	247,223,694	378,379	240,679,216
Expenditures				
Current:				
Instruction	106,896,025	104,833,810	2,062,215	102,766,001
Special education instruction	40,418,019	40,109,476	308,543	36,142,304
Special education support services - students	16,031,297	15,820,580	210,717	14,770,451
Support services - students	10,175,029	10,045,393	129,636	9,446,012
Support services - instruction	10,178,425	10,129,465	48,960	10,384,382
School administration	10,044,571	9,973,301	71,270	9,668,211
School administration support services	10,749,688	11,344,458	(594,770)	10,699,171
District administration	1,574,593	1,827,810	(253,217)	1,839,404
District administration support services	12,769,138	12,094,122	675,016	14,606,843
Operations and maintenance of plant	27,913,570	25,805,958	2,107,612	25,812,703
Student activities	4,078,760	3,763,633	315,127	3,534,412
Student transportation - school activities	32,390	809,345	(776,955)	786,645
Food services	-	6,859	(6,859)	6,748
Construction and facilities acquisition	560,391	400,000	160,391	160,391
Total Expenditures	251,421,896	246,964,210	4,457,686	240,623,678
Excess of revenues over (under) expenditures	(4,576,581)	259,484	4,836,065	55,538
Other Financing Uses -				
Transfers out	(3,661,493)	(3,192,212)	469,281	(2,646,100)
Net change in fund balance	\$ (8,238,074)	(2,932,728)	\$ 5,305,346	(2,590,562)
Fund Balance, beginning of year		14,715,433		17,305,995
Fund Balance, end of year		\$ 11,782,705		\$ 14,715,433

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>	2017		2016	
	Budget	Actual	Variance with Budget	Actual
Expenditures				
Instruction:				
Certificated salaries	\$ 57,340,234	\$ 57,527,983	\$ (187,749)	\$ 56,436,449
Non-certificated salaries	3,116,011	3,398,980	(282,969)	3,254,837
Employee benefits	35,078,562	34,029,638	1,048,924	32,668,352
Professional and technical services	452,109	373,062	79,047	18,204
Staff travel	118,179	77,272	40,907	56,144
Student travel	188,540	173,682	14,858	138,800
Utility services	2,233	2,171	62	752
Other purchased services	3,043,021	2,355,129	687,892	1,689,830
Insurance and bond premiums	1,100	-	1,100	536
Supplies, materials and media	7,362,521	6,458,527	903,994	8,363,452
Other expenditures	124,374	387,323	(262,949)	91,358
Equipment	69,141	50,043	19,098	47,287
Total instruction	106,896,025	104,833,810	2,062,215	102,766,001
Special education instruction:				
Certificated salaries	14,086,985	14,209,044	(122,059)	13,334,236
Non-certificated salaries	10,074,670	10,227,280	(152,610)	9,008,374
Employee benefits	16,055,386	15,502,958	552,428	13,609,914
Professional and technical services	21,006	12,661	8,345	28,472
Staff travel	1,225	1,181	44	708
Student travel	5,504	5,630	(126)	4,634
Utility services	-	12	(12)	4,362
Other purchased services	16,881	1,105	15,776	151,073
Supplies, materials and media	156,165	148,818	7,347	531
Other expenditures	197	787	(590)	-
Total special education instruction	40,418,019	40,109,476	308,543	36,142,304
Special education support services - students:				
Certificated salaries	6,968,060	7,029,914	(61,854)	6,476,185
Non-certificated salaries	1,394,294	1,395,946	(1,652)	1,408,070
Employee benefits	4,987,674	4,907,310	80,364	4,433,060
Professional and technical services	2,162,878	2,146,823	16,055	2,076,077
Staff travel	187,360	103,361	83,999	120,449
Student travel	7,901	3,398	4,503	6,813
Utility services	40	40	-	-
Other purchased services	92,750	46,911	45,839	79,795
Supplies, materials and media	182,840	143,476	39,364	125,661
Tuition and stipends	-	-	-	5,280
Other expenditures	47,500	43,401	4,099	39,061
Total special education support services - students	16,031,297	15,820,580	210,717	14,770,451

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,	2017		2016	
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Support services - students:				
Certificated salaries	\$ 5,080,918	\$ 5,100,338	\$ (19,420)	\$ 4,768,270
Non-certificated salaries	1,346,314	1,244,014	102,300	1,221,218
Employee benefits	3,412,268	3,489,781	(77,513)	3,252,887
Professional and technical services	140,660	93,693	46,967	97,995
Staff travel	8,450	8,950	(500)	9,712
Student travel	-	719	(719)	-
Other purchased services	14,665	18,701	(4,036)	36,026
Supplies, materials and media	124,209	87,823	36,386	59,111
Other expenditures	47,545	1,374	46,171	793
Total support services - students	10,175,029	10,045,393	129,636	9,446,012
Support services - instruction:				
Certificated salaries	4,182,811	4,261,396	(78,585)	4,593,719
Non-certificated salaries	197,827	195,765	2,062	192,078
Employee benefits	2,217,132	2,294,290	(77,158)	2,560,909
Professional and technical services	123,756	106,038	17,718	180,062
Staff travel	182,961	177,286	5,675	90,432
Student travel	17,148	7,654	9,494	1,800
Utility services	2,182,173	2,105,824	76,349	1,843,976
Other purchased services	245,927	38,218	207,709	119,065
Supplies, materials and media	658,239	597,863	60,376	615,807
Other expenditures	50,951	227,138	(176,187)	161,080
Equipment	119,500	117,993	1,507	25,454
Total support services - instruction	10,178,425	10,129,465	48,960	10,384,382
School administration:				
Certificated salaries	6,604,284	6,609,948	(5,664)	6,442,745
Non-certificated salaries	10,057	11,947	(1,890)	11,477
Employee benefits	3,242,397	3,170,705	71,692	3,069,891
Professional and technical services	-	-	-	1,804
Staff travel	85,434	88,429	(2,995)	83,867
Other purchased services	51,880	52,080	(200)	37,868
Supplies, materials and media	41,058	30,563	10,495	18,259
Other expenditures	9,461	9,629	(168)	2,300
Total school administration	10,044,571	9,973,301	71,270	9,668,211

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,		2017			2016
		Budget	Actual	Variance with Budget	Actual
Expenditures, continued					
School administration support services:					
Non-certificated salaries	\$	5,909,841	\$ 5,999,887	\$ (90,046)	\$ 5,730,820
Employee benefits		4,399,120	4,246,773	152,347	3,930,182
Professional and technical services		60,650	38,275	22,375	58,150
Staff travel		22,422	8,289	14,133	5,641
Utility services		70,914	64,273	6,641	53,974
Other purchased services		45,766	56,138	(10,372)	31,561
Supplies, materials and media		238,148	252,215	(14,067)	280,048
Other expenditures		2,827	671,784	(668,957)	608,795
Equipment		-	6,824	(6,824)	-
Total school administration support services		10,749,688	11,344,458	(594,770)	10,699,171
District administration:					
Certificated salaries		356,779	516,793	(160,014)	536,934
Non-certificated salaries		285,719	417,859	(132,140)	361,481
Employee benefits		430,593	559,565	(128,972)	554,751
Professional and technical services		9,310	-	9,310	-
Staff travel		96,826	55,864	40,962	62,110
Student travel		2,090	2,913	(823)	2,291
Other purchased services		332,787	225,240	107,547	264,046
Supplies, materials and media		32,450	17,723	14,727	26,189
Other expenditures		28,039	31,853	(3,814)	31,602
Total district administration		1,574,593	1,827,810	(253,217)	1,839,404
District administration support services:					
Certificated salaries		6,302	14,203	(7,901)	13,272
Non-certificated salaries		5,400,648	5,468,363	(67,715)	5,141,455
Employee benefits		3,288,610	3,216,643	71,967	4,377,988
Professional and technical services		369,950	267,112	102,838	259,446
Staff travel		103,254	75,061	28,193	65,914
Utility services		5,911	7,258	(1,347)	3,177
Other purchased services		1,693,263	1,734,571	(41,308)	2,287,461
Insurance and bond premiums		731,925	369,918	362,007	719,821
Supplies, materials and media		973,406	786,108	187,298	1,381,903
Other expenditures		346,403	341,072	5,331	76,430
Equipment		386,885	264,172	122,713	795,653
Other capital outlay		112,675	115,049	(2,374)	-
Total district administration support services		13,419,232	12,659,530	759,702	15,122,520
Less indirect cost recovery		(650,094)	(565,408)	(84,686)	(515,677)
Net district administration support services		12,769,138	12,094,122	675,016	14,606,843

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,	2017			2016
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Operations and maintenance of plant:				
Non-certificated salaries	\$ 7,425,972	\$ 7,593,359	\$ (167,387)	\$ 7,378,729
Employee benefits	4,921,502	4,834,415	87,087	4,603,935
Professional and technical services	760	760	-	25,910
Staff travel	13,539	11,258	2,281	8,778
Utility services	537,721	474,592	63,129	429,158
Energy	5,992,832	5,868,236	124,596	5,370,293
Other purchased services	5,052,257	3,884,534	1,167,723	4,277,194
Insurance and bond premiums	2,046,811	1,523,921	522,890	1,588,866
Supplies, materials and media	1,854,691	1,543,650	311,041	1,959,349
Other expenditures	7,850	7,971	(121)	6,299
Equipment	59,635	63,262	(3,627)	164,192
Total operations and maintenance of plant	27,913,570	25,805,958	2,107,612	25,812,703
Student activities:				
Certificated salaries	1,702,088	1,694,603	7,485	1,646,298
Non-certificated salaries	691,493	634,593	56,900	573,414
Employee benefits	818,072	648,843	169,229	620,601
Staff travel	1,863	1,868	(5)	2,801
Student travel	637,044	572,168	64,876	506,561
Other purchased services	108,928	102,210	6,718	85,819
Supplies, materials and media	43,090	27,044	16,046	30,653
Other expenditures	76,182	82,304	(6,122)	68,265
Total student activities	4,078,760	3,763,633	315,127	3,534,412
Student transportation - school activities				
Student travel	32,390	43,240	(10,850)	7,392
Other purchased services	-	766,105	(766,105)	779,253
Total student transportation	32,390	809,345	(776,955)	786,645
Food services:				
Non-certificated salaries	-	5,396	(5,396)	5,676
Employee benefits	-	1,463	(1,463)	1,072
Total food services	-	6,859	(6,859)	6,748
Construction and facilities acquisition				
Other expenditures	160,391	-	160,391	-
Capital outlay	400,000	400,000	-	160,391
Total construction and facilities acquisition	560,391	400,000	160,391	160,391
Total Expenditures	\$ 251,421,896	\$ 246,964,210	\$ 4,457,686	\$ 240,623,678

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Non-Major Governmental Funds

Special Revenue Funds

Grant Funds account for revenues from sources which include state and federal grants or contracts used to supplement educational programs.

Food Service Fund accounts for the operations of the school district's Student Nutrition Program. Funding is provided by user fees and funds received for the National School Lunch and Breakfast Program.

Pupil Transportation Fund accounts for the operations of the school district's Student Transportation Program.

Debt Service Fund accounts for the accumulation of resources for, and the payment of, the school district's long-term debt obligations related to school building construction.

Capital Improvement Projects Funds account for all resources used for property acquisition, major equipment expense, and infrastructure improvements.

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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 4,118,273	\$ 3,945,780	\$ (172,493)
Expenditures			
Instruction:			
Certificated salaries	961,685	845,195	116,490
Non-certificated salaries	578,214	554,650	23,564
Employee benefits	638,250	582,458	55,792
Professional and technical services	79,550	60,460	19,090
Staff travel	60,716	50,614	10,102
Student travel	83,500	60,982	22,518
Utility services	3,200	2,700	500
Other purchased services	16,813	9,415	7,398
Supplies, materials and media	1,011,077	1,097,620	(86,543)
Other expenditures	73,906	79,415	(5,509)
Total instruction	3,506,911	3,343,509	163,402
Support services - students:			
Certificated salaries	132,000	131,830	170
Employee benefits	57,000	56,661	339
Total support services - students	189,000	188,491	509
School administration:			
Certificated salaries	188,000	187,845	155
Employee benefits	51,000	50,250	750
Staff travel	1,500	1,440	60
Total school administration	240,500	239,535	965
District administration support services - indirect costs	181,862	174,245	7,617
Total Expenditures	4,118,273	3,945,780	172,493
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)

Capital Improvement Projects Capital Project Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

Year Ended June 30, 2017

Revenues	\$ -
Expenditures	
Instruction:	
Certificated salaries	19,318
Employee benefits	3,026
Total instruction	22,344
Construction and facilities acquisition:	
Non-certificated salaries	156,093
Employee benefits	57,203
Professional and technical services	136,543
Other purchased services	1,295,964
Supplies, materials and media	814,611
Other expenditures	24,241
Equipment	87,470
Other capital outlay expenses	58,737
Total construction and facilities acquisition	2,630,862
Total Expenditures	2,653,206
Other Financing Sources - transfers in	850,000
Net change in fund balance	(1,803,206)
Fund Balance, beginning of year	4,857,129
Fund Balance, end of year	\$ 3,053,923

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

Nonmajor Governmental Funds
Combining Balance Sheet

Special Revenue Funds, continued									
<i>June 30, 2017</i>	Student Trans- portation	ANSEP Digital Plan	Staff Develop- ment	Suicide Awareness, Prevention & Postvention	Youth in Detention	Obesity Prevention K-12	Artists in Schools	LEG Grants Direct Small	
Assets									
Cash	\$ 136,492	\$ -	\$ -	\$ -	\$ 299,494	\$ -	\$ 3,764	\$ -	
Accounts receivable:									
Federal and state grants	-	35,714	1,200	16,884	-	54,644	-	30,770	
Other	-	-	-	-	-	-	-	-	
Inventory	-	-	-	-	-	-	-	-	
Total Assets	\$ 136,492	\$ 35,714	\$ 1,200	\$ 16,884	\$ 299,494	\$ 54,644	\$ 3,764	\$ 30,770	
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ 136,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Unearned revenue	-	-	-	-	299,494	-	3,764	-	
Due to other funds	-	35,714	1,200	16,884	-	54,644	-	30,770	
Total Liabilities	136,492	35,714	1,200	16,884	299,494	54,644	3,764	30,770	
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	
Restricted	-	-	-	-	-	-	-	-	
Assigned	-	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	-	
Total Fund Balances	-	-	-	-	-	-	-	-	
Total Liabilities and Fund Balances	\$ 136,492	\$ 35,714	\$ 1,200	\$ 16,884	\$ 299,494	\$ 54,644	\$ 3,764	\$ 30,770	

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

Nonmajor Governmental Funds
Combining Balance Sheet, continued

	Special Revenue Funds, continued						
	Alaska Family Services Tobacco Prevention	Safe Children's Act	Nutritional Alaskan Foods Program	Fresh Fruits and Vegetables Program	Nutrition Services	Title I-D Delinquent	Youth Risk Behavior Survey
<i>June 30, 2017</i>							
Assets							
Cash	\$ -	\$ 13,999	\$ 311,603	\$ -	\$ -	\$ -	\$ 917
Accounts receivable:							
Federal and state grants	5,153	-	-	22,265	390,540	20,566	-
Other	-	-	-	-	-	-	-
Inventory	-	-	-	-	879,944	-	-
Total Assets	\$ 5,153	\$ 13,999	\$ 311,603	\$ 22,265	\$ 1,270,484	\$ 20,566	\$ 917
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 17,247	\$ -	\$ -
Unearned revenue	-	13,999	311,603	-	113,788	-	917
Due to other funds	5,153	-	-	22,265	491,115	20,566	-
Total Liabilities	5,153	13,999	311,603	22,265	622,150	20,566	917
Fund Balances							
Nonspendable	-	-	-	-	879,944	-	-
Restricted	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(231,610)	-	-
Total Fund Balances	-	-	-	-	648,334	-	-
Total Liabilities and Fund Balances	\$ 5,153	\$ 13,999	\$ 311,603	\$ 22,265	\$ 1,270,484	\$ 20,566	\$ 917

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

Nonmajor Governmental Funds
Combining Balance Sheet, continued

	Special Revenue Funds, 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	IASA Consol- idated Admini- stration
<i>June 30, 2017</i>							
Assets							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Federal and state grants	17,814	22,472	138,413	239,792	191,827	20,386	295,543
Other	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	\$ 17,814	\$ 22,472	\$ 138,413	\$ 239,792	\$ 191,827	\$ 20,386	\$ 295,543
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ 1,201	\$ -	\$ -	\$ 19
Unearned revenue	-	-	-	-	-	-	-
Due to other funds	17,814	22,472	138,413	238,591	191,827	20,386	295,524
Total Liabilities	17,814	22,472	138,413	239,792	191,827	20,386	295,543
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 17,814	\$ 22,472	\$ 138,413	\$ 239,792	\$ 191,827	\$ 20,386	\$ 295,543

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 VI-B IDEA	Learning Center	UAF Urban Growth Opportunities	Title I-C Migrant Education	Migrant Education Book Program	CEIS IDEA Part B Title VI-B
<i>June 30, 2017</i>						
Assets						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:						
Federal and state grants	845,836	187,477	71,619	200,551	498	64,683
Other	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	\$ 845,836	\$ 187,477	\$ 71,619	\$ 200,551	\$ 498	\$ 64,683
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 5,837	\$ 572	\$ 7,082	\$ 19,562	\$ 120	\$ -
Unearned revenue	-	-	-	-	-	-
Due to other funds	839,999	186,905	64,537	180,989	378	64,683
Total Liabilities	845,836	187,477	71,619	200,551	498	64,683
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 845,836	\$ 187,477	\$ 71,619	\$ 200,551	\$ 498	\$ 64,683

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

Nonmajor Governmental Funds
Combining Balance Sheet, continued

	Special Revenue Funds, continued							
	IDEA Part B Preschool Disabled	Project Aware	Title I-A School Improve- ment	WHS AF JROTC	Indian Education	Contributions from Local Sources	Trapper Creek Community Enrichment	
June 30, 2017								
Assets								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,714	\$ 4,488	
Accounts receivable:								
Federal and state grants	31,691	135,983	48,591	5,654	215,359	36,989	1,306	
Other	-	-	-	-	-	-	-	
Inventory	-	-	-	-	-	-	-	
Total Assets	\$ 31,691	\$ 135,983	\$ 48,591	\$ 5,654	\$ 215,359	\$ 42,703	\$ 5,794	
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ 2,660	\$ -	\$ -	\$ 15,000	\$ -	\$ -	
Unearned revenue	-	-	-	-	-	42,703	5,794	
Due to other funds	31,691	133,323	48,591	5,654	200,359	-	-	
Total Liabilities	31,691	135,983	48,591	5,654	215,359	42,703	5,794	
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	
Restricted	-	-	-	-	-	-	-	
Assigned	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	
Total Fund Balances	-	-	-	-	-	-	-	
Total Liabilities and Fund Balances	\$ 31,691	\$ 135,983	\$ 48,591	\$ 5,654	\$ 215,359	\$ 42,703	\$ 5,794	

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

Nonmajor Governmental Funds
Combining Balance Sheet, continued

	Special Revenue Funds, continued							
	UAA Leap Grant	Talkeetna Community Enrichment	River Rangers State Farm	NEA Student Achieve- ment	Mat-Su Health Foundation	Community Impact	Cultural Program	
June 30, 2017								
Assets								
Cash	\$ 794	\$ 9,830	\$ 10,133	\$ 563	\$ 44,383	\$ 3,322	\$ 6,575	
Accounts receivable:								
Federal and state grants	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Inventory	-	-	-	-	-	-	-	
Total Assets	\$ 794	\$ 9,830	\$ 10,133	\$ 563	\$ 44,383	\$ 3,322	\$ 6,575	
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,744	\$ -	\$ -	
Unearned revenue	794	9,830	10,133	563	42,639	3,322	6,575	
Due to other funds	-	-	-	-	-	-	-	
Total Liabilities	794	9,830	10,133	563	44,383	3,322	6,575	
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	
Restricted	-	-	-	-	-	-	-	
Assigned	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	
Total Fund Balances	-	-	-	-	-	-	-	
Total Liabilities and Fund Balances	\$ 794	\$ 9,830	\$ 10,133	\$ 563	\$ 44,383	\$ 3,322	\$ 6,575	

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 Damage Reclamation	RJ Jones Memorial Fund	Debt Service Fund	Legislative Grants Small	Legislative Grants Large	Bond Reimburse- ment	Totals
<i>June 30, 2017</i>							
Assets							
Cash	\$ 1,450	\$ 4,282	\$ 1,009,000	\$ -	\$ 158,095	\$ -	\$ 2,024,898
Accounts receivable:							
Federal and state grants	-	-	-	-	-	-	3,350,220
Other	-	-	-	74,136	24,718	374,836	473,690
Inventory	-	-	-	-	-	-	879,944
Total Assets	\$ 1,450	\$ 4,282	\$ 1,009,000	\$ 74,136	\$ 182,813	\$ 374,836	\$ 6,728,752
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,663	\$ 324,199
Unearned revenue	-	-	-	-	182,813	-	1,048,731
Due to other funds	-	-	-	74,136	-	258,173	3,692,756
Total Liabilities	-	-	-	74,136	182,813	374,836	5,065,686
Fund Balances							
Nonspendable	-	-	-	-	-	-	879,944
Restricted	-	4,282	-	-	-	-	4,282
Assigned	1,450	-	1,009,000	-	-	-	1,010,450
Unassigned	-	-	-	-	-	-	(231,610)
Total Fund Balances	1,450	4,282	1,009,000	-	-	-	1,663,066
Total Liabilities and Fund Balances	\$ 1,450	\$ 4,282	\$ 1,009,000	\$ 74,136	\$ 182,813	\$ 374,836	\$ 6,728,752

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	ANSEP Digital Plan	Staff Develop- ment	Suicide Awareness, Prevention & Postvention	Youth in Detention	Obesity Prevention K-12	LEG Grants Direct Small
<i>Year Ended June 30, 2017</i>							
Revenues							
Local sources:							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough capital projects	-	-	-	-	-	-	-
Total local sources	-	-	-	-	-	-	-
State of Alaska	15,478,656	128,839	-	36,247	61,869	38,500	\$ 31,059
Federal sources:							
Direct from federal government	-	-	-	-	-	-	-
Passed through the State of Alaska	-	-	2,875	-	-	86,735	-
Passed through other intermediate agencies	-	-	-	-	-	-	-
Total federal sources	-	-	2,875	-	-	86,735	-
Total Revenues	15,478,656	128,839	2,875	36,247	61,869	125,235	31,059
Expenditures							
Current:							
Instruction	-	128,214	-	-	-	-	-
Special education instruction	-	-	-	-	59,137	-	-
Special education support services - students	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-
Support services - instruction	-	-	2,875	34,646	-	119,705	31,059
District administration	-	-	-	-	-	-	-
District administration support services	-	-	-	1,601	2,732	5,530	-
Operations and maintenance of plant	35,702	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-
Student transportation - to and from school	18,040,165	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Construction and facilities acquisition	-	625	-	-	-	-	-
Total Expenditures	18,075,867	128,839	2,875	36,247	61,869	125,235	31,059
Excess (deficiency) of revenues over expenditures	(2,597,211)	-	-	-	-	-	-
Other financing sources - transfers in	824,738	-	-	-	-	-	-
Net change in fund balances	(1,772,473)	-	-	-	-	-	-
Fund Balances, beginning of year	1,772,473	-	-	-	-	-	-
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						
	National Math & Science Initiative (NMSI)	Alaska Family Services Tobacco Prevention	Safe Children's Act	Nutritional Alaskan Foods Program	Fresh Fruits and Vegetables Program	Nutrition Services	Title I-D Delinquent
<i>Year Ended June 30, 2017</i>							
Revenues							
Local sources:							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,115,178	\$ -
Borough capital projects	-	-	-	-	-	-	-
Total local sources	-	-	-	-	-	1,115,178	-
State of Alaska	33,660	85,252	13,109	79,782	-	-	-
Federal sources:							
Direct from federal government	-	-	-	-	-	190,287	-
Passed through the State of Alaska	-	-	-	-	117,039	5,376,197	28,506
Passed through other intermediate agencies	-	-	-	-	-	-	-
Total federal sources	-	-	-	-	117,039	5,566,484	28,506
Total Revenues	33,660	85,252	13,109	79,782	117,039	6,681,662	28,506
Expenditures							
Current:							
Instruction	-	-	-	-	-	-	-
Special education instruction	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-
Support services - instruction	33,660	85,252	13,109	-	-	-	27,247
District administration	-	-	-	-	-	-	-
District administration support services	-	-	-	-	-	-	1,259
Operations and maintenance of plant	-	-	-	-	-	289,887	-
Student activities	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Food services	-	-	-	79,782	117,039	6,900,249	-
Construction and facilities acquisition	-	-	-	-	-	-	-
Total Expenditures	33,660	85,252	13,109	79,782	117,039	7,190,136	28,506
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	(508,474)	-
Other financing sources - transfers in	-	-	-	-	-	508,474	-
Net change in fund balances	-	-	-	-	-	-	-
Fund Balances, beginning of year	-	-	-	-	-	648,334	-
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 648,334	\$ -

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						
	Youth Risk Behavior Survey	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, 2017</i>							
Revenues							
Local sources:							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough capital projects	-	-	-	-	-	-	-
Total local sources	-	-	-	-	-	-	-
State of Alaska	15,921	-	53,653	394,809	-	-	-
Federal sources:							
Direct from federal government	-	-	-	-	-	-	-
Passed through the State of Alaska	-	30,514	-	-	679,801	418,041	39,563
Passed through other intermediate agencies	-	-	-	-	-	-	-
Total federal sources	-	30,514	-	-	679,801	418,041	39,563
Total Revenues	15,921	30,514	53,653	394,809	679,801	418,041	39,563
Expenditures							
Current:							
Instruction	-	-	-	377,374	-	399,889	-
Special education instruction	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-
Support services - instruction	15,921	29,167	51,284	-	649,781	-	38,787
District administration	-	-	-	-	-	-	-
District administration support services	-	1,347	2,369	17,435	30,020	18,152	776
Operations and maintenance of plant	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-
Total Expenditures	15,921	30,514	53,653	394,809	679,801	418,041	39,563
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 VI-B IDEA	Learning Center	UAF Urban Growth Opportunities	Migrant Education Parent Advisor	Title I-C Migrant Education Summer
<i>Year Ended June 30, 2017</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	1,132,686	3,265,320	518,972	-	198	401,258
Passed through other intermediate agencies	-	-	-	268,477	-	-
Total federal sources	1,132,686	3,265,320	518,972	268,477	198	401,258
Total Revenues	1,132,686	3,265,320	518,972	268,477	198	401,258
Expenditures						
Current:						
Instruction	-	-	496,054	-	198	383,539
Special education instruction	-	1,818,623	-	-	-	-
Special education support services - students	-	1,302,501	-	-	-	-
Support services - students	-	-	-	-	-	-
Support services - instruction	629,426	-	-	256,621	-	-
District administration	453,241	-	-	-	-	-
District administration support services	50,019	144,196	22,918	11,856	-	17,719
Operations and maintenance of plant	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Food services	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-
Total Expenditures	1,132,686	3,265,320	518,972	268,477	198	401,258
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					
	Migrant Education Book Program	CEIS IDEA Part B Title VI-B	IDEA Part B Preschool Disabled	Project Aware	Title I-A School Improve- ment	WHS AF JROTC Grant
<i>Year Ended June 30, 2017</i>						
Revenues						
Local sources:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough capital projects	-	-	-	-	-	-
Total local sources	-	-	-	-	-	-
State of Alaska	-	-	-	-	-	-
Federal sources:						
Direct from federal government	-	-	-	-	-	6,750
Passed through the State of Alaska agencies	10,029	269,085	88,859	382,141	67,061	-
	-	-	-	-	-	-
Total federal sources	10,029	269,085	88,859	382,141	67,061	6,750
Total Revenues	10,029	269,085	88,859	382,141	67,061	6,750
Expenditures						
Current:						
Instruction	10,029	-	-	-	-	-
Special education instruction	-	225,035	-	-	-	-
Special education support services - students	-	32,167	84,935	-	-	-
Support services - students	-	-	-	365,266	-	-
Support services - instruction	-	-	-	-	64,100	6,750
District administration	-	-	-	-	-	-
District administration support services	-	11,883	3,924	16,875	2,961	-
Operations and maintenance of plant	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Food services	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-
Total Expenditures	10,029	269,085	88,859	382,141	67,061	6,750
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					
	Indian Education	Contributions From Local Sources	Trapper Creek Community Enrichment	UAA Leap Grant	Talkeetna Community Enrichment	Knik Tribal Council
<i>Year Ended June 30, 2017</i>						
Revenues						
Local sources:						
Other	\$ -	\$ 57,107	\$ 4,032	\$ -	\$ 19,119	\$ 4,560
Borough capital projects	-	-	-	-	-	-
Total local sources	-	57,107	4,032	-	19,119	4,560
State of Alaska	-	6,357	-	-	-	-
Federal sources:						
Direct from federal government	607,055	-	-	-	-	-
Passed through the State of Alaska	-	-	-	-	-	-
Passed through other intermediate agencies	-	41,270	-	55	-	-
Total federal sources	607,055	41,270	-	55	-	-
Total Revenues	607,055	104,734	4,032	55	19,119	4,560
Expenditures						
Current:						
Instruction	580,248	-	-	-	-	4,560
Special education instruction	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-
Support services - instruction	-	99,007	-	55	-	-
District administration	-	-	-	-	-	-
District administration support services	26,807	783	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-	-
Student activities	-	4,944	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-
Community services	-	-	4,032	-	19,119	-
Food services	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-
Total Expenditures	607,055	104,734	4,032	55	19,119	4,560
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				
	Mat-Su Health Foundation	Cultural Program	Fred Myers Coin	SV Fire Damage Reclam- ation	RJ Jones Memorial Fund
<i>Year Ended June 30, 2017</i>					
Revenues					
Local sources:					
Other	\$ 252,810	\$ 3,702	\$ 5,061	\$ -	\$ 4
Borough capital projects	-	-	-	-	-
Total local sources	252,810	3,702	5,061	-	4
State of Alaska	-	-	-	-	-
Federal sources:					
Direct from federal government	-	-	-	-	-
Passed through the State of Alaska	-	-	-	-	-
Passed through other intermediate agencies	-	-	-	-	-
Total federal sources	-	-	-	-	-
Total Revenues	252,810	3,702	5,061	-	4
Expenditures					
Current:					
Instruction	-	3,702	-	-	-
Special education instruction	-	-	-	-	-
Special education support services - students	-	-	-	-	-
Support services - students	-	-	-	-	-
Support services - instruction	252,810	-	5,061	-	-
District administration	-	-	-	-	-
District administration support services	-	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-
Student activities	-	-	-	-	1,502
Student transportation - to and from school	-	-	-	-	-
Community services	-	-	-	-	-
Food services	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-
Total Expenditures	252,810	3,702	5,061	-	1,502
Excess (deficiency) of revenues over expenditures	-	-	-	-	(1,498)
Other financing sources - transfers in	-	-	-	-	-
Net change in fund balances	-	-	-	-	(1,498)
Fund Balances, beginning of year	-	-	-	1,450	5,780
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ 1,450	\$ 4,282

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

	Debt Service	Capital Projects Funds			
	Debt Service Fund	Legislative Grants Small	Legislative Grants Large	Bond Reimburse- ment	Totals
<i>Year Ended June 30, 2017</i>					
Revenues					
Local sources:					
Other	\$ -	\$ -	\$ -	\$ -	\$ 1,461,573
Borough capital projects	-	85,557	399,746	2,842,639	3,327,942
Total local sources	-	85,557	399,746	2,842,639	4,789,515
State of Alaska	-	-	-	-	16,457,713
Federal sources:					
Direct from federal government	-	-	-	-	804,092
Passed through the State of Alaska	-	-	-	-	12,914,880
Passed through other intermediate agencies	-	-	-	-	309,802
Total federal sources	-	-	-	-	14,028,774
Total Revenues	-	85,557	399,746	2,842,639	35,276,002
Expenditures					
Current:					
Instruction	-	-	176,466	-	2,560,273
Special education instruction	-	-	-	-	2,102,795
Special education support services - students	-	-	-	-	1,419,603
Support services - students	-	-	-	-	365,266
Support services - instruction	-	-	-	-	2,446,323
District administration	-	-	-	-	453,241
District administration support services	-	-	-	-	391,162
Operations and maintenance of plant	-	-	-	-	325,589
Student activities	-	-	-	-	6,446
Student transportation - to and from school	-	-	-	-	18,040,165
Community services	-	-	-	-	23,151
Food services	-	-	-	-	7,097,070
Construction and facilities acquisition	-	85,557	223,280	2,842,639	3,152,101
Total Expenditures	-	85,557	399,746	2,842,639	38,383,185
Excess (deficiency) of revenues over expenditures	-	-	-	-	(3,107,183)
Other financing sources - transfers in	1,009,000	-	-	-	2,342,212
Net change in fund balances	1,009,000	-	-	-	(764,971)
Fund Balances, beginning of year	-	-	-	-	2,428,037
Fund Balances, end of year	\$ 1,009,000	\$ -	\$ -	\$ -	\$ 1,663,066

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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 15,580,965	\$ 15,478,656	\$ (102,309)
Expenditures			
Operations and maintenance of plant:			
Utility services	11,998	10,164	1,834
Energy	4,691	4,417	274
Other purchased services	19,819	19,854	(35)
Insurance and bond premiums	1,267	1,267	-
Total operations and maintenance of plant	37,775	35,702	2,073
Student transportation - to and from school:			
Non-certificated salaries	234,849	233,793	1,056
Employee benefits	114,613	132,325	(17,712)
Staff travel	-	108	(108)
Utility services	2,000	154	1,846
Other purchased services	17,961,046	17,642,591	318,455
Supplies, materials and media	26,000	26,957	(957)
Student transportation - in-lieu-of agreements	18,000	3,325	14,675
Other expenditures	-	912	(912)
Total student transportation	18,356,508	18,040,165	316,343
Total Expenditures	18,394,283	18,075,867	318,416
Deficiency of revenues over expenditures	(2,813,318)	(2,597,211)	(420,725)
Other Financing Sources - transfers in	1,040,845	824,738	(216,107)
Net change in fund balance	<u>\$ (1,772,473)</u>	<u>\$ (1,772,473)</u>	<u>\$ -</u>
Fund Balance, beginning of year		<u>1,772,473</u>	
Fund Balance, end of year		<u>\$ -</u>	

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

ANSEP Digital Plan Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 143,734	\$ 128,839	\$ (14,895)
Expenditures			
Instruction:			
Certificated salaries	71,880	64,989	6,891
Employee benefits	2,094	3,501	(1,407)
Professional and technical services	1,200	-	1,200
Student travel	2,800	1,715	1,085
Supplies, materials, and media	12,475	7,524	4,951
Other expenditures	52,285	50,485	1,800
Total instruction	142,734	128,214	14,520
Construction and facilities acquisition - other purchased services	1,000	625	375
Total Expenditures	143,734	128,839	14,895
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)

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

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 7,543	\$ 2,875	\$ (4,668)
Expenditures			
Support services - instruction:			
Non-certificated salaries	569	451	118
Employee benefits	8	45	(37)
Staff travel	6,966	2,379	4,587
Total Expenditures	7,543	2,875	4,668
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 36,255	\$ 36,247	\$ (8)
Expenditures			
Support services - instruction:			
Certificated salaries	3,000	3,000	-
Non-certificated salaries	285	285	-
Employee benefits	146	142	4
Professional and technical services	7,545	7,545	-
Staff travel	4,834	4,834	-
Student travel	880	879	1
Supplies, materials and media	17,964	17,961	3
Total support services - instruction	34,654	34,646	8
District administration support services - indirect costs	1,601	1,601	-
Total Expenditures	36,255	36,247	8
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 in Detention Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 361,362	\$ 61,869	\$ (299,493)
Expenditures			
Special education instruction:			
Certificated salaries	69,880	41,663	28,217
Employee benefits	27,239	13,977	13,262
Staff travel	20,000	1,904	18,096
Supplies, materials and media	228,285	1,593	226,692
Total special education instruction	345,404	59,137	286,267
District administration support services - indirect costs	15,958	2,732	13,226
Total Expenditures	361,362	61,869	299,493
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)

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

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues			
State of Alaska	\$ 38,500	\$ 38,500	\$ -
Federal education grants passed through the State of Alaska	87,400	86,735	(665)
Total Revenues	125,900	125,235	(665)
Expenditures			
Support services - instruction:			
Certificated salaries	81,847	77,236	4,611
Non-certificated salaries	3,000	1,554	1,446
Employee benefits	33,266	22,483	10,783
Professional and technical services	-	5,382	(5,382)
Staff travel	1,227	497	730
Other purchased services	-	2,775	(2,775)
Supplies, materials and media	1,000	9,778	(8,778)
Total support services - instruction	120,340	119,705	635
District administration support services - indirect costs	5,560	5,530	30
Total Expenditures	125,900	125,235	665
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)

LEG Grants Direct Small Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 40,154	\$ 31,059	\$ (9,095)
Expenditures			
Support services - instruction:			
Other purchased services	-	16,243	(16,243)
Supplies, materials and media	40,154	14,816	25,338
Total support services - instruction	40,154	31,059	9,095
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)

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

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 275,046	\$ 33,660	\$ (241,386)
Expenditures			
Support services - instruction:			
Certificated salaries	165,100	19,150	145,950
Employee benefits	57,996	545	57,451
Professional and technical services	35,150	-	35,150
Supplies, materials and media	-	12,815	(12,815)
Other expenditures	16,800	1,150	15,650
Total Expenditures	275,046	33,660	241,386
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 106,799	\$ 85,252	\$ (21,547)
Expenditures			
Support services - instruction:			
Certificated salaries	48,508	46,026	2,482
Non-certificated salaries	1,500	-	1,500
Employee benefits	17,920	17,320	600
Professional and technical services	25,000	14,050	10,950
Staff travel	5,100	1,794	3,306
Other purchased services	400	1,022	(622)
Supplies, materials and media	8,131	5,040	3,091
Other expenditures	240	-	240
Total Expenditures	106,799	85,252	21,547
Net change in fund balance	<u>\$ -</u>	<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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 27,108	\$ 13,109	\$ (13,999)
Expenditures			
Support services - instruction:			
Professional and technical services	14,760	9,059	5,701
Supplies, materials and media	12,348	4,050	8,298
Total Expenditures	27,108	13,109	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 Program Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

			Variance with
<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Final Budget
Revenues - State of Alaska	\$ 391,384	\$ 79,782	\$ (311,602)
Expenditures			
Food services - supplies, materials and media	391,384	79,782	311,602
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 146,700	\$ 117,039	\$ (29,661)
Expenditures Food services - supplies, materials and media	146,700	117,039	29,661
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues			
Local sources:			
Food service	\$ 1,356,121	\$ 1,082,564	\$ (273,557)
Other local revenue	50,000	32,614	(17,386)
Total local sources	1,406,121	1,115,178	(290,943)
Federal sources:			
Direct federal grants	-	190,287	190,287
Federal grants passed through the State of Alaska	4,830,307	5,376,197	545,890
Total federal sources	4,830,307	5,566,484	736,177
Total Revenues	6,236,428	6,681,662	445,234
Expenditures			
Operations and maintenance of plant:			
Utility services	16,246	17,237	(991)
Energy	190,494	204,651	(14,157)
Other purchased services	12,398	18,257	(5,859)
Insurance and bond premiums	22,795	23,150	(355)
Supplies, materials and media	37,751	26,592	11,159
Total operations and maintenance of plant	279,684	289,887	(10,203)
Food services:			
Certificated salaries	-	115	(115)
Non-certificated salaries	2,818,723	2,713,536	105,187
Employee benefits	1,232,745	1,230,062	2,683
Staff travel	4,000	3,514	486
Utility services	29	29	-
Other purchased services	62,729	52,686	10,043
Supplies, materials and media	2,477,323	2,900,208	(422,885)
Other expenditures	99	99	-
Total food services	6,595,648	6,900,249	(304,601)
Total Expenditures	6,875,332	7,190,136	(314,804)
Deficiency of revenues over expenditures	(638,904)	(508,474)	130,430
Other Financing Sources - transfers in	638,904	508,474	(130,430)
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning of year		648,334	
Fund Balance, end of year		\$ 648,334	

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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 29,495	\$ 28,506	\$ (989)
Expenditures			
Support services - instruction:			
Certificated salaries	8,802	8,802	-
Non-certificated salaries	12,092	11,641	451
Employee benefits	7,179	6,804	375
Supplies, materials and media	119	-	119
Total support services - instruction	28,192	27,247	945
District administration support services - indirect costs	1,303	1,259	44
Total Expenditures	29,495	28,506	989
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, 2017</i>	Final Budget	Actual	Final Budget	
Revenues - State of Alaska	\$ 16,836	\$ 15,921	\$ (915)	
Expenditures				
Support services - instruction - supplies, materials and media	16,836	15,921	915	
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

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 49,974	\$ 30,514	\$ (19,460)
Expenditures			
Support services - instruction:			
Staff travel	3,250	2,695	555
Student travel	1,270	1,269	1
Utility services	250	9	241
Other purchased services	3,963	1,506	2,457
Supplies, materials and media	36,784	22,665	14,119
Other expenditures	2,250	1,023	1,227
Total support services - instruction	47,767	29,167	18,600
District administration support services - indirect costs	2,207	1,347	860
Total Expenditures	49,974	30,514	19,460
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - State of Alaska	\$ 60,660	\$ 53,653	\$ (7,007)
Expenditures			
Support services - instruction:			
Certificated salaries	4,703	4,703	-
Employee benefits	2,327	1,483	844
Professional and technical services	2,700	750	1,950
Staff travel	2,086	1,922	164
Student travel	3,857	3,446	411
Other purchased services	10,860	9,590	1,270
Supplies, materials and media	31,448	29,390	2,058
Total support services - instruction	57,981	51,284	6,697
District administration support services - indirect costs	2,679	2,369	310
Total Expenditures	60,660	53,653	7,007
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 Pre-K Program Grant Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

			Variance with
<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Final Budget
Revenues - State of Alaska	\$ 413,674	\$ 394,809	\$ (18,865)
Expenditures			
Instruction:			
Certificated salaries	253,784	248,114	5,670
Non-certificated salaries	2,925	381	2,544
Employee benefits	123,762	121,299	2,463
Professional and technical services	5,423	4,526	897
Staff travel	5,000	54	4,946
Supplies, materials and media	4,512	3,000	1,512
Total instruction	395,406	377,374	18,032
District administration support services - indirect costs	18,268	17,435	833
Total Expenditures	413,674	394,809	18,865
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 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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 831,358	\$ 679,801	\$ (151,557)
Expenditures			
Support services - instruction:			
Certificated salaries	278,415	277,981	434
Non-certificated salaries	41,250	27,573	13,677
Employee benefits	106,966	106,152	814
Professional and technical services	175,133	126,579	48,554
Staff travel	149,244	70,775	78,469
Other purchased services	6,500	2,847	3,653
Supplies, materials and media	9,237	10,916	(1,679)
Other expenditures	27,900	26,958	942
Total support services - instruction	794,645	649,781	144,864
District administration support services - indirect costs	36,713	30,020	6,693
Total Expenditures	831,358	679,801	151,557
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)

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

			Variance with
<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 431,621	\$ 418,041	\$ (13,580)
Expenditures			
Instruction:			
Certificated salaries	104,692	101,071	3,621
Non-certificated salaries	3,000	-	3,000
Employee benefits	42,288	41,731	557
Professional and technical services	-	3,895	(3,895)
Staff travel	31,520	22,532	8,988
Student travel	741	741	-
Other purchased services	2,434	2,526	(92)
Supplies, materials and media	165,488	164,686	802
Other expenditures	55,712	55,712	-
Equipment	6,995	6,995	-
Total instruction	412,870	399,889	12,981
District administration support services - indirect costs	18,751	18,152	599
Total Expenditures	431,621	418,041	13,580
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 III-A English Language Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 41,017	\$ 39,563	\$ (1,454)
Expenditures			
Support services - instruction:			
Certificated salaries	1,500	4,000	(2,500)
Non-certificated salaries	-	-	-
Employee benefits	8	147	(139)
Professional and technical services	10,000	6,599	3,401
Staff travel	13,000	7,426	5,574
Supplies, materials and media	5,555	9,590	(4,035)
Other expenditures	10,150	11,025	(875)
Total support services - instruction	40,213	38,787	1,426
District administration support services - indirect costs	804	776	28
Total Expenditures	41,017	39,563	1,454
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 1,212,297	\$ 1,132,686	\$ (79,611)
Expenditures			
Support services - instruction:			
Certificated salaries	347,600	338,399	9,201
Non-certificated salaries	109,483	70,519	38,964
Employee benefits	186,286	179,989	6,297
Staff travel	36,622	23,316	13,306
Utility services	200	-	200
Other purchased services	1,500	917	583
Supplies, materials and media	20,071	12,470	7,601
Other expenditures	2,000	3,816	(1,816)
Total support services - instruction	703,762	629,426	74,336
District administration:			
Certificated salaries	144,000	143,315	685
Non-certificated salaries	169,000	168,501	499
Employee benefits	142,000	141,425	575
Total district administration	455,000	453,241	1,759
District administration support services - indirect costs	53,535	50,019	3,516
Total Expenditures	1,212,297	1,132,686	79,611
Net change in fund balance	<u>\$ -</u>	<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 VI-B IDEA Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 4,872,922	\$ 3,265,320	\$ (1,607,602)
Expenditures			
Special education instruction:			
Certificated salaries	324,521	184,169	140,352
Non-certificated salaries	1,406,954	877,397	529,557
Employee benefits	1,605,308	757,057	848,251
Total special education instruction	3,336,783	1,818,623	1,518,160
Special education support services - students:			
Certificated salaries	121,000	120,790	210
Non-certificated salaries	628,000	627,612	388
Employee benefits	433,000	432,659	341
Professional and technical services	38,952	35,002	3,950
Staff travel	55,000	48,952	6,048
Other purchased services	13,000	12,200	800
Supplies, materials and media	2,000	-	2,000
Other expenditures	30,000	25,286	4,714
Total special education support services - students	1,320,952	1,302,501	18,451
District administration support services - indirect costs	215,187	144,196	70,991
Total Expenditures	4,872,922	3,265,320	1,607,602
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 575,275	\$ 518,972	\$ (56,303)
Expenditures			
Instruction:			
Certificated salaries	208,033	190,826	17,207
Non-certificated salaries	34,499	39,372	(4,873)
Employee benefits	72,461	65,308	7,153
Professional and technical services	97,580	83,696	13,884
Staff travel	14,086	9,978	4,108
Student travel	43,000	57,865	(14,865)
Other purchased services	4,850	10,612	(5,762)
Supplies, materials and media	68,810	36,724	32,086
Other expenditures	6,500	1,673	4,827
Total instruction	549,819	496,054	53,765
District administration support services - indirect costs	25,456	22,918	2,538
Total Expenditures	575,275	518,972	56,303
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)

UAF Urban Growth Opportunities Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the University of Alaska - Fairbanks	\$ 268,643	\$ 268,477	\$ (166)
Expenditures			
Support services - instruction:			
Certificated salaries	90,251	90,252	(1)
Employee benefits	34,617	34,618	(1)
Professional and technical services	128,454	128,295	159
Staff travel	3,457	3,456	1
Total support services - instruction	256,779	256,621	158
District administration support services - indirect costs	11,864	11,856	8
Total Expenditures	268,643	268,477	166
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 Parent Advisor Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 1,000	\$ 198	\$ (802)
Expenditures Instruction - other expenditures	1,000	198	802
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-C Migrant Education Summer Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 430,508	\$ 401,258	\$ (29,250)
Expenditures			
Instruction:			
Certificated salaries	136,244	107,155	29,089
Non-certificated salaries	26,000	13,727	12,273
Employee benefits	49,281	43,871	5,410
Professional and technical services	101,000	89,605	11,395
Staff travel	15,500	10,924	4,576
Student travel	-	26,557	(26,557)
Utility services	500	315	185
Other purchased services	6,500	14,378	(7,878)
Supplies, materials and media	75,972	75,784	188
Other expenditures	500	1,223	(723)
Total instruction	411,497	383,539	27,958
District administration support services - indirect costs	19,011	17,719	1,292
Total Expenditures	430,508	401,258	29,250
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

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 10,150	\$ 10,029	\$ (121)
Expenditures			
Instruction - supplies, materials and media	10,150	10,029	121
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 295,049	\$ 269,085	\$ (25,964)
Expenditures			
Special education instruction:			
Non-certificated salaries	166,855	181,240	(14,385)
Employee benefits	83,807	43,795	40,012
Total special education instruction	250,662	225,035	25,627
Special education support services - students:			
Certificated salaries	30,258	31,108	(850)
Employee benefits	1,100	1,059	41
Total special education support services - students	31,358	32,167	(809)
District administration support services - indirect costs	13,029	11,883	1,146
Total Expenditures	295,049	269,085	25,964
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 100,146	\$ 88,859	\$ (11,287)
Expenditures			
Special education support services - students:			
Certificated salaries	72,040	72,378	(338)
Employee benefits	12,251	11,302	949
Staff travel	8,000	1,255	6,745
Supplies, materials and media	3,033	-	3,033
Other expenditures	400	-	400
Total special education support services - students	95,724	84,935	10,789
District administration support services - indirect costs	4,422	3,924	498
Total Expenditures	100,146	88,859	11,287
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 422,833	\$ 382,141	\$ (40,692)
Expenditures			
Support services - students:			
Certificated salaries	284,439	267,576	16,863
Non-certificated salaries	2,100	600	1,500
Employee benefits	92,538	88,452	4,086
Staff travel	1,353	1,243	110
Student travel	1,501	-	1,501
Supplies, materials, and media	22,230	7,395	14,835
Total support services - students	404,161	365,266	38,895
District administration support services - indirect costs	18,672	16,875	1,797
Total Expenditures	422,833	382,141	40,692
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 School Improvement Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 68,496	\$ 67,061	\$ (1,435)
Expenditures			
Support services - instruction:			
Professional and technical services	7,500	7,500	-
Staff travel	11,603	10,344	1,259
Utility services	699	700	(1)
Supplies, materials, and media	45,669	45,556	113
Total support services - instruction	65,471	64,100	1,371
District administration support services - indirect costs	3,025	2,961	64
Total Expenditures	68,496	67,061	1,435
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

			Variance with
<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Final Budget
Revenues - federal direct	\$ 10,457	\$ 6,750	\$ (3,707)
Expenditures			
Support services instruction:			
Student travel	-	4,038	(4,038)
Other purchased services	132	641	(509)
Supplies, materials, and media	10,325	2,071	8,254
Total Expenditures	10,457	6,750	3,707
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)

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

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - direct federal education grants	\$ 609,271	\$ 607,055	\$ (2,216)
Expenditures			
Instruction:			
Certificated salaries	351,635	351,631	4
Non-certificated salaries	18,088	18,085	3
Employee benefits	161,520	161,507	13
Professional and technical services	15,000	15,000	-
Staff travel	11,841	10,232	1,609
Student travel	837	837	-
Other purchased services	1,000	513	487
Supplies, materials and media	22,414	22,413	1
Other expenditures	30	30	-
Total instruction	582,365	580,248	2,117
District administration support services - indirect costs	26,906	26,807	99
Total Expenditures	609,271	607,055	2,216
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues			
Local sources - other	\$ 139,809	\$ 57,107	\$ (82,702)
State of Alaska	-	6,357	6,357
Federal sources passed through intermediate agencies	30,019	41,270	11,251
Total Revenues	169,828	104,734	(65,094)
Expenditures			
Support services - instruction:			
Certificated salaries	34,044	19,035	15,009
Non-certificated salaries	10,657	9,871	786
Employee benefits	8,443	4,026	4,417
Professional and technical services	7,000	7,000	-
Staff travel	1,000	365	635
Other purchased services	390	390	-
Supplies, materials and media	100,518	55,488	45,030
Equipment	-	2,832	(2,832)
Total support services - instruction	162,052	99,007	63,045
District administration support services - indirect costs	1,776	783	993
Student activities - supplies, materials and media	6,000	4,944	1,056
Total Expenditures	169,828	104,734	65,094
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)

Trapper Creek Community Enrichment Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>			Variance with	
	Final Budget	Actual	Final Budget	
Revenues - other local	\$ 9,715	\$ 4,032	\$ (5,683)	
Expenditures				
Community services:				
Certificated salaries	600	600	-	
Non-certificated salaries	2,450	2,396	54	
Employee benefits	759	585	174	
Staff travel	191	190	1	
Supplies, materials and media	5,715	261	5,454	
Total Expenditures	9,715	4,032	5,683	
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)

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

			Variance with
<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Final Budget
Revenues - federal education grants passed through the University of Alaska Anchorage	\$ 848	\$ 55	\$ (793)
Expenditures Support services instruction - staff travel	848	55	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)
Talkeetna Community Enrichment Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - other local	\$ 28,948	\$ 19,119	\$ (9,829)
Expenditures			
Community services:			
Non-certificated salaries	24,214	17,482	6,732
Employee benefits	4,574	1,607	2,967
Supplies, materials and media	160	30	130
Total Expenditures	28,948	19,119	9,829
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)

Knik Tribal Council - Local Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - local sources	\$ 4,595	\$ 4,560	\$ (35)
Expenditures			
Instruction:			
Certificated salaries	4,006	3,972	34
Employee benefits	589	588	1
Total Expenditures	4,595	4,560	35
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - other local	\$ 295,367	\$ 252,810	\$ (42,557)
Expenditures			
Support services - instruction:			
Certificated salaries	28,725	20,575	8,150
Non-certificated salaries	8,730	4,370	4,360
Employee benefits	5,211	1,571	3,640
Professional and technical services	37,815	25,503	12,312
Student travel	4,430	14,275	(9,845)
Other purchased services	-	3,002	(3,002)
Supplies, materials and media	203,886	180,039	23,847
Other expenditures	6,570	3,475	3,095
Total Expenditures	295,367	252,810	42,557
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - other local	\$ 11,027	\$ 3,702	\$ (7,325)
Expenditures			
Instruction:			
Professional and technical services	300	300	-
Student travel	1,634	-	1,634
Supplies, materials and media	6,017	3,202	2,815
Other expenditures	3,076	200	2,876
Total Expenditures	11,027	3,702	7,325
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)

Fred Myers Coin Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - other local	\$ 5,061	\$ 5,061	\$ -
Expenditures			
Support services - instruction - supplies, materials and media	5,061	5,061	-
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

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with 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, 2017</i>		Actual
Revenues - local - earnings on investments	\$	4
Expenditures		
Student Activities - professional and technical services		1,502
Net change in fund balance		(1,498)
Fund Balance , beginning of year		5,780
Fund Balance , end of year	\$	4,282

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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues			
Local sources - borough capital projects	\$ 195,784	\$ 85,557	\$ (110,227)
Expenditures			
Student activities - equipment	1,818	-	1,818
Construction and facilities acquisition:			
Professional and technical services	2,288	7,774	(5,486)
Other purchased services	43,978	41,480	2,498
Supplies, materials and media	110,700	36,303	74,397
Equipment	37,000	-	37,000
Total construction and facilities acquisition	193,966	85,557	108,409
Total Expenditures	195,784	85,557	110,227
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues			
Local sources - borough capital projects	\$ 781,593	\$ 399,746	\$ (381,847)
Expenditures			
Instruction:			
Certificated salaries	323,785	135,067	188,718
Professional and technical services	50,522	41,399	9,123
Total instruction	374,307	176,466	197,841
Construction and facilities acquisition:			
Certificated salaries	11,480	9,900	1,580
Employee benefits	1,799	1,628	171
Professional and technical services	104,829	7,970	96,859
Student travel	10,000	5,132	4,868
Other purchased services	108,481	62,860	45,621
Supplies, materials and media	110,425	125,210	(14,785)
Equipment	60,272	10,580	49,692
Total construction and facilities acquisition	407,286	223,280	184,006
Total Expenditures	781,593	399,746	381,847
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, 2017</i>	Final Budget	Actual	Variance with Final Budget
Revenues - local sources - borough capital projects	\$ 3,373,105	\$ 2,842,639	\$ (530,466)
Expenditures			
Construction and facilities acquisition:			
Other purchased services	129,569	31,056	98,513
Supplies, materials and media	1,257,541	2,512,398	(1,254,857)
Equipment	1,985,995	299,185	1,686,810
Total Expenditures	3,373,105	2,842,639	530,466
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

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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, 2017</i>	Mat-Su Construction Trade	Adult Welding Classes	Families In Transition	Alaska Works Partnership	Parent Advisory Local Wellness	Totals
Assets						
Cash	\$ 223,174	\$ 52,931	\$ 426	\$ 28,139	\$ 1,077	\$ 305,747
Prepaid items	2,000	-	-	-	-	2,000
Total Assets	\$ 225,174	\$ 52,931	\$ 426	\$ 28,139	\$ 1,077	\$ 307,747
Liabilities and Net Position						
Current Liabilities						
Unearned revenue	\$ -	\$ -	\$ 426	\$ -	\$ 1,077	\$ 1,503
Net Position - unrestricted	225,174	52,931	-	28,139	-	306,244
Total Liabilities and Net Position	\$ 225,174	\$ 52,931	\$ 426	\$ 28,139	\$ 1,077	\$ 307,747

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, 2017</i>	Mat-Su Construction Trade	Adult Welding Classes	Alaska Works Partnership	Totals
Operating Revenues				
Sales	\$ -	\$ 10,710	\$ -	\$ 10,710
Operating Expenses				
Instruction	-	6,284	6,995	13,279
Change in net position	-	4,426	(6,995)	(2,569)
Net Position, beginning of year	225,174	48,505	35,134	308,813
Net Position, end of year	\$ 225,174	\$ 52,931	\$ 28,139	\$ 306,244

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, 2017</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	\$ -	\$ 10,710	\$ -	\$ -	\$ -	\$ 10,710
Payments to suppliers	-	(6,284)	-	(6,995)	-	(13,279)
Net cash flows from (for) operating activities	-	4,426	-	(6,995)	-	(2,569)
Net increase (decrease) in cash and cash equivalents	-	4,426	-	(6,995)	-	(2,569)
Cash and Cash Equivalents, beginning of year	223,174	48,505	426	35,134	1,077	308,316
Cash and Cash Equivalents, end of year	\$ 223,174	\$ 52,931	\$ 426	\$ 28,139	\$ 1,077	\$ 305,747
Reconciliation of Operating Income						
Cash Flows for Operating Activities						
Operating income (loss)	\$ -	\$ 4,426	\$ -	\$ (6,995)	\$ -	\$ (2,569)
Net Cash Flows from (for) Operating Activities	\$ -	\$ 4,426	\$ -	\$ (6,995)	\$ -	\$ (2,569)

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>	2017	2016
Assets		
Cash	\$ 3,598,125	\$ 2,499,723
Accounts receivable	-	41,853
Total Assets	3,598,125	2,541,576
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 12,860	\$ 11,285
Due to other funds	2,556,044	1,845,341
Insurance claims incurred but not reported	1,029,221	684,950
Total Current Liabilities	3,598,125	2,541,576
Net Position	-	-
Total Liabilities and Net Position	\$ 3,598,125	\$ 2,541,576

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>	2017	2016
Operating Revenues - interfund charges	\$ 2,005,272	\$ 1,557,287
Operating Expenses		
District administration support services:		
Claims expense	1,608,467	1,070,773
General and administrative	397,063	486,708
Total Operating Expenses	2,005,530	1,557,481
Operating loss	(258)	(194)
Nonoperating Revenue - interest income	258	194
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>	2017	2016
Cash Flows from Operating Activities		
Receipts from interfund charges	\$ 2,757,828	\$ 2,649,682
Payments to suppliers	(1,659,684)	(1,983,541)
Net cash flows from operating activities	1,098,144	666,141
Cash Flows from Investing Activities		
Interest received	258	194
Net increase in cash and cash equivalents	1,098,402	666,335
Cash and Cash Equivalents, beginning of year	2,499,723	1,833,388
Cash and Cash Equivalents, end of year	\$ 3,598,125	\$ 2,499,723
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities		
Operating loss	\$ (258)	\$ (194)
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:		
Increase in due to other funds	710,703	1,134,248
Decrease (Increase) in accounts receivable	41,853	(41,853)
Increase (decrease) in accounts payable	1,575	(1,670)
Increase (decrease) in insurance claims incurred but not reported	344,271	(424,390)
Total adjustments	1,098,402	666,335
Net Cash Flows from Operating Activities	\$ 1,098,144	\$ 666,141

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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>	2017	2016
Assets		
Cash	\$ 1,944,642	\$ 1,931,752
Liabilities		
Due to student activities and community schools	\$ 1,944,642	\$ 1,931,752

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, 2017</i>	Balance at July 1, 2016	Receipts	Disburse- ments	Balance at June 30, 2017
American Charter	\$ 23,922	\$ 29,381	\$ 42,602	\$ 10,701
Beryozava	589	-	-	589
Big Lake Elementary	59,881	46,559	44,501	61,939
Birchtree Charter	63,660	155,101	156,885	61,876
Burchell High School	77,326	33,808	45,705	65,429
Butte Elementary School	17,788	39,285	35,423	21,650
Colony High	221,205	651,898	656,263	216,840
Colony Middle	85,829	182,513	182,943	85,399
Cottonwood Creek	40,595	70,545	70,746	40,394
Dena'ina	-	25,093	20,572	4,521
Finger Lake	19,782	36,225	30,531	25,476
Fronteras Spanish Immersion	59,607	103,772	115,700	47,679
Glacier View	5,686	10,961	7,666	8,981
Goose Bay	29,629	9,385	8,962	30,052
Houston High	98,495	239,452	250,097	87,850
Houston Middle	38,918	36,685	33,732	41,871
Iditarod	13,533	40,884	38,991	15,426
Knik Elementary	22,381	27,692	33,625	16,448
Larson	24,442	50,788	47,448	27,782
Machentanz Elementary	72,787	92,647	113,286	52,148
Mat-Su Career and Tech Ed	79,783	218,193	222,102	75,874
Mat-Su Central School	9,804	74,267	77,292	6,779
Mat-Su Day School	14,325	14,221	8,934	19,612
Meadow Lakes	33,167	28,622	26,298	35,491
Palmer High	162,092	478,922	485,123	155,891
Palmer Middle	73,196	89,008	106,731	55,473
Pioneer Peak	17,756	21,733	18,437	21,052
Redington Jr/Sr High	29,838	196,587	143,537	82,888
Shaw Elementary	26,987	62,760	59,600	30,147
Sherrod	53,488	118,606	122,680	49,414
Snowshoe	26,226	46,464	47,628	25,062
Su Valley	75,960	74,864	73,927	76,897
Sutton	3,870	11,539	13,346	2,063
Swanson	26,676	36,514	42,179	21,011
Talkeetna	17,178	35,262	30,425	22,015
Tanaina	42,342	36,319	31,838	46,823
Teeland	49,443	152,237	142,408	59,272

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, 2017</i>	Balance at July 1, 2016	Receipts	Disburse- ments	Balance at June 30, 2017
Trapper Creek	\$ 6,525	\$ 4,962	\$ 8,280	\$ 3,207
Twindly-Bridge	6,399	12,398	7,810	10,987
Valley Pathways	16,614	7,872	4,775	19,711
Wasilla High	118,139	583,495	559,503	142,131
Wasilla Middle	44,235	103,697	111,011	36,921
Willow	21,654	30,891	29,675	22,870
Total Due to Student Activities	\$ 1,931,752	\$ 4,322,107	\$ 4,309,217	\$ 1,944,642

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, 2017

Total fund balance - School Operating Fund	\$ 11,782,705
less exemptions per 4 AAC 09.160(a):	
Inventory	1,574,574
Prepaid items	1,013,015
Reserve for correspondence program	1,606,630
Self-insurance	500,000
	<hr/>
Fund balance subject to 10% limitation	<u>\$ 7,088,486</u>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	<u>\$ 7,088,486</u>	=	<u>2.87%</u>
Current year expenditures	\$ 246,964,210		

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Statistical Section Contents

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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				
	2007-08	2008-09	2009-10	2010-11	2011-12
Governmental activities:					
Net investment in capital assets	\$ 1,235,075	\$ 1,315,150	\$ 1,571,667	\$ 2,364,292	\$ 5,707,926
Restricted					
Endowment & Scholarships	5,588	5,677	5,712	5,745	5,764
Unrestricted	622,528	243,274	1,247,677	6,672,023	9,628,437
Total Net Position	<u>\$ 1,863,191</u>	<u>\$ 1,564,101</u>	<u>\$ 2,825,056</u>	<u>\$ 9,042,060</u>	<u>\$ 15,342,127</u>

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Governmental activities:					
Net investment in capital assets	\$ 6,935,776	\$ 6,659,975	\$ 7,873,567	\$ 11,719,917	\$ 12,468,508
Restricted					
Endowment & Scholarships	5,768	5,772	909,690	1,227,235	1,610,912
Unrestricted	11,235,950	16,453,611	(67,493,691)	(101,330,211)	(147,605,306)
Total Net Position	<u>\$ 18,177,494</u>	<u>\$ 23,119,358</u>	<u>\$ (58,710,434)</u>	<u>\$ (88,383,059)</u>	<u>\$ (133,525,886)</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			
	2007-08	2008-09	2009-10	2010-11
Expenses				
Governmental activities:				
Instruction	\$ 93,792,972	\$ 94,133,794	\$ 94,601,470	\$ 101,676,435
Special education instruction	25,086,016	29,629,313	31,328,062	34,791,877
Special education support svcs - students	10,065,884	10,652,847	11,810,969	12,562,755
Support services - students	7,640,084	7,783,258	7,684,522	9,372,873
Support services - instruction	10,431,903	10,201,097	9,619,364	13,789,623
School administration	7,150,509	7,492,197	7,078,405	8,961,567
School administration support services	7,324,869	8,083,649	8,502,451	8,445,556
District administration	1,426,966	1,420,554	1,652,256	2,081,487
District administration support services	7,594,026	8,676,686	9,418,471	11,127,927
Operations and maintenance of plant	17,919,168	19,326,776	20,764,598	20,186,592
Student activities	2,840,204	2,952,583	2,853,439	3,619,406
Student transportation service - to and from school				
Student transportation service - student activities	10,464,368	11,174,965	11,954,203	12,528,426
Community Services	9,473	12,288	166,234	170,616
Food services	5,137,889	5,683,849	5,729,154	5,842,775
Construction and facilities acquisition		54,507	51,860	146,825
Total expenses	<u>206,884,331</u>	<u>217,278,363</u>	<u>223,215,458</u>	<u>245,304,740</u>
Program Revenues				
Governmental activities:				
Charges for Services:				
Instruction				
Support services - students				
Support services - instruction				
District administration support services				
Operations and maintenance of plant				
Student transportation service				
Adult and continuing education instruction				
Food services	1,551,587	1,555,972	1,449,019	1,311,006
Operating grants and contributions	26,065,287	26,897,652	32,812,129	42,671,259
Capital grants and contributions				
Total program revenues	<u>27,616,874</u>	<u>28,453,624</u>	<u>34,261,148</u>	<u>43,982,265</u>
Net expense - governmental activities	<u>(179,267,457)</u>	<u>(188,824,739)</u>	<u>(188,954,310)</u>	<u>(201,322,475)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Grants and contributions not restricted to specific programs:				
Borough direct appropriation	41,758,620	44,012,143	43,964,884	48,078,905
State grants and entitlements not restricted	138,465,025	139,211,733	144,179,481	157,110,238
E-rate	482,893	320,588	381,036	373,968
Medicaid				223,583
Out of District Reimbursement	680,231	816,872	752,689	1,033,518
Other	623,397	4,164,313	937,175	719,267
Total general revenue	<u>182,010,166</u>	<u>188,525,649</u>	<u>190,215,265</u>	<u>207,539,479</u>
Change in Net Position	<u>\$ 2,742,709</u>	<u>\$ (299,090)</u>	<u>\$ 1,260,955</u>	<u>\$ 6,217,004</u>

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					
2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
\$ 102,652,990	\$ 111,528,252	\$ 115,177,488	\$ 133,133,390	\$ 122,469,569	\$ 129,211,154
34,635,679	37,990,290	39,598,495	44,347,523	48,649,106	50,200,983
13,424,756	14,444,346	14,890,203	18,887,579	16,189,170	20,122,446
9,134,244	10,142,769	10,221,597	11,371,555	12,929,378	13,950,916
11,608,145	12,929,046	11,920,978	15,877,378	14,381,217	14,075,318
8,644,008	9,251,490	9,750,103	12,258,280	11,442,708	12,271,585
8,690,991	9,321,729	10,237,800	10,151,374	12,952,086	13,400,426
2,183,125	2,510,421	2,381,199	2,652,052	2,676,091	2,666,430
11,124,510	11,152,661	11,473,216	10,321,568	16,529,327	14,864,925
24,642,884	23,314,018	23,899,444	23,926,623	29,164,991	28,816,558
3,817,866	4,127,474	4,261,180	4,580,399	3,911,398	4,283,203
					18,046,667
14,054,946	14,984,891	14,625,526	15,281,946	17,055,480	809,345
71,929	28,425	33,206	27,159	19,978	23,994
6,102,001	6,227,749	6,158,475	6,521,325	6,775,158	7,103,926
204,284	1,086,884	2,561,948	1,702,221	731,402	1,945,688
250,992,358	269,040,445	277,190,858	311,040,372	315,877,059	331,793,564
1,251,850	1,238,418	1,143,678	1,108,593	1,039,643	1,115,178
59,152,213	73,268,002	74,179,332	101,938,313	62,405,666	54,554,845
60,404,063	74,506,420	75,323,010	103,046,906	63,445,309	55,670,023
(190,588,295)	(194,534,025)	(201,867,848)	(207,993,466)	(252,431,750)	(276,123,541)
48,048,419	48,845,260	51,226,720	51,291,720	52,665,941	55,841,300
145,190,155	144,671,947	152,514,643	160,874,324	164,091,360	170,159,334
956,307	818,873	977,158	1,222,684	2,437,337	1,349,403
1,032,785	1,005,974	166,098	1,150,746	1,066,987	1,090,092
1,277,377	1,501,007	1,500,450	1,669,618	1,797,802	1,854,746
383,319	526,331	424,643	430,864	699,698	685,839
196,888,362	197,369,392	206,809,712	216,639,956	222,759,125	230,980,714
\$ 6,300,067	\$ 2,835,367	\$ 4,941,864	\$ 8,646,490	\$ (29,672,625)	\$ (45,142,827)

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2007-08	2008-09	2009-10	2010-11
General Fund				
Nonspendable	\$ 411,392	\$ 489,920	\$ 851,140	\$ 962,784
Restricted				
Committed	500,000	500,000	500,000	500,000
Assigned				
Unassigned	3,514,629	747,819	1,132,482	1,400,935
Total general fund	<u>\$ 4,426,021</u>	<u>\$ 1,737,739</u>	<u>\$ 2,483,622</u>	<u>\$ 2,863,719</u>
All other governmental funds				
Nonspendable, reported in:				
Special revenue funds				540,394
Restricted	5,588	5,677	5,712	5,745
Committed, reported in;				
Capital projects funds		117,238	876,189	7,227,733
Assigned, reported in:				
Special revenue funds				1,529,129
Unassigned, reported in:				
Special revenue funds	2,216,664	1,985,082	1,675,402	(540,394)
Total all other governmental fund:	<u>\$ 2,222,252</u>	<u>\$ 2,107,997</u>	<u>\$ 2,557,303</u>	<u>\$ 8,762,607</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					
2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
\$ 2,125,081	\$ 1,344,040	\$ 1,503,064	\$ 1,623,546	\$ 1,763,837	\$ 2,587,589
			903,914	1,221,455	1,606,630
500,000	500,000	500,000	500,000	500,000	500,000
1,699,886	6,582,546	10,809,725	14,278,535	11,230,141	7,088,486
<u>\$ 4,324,967</u>	<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>
540,361	645,710	630,557	633,195	563,139	879,944
5,764	5,768	5,772	5,776	5,780	4,282
8,000,740	6,080,793	5,895,826	6,654,120	4,857,129	3,053,923
1,321,630	835,841	1,195,490	1,499,642	1,859,118	1,010,450
					(231,610)
<u>\$ 9,868,495</u>	<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>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 4

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2007-08	2008-09	2009-10	2010-11
Revenues from local sources:				
Borough direct appropriation	\$ 41,758,620	\$ 44,012,143	\$ 43,964,884	\$ 48,078,905
E-rate reimbursement	482,893	320,588	381,036	See Direct Fed.
Food services	1,551,587	1,555,972	1,449,019	1,340,169
Earnings on investments	97	89	35	988
Other local revenue	1,440,657	1,618,700	3,203,579	2,050,752
Tuition from students				
Total revenue from local sources	<u>45,233,854</u>	<u>47,507,492</u>	<u>48,998,553</u>	<u>51,470,814</u>
Revenue from state sources:				
Foundation program	101,599,107	113,640,165	123,440,655	132,987,274
School Improvement	2,567,238		421,312	441,704
50% ISER Grant	3,208,680			
Energy Relief Grant	2,271,584			
Senate Bill 18				
House Bill 65				
Tuition				
TRS on-behalf	27,668,935	22,408,644	18,917,820	21,480,287
PERS on-behalf	1,149,481	2,763,620	1,399,694	2,200,973
Other state revenue	11,333,927	11,652,431	11,730,340	12,133,717
Total revenue from state sources	<u>149,798,952</u>	<u>150,464,860</u>	<u>155,909,821</u>	<u>169,243,955</u>
Revenue from federal sources:				
Direct	804,561	569,630	799,667	968,294
E-Rate				373,968
Medicaid reimbursement				223,583
Through the State of Alaska and other intermediate agencies	13,733,079	14,544,323	18,757,991	28,981,400
Total revenue from federal sources	<u>14,537,640</u>	<u>15,113,953</u>	<u>19,557,658</u>	<u>30,547,245</u>
Total revenues	<u>\$ 209,570,446</u>	<u>\$ 213,086,305</u>	<u>\$ 224,466,032</u>	<u>\$ 251,262,014</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 4

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting), continued

Fiscal Year					
2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
\$ 48,048,419	\$ 48,845,260	\$ 51,226,720	\$ 51,291,720	\$ 52,665,941	\$ 55,841,300
See Direct Fed.	See Direct Fed.	See Direct Fed.	See Direct Fed.	See Direct Fed.	See Direct Fed.
1,401,593	1,238,418	1,143,678	1,108,593	1,039,643	1,115,178
651	373	351	1,185	34	34
1,660,026	2,113,217	7,504,075	6,635,854	8,435,083	6,214,888
<u>51,110,689</u>	<u>52,197,268</u>	<u>59,874,824</u>	<u>59,037,352</u>	<u>62,140,701</u>	<u>63,171,400</u>
139,119,165	141,276,085	143,796,099	155,076,933	164,091,360	170,159,336
459,962	466,013	476,483	496,904		
2,361,367	2,929,851		5,300,487		
		2,517,299			
		2,996,786			
25,502,869	34,140,205	36,858,926	239,848,269	16,045,044	14,735,551
3,249,659	4,178,043	4,187,300	13,941,378	1,875,047	1,507,427
14,793,929	15,835,467	16,164,379	17,283,941	17,834,064	16,457,713
<u>185,486,951</u>	<u>198,825,664</u>	<u>206,997,272</u>	<u>431,947,912</u>	<u>199,845,515</u>	<u>202,860,027</u>
1,271,425	1,457,073	1,073,904	852,066	778,384	804,092
956,307	818,873	977,158	1,222,684	2,437,337	1,349,403
1,032,785	1,005,974	166,098	1,150,746	1,066,987	1,090,092
17,429,596	17,566,958	16,641,195	16,443,827	17,103,205	17,170,462
<u>20,690,113</u>	<u>20,848,878</u>	<u>18,858,355</u>	<u>19,669,323</u>	<u>21,385,913</u>	<u>20,414,049</u>
<u>\$ 257,287,753</u>	<u>\$ 271,871,810</u>	<u>\$ 285,730,451</u>	<u>\$ 510,654,586</u>	<u>\$ 283,372,129</u>	<u>\$ 286,445,476</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 5

Governmental Funds Expenditures

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2007-08	2008-09	2009-10	2010-11	2011-12
Instruction	\$ 93,735,528	\$ 93,467,023	\$ 94,597,540	\$ 100,802,148	\$ 103,499,291
Special education instruction	25,015,559	29,173,380	31,323,282	34,289,387	34,909,793
Special education support svc. - students	10,050,221	10,627,965	11,843,123	12,557,209	13,404,443
Support services - students	7,629,676	7,715,821	7,661,246	9,195,799	9,276,323
Support services - instruction	10,440,581	10,115,314	9,715,076	13,803,008	11,622,599
School administration	7,140,082	7,399,050	7,067,298	8,668,554	8,658,489
School administration support services	7,231,522	7,851,254	8,551,391	8,687,576	8,409,581
District administration	1,346,179	1,414,000	1,639,174	2,126,610	2,153,297
District administration support services	7,752,816	8,160,509	8,974,745	11,305,014	11,277,610
Operations and maintenance of plant	17,898,525	19,635,802	21,069,009	20,609,278	24,274,025
Student activities	2,839,572	2,942,581	2,853,439	3,617,914	3,817,013
Student transportation service	10,417,496	11,116,394	11,860,783	12,491,970	14,037,739
Adult and continuing education instruction	9,464	12,217	-	-	-
Community services			166,234	112,312	71,929
Food services	5,442,385	5,519,214	5,605,591	5,920,471	5,923,944
Capital outlay		54,507	51,860	197,645	3,217,541
	<u>\$ 206,949,606</u>	<u>\$ 215,205,031</u>	<u>\$ 222,979,791</u>	<u>\$ 244,384,895</u>	<u>\$ 254,553,617</u>

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Instruction	\$ 111,582,158	\$ 116,008,960	\$ 240,362,437	\$ 108,132,268	\$ 110,759,936
Special education instruction	37,968,642	39,595,992	72,343,485	39,130,728	42,212,271
Special education support svc. - students	14,356,252	14,977,473	31,087,214	16,183,342	17,240,183
Support services - students	10,118,303	10,296,301	21,320,389	9,853,439	10,599,150
Support services - instruction	12,869,796	11,881,290	26,037,639	13,534,368	12,575,788
School administration	9,241,119	9,727,761	23,633,598	9,911,971	10,212,836
School administration support services	9,335,527	10,349,865	12,078,209	10,699,171	11,344,458
District administration	2,495,089	2,341,882	3,942,710	2,322,675	2,281,051
District administration support services	11,108,804	9,808,134	12,527,440	15,122,521	12,659,529
Operations and maintenance of plant	23,049,191	24,054,428	26,728,663	26,129,500	26,131,547
Student activities	4,127,607	4,289,527	7,299,072	3,534,412	3,770,079
Student transportation service - to and from school*	14,971,166	14,628,406	15,287,959	17,051,828	18,040,165
Student transportation service - student activities*					809,345
Adult and continuing education instruction	-	-	-	-	-
Community services	28,425	24,700	25,746	20,854	23,151
Food services	6,134,367	6,310,791	6,513,662	6,801,723	7,103,929
Capital outlay	2,684,128	7,056,205	5,908,069	9,041,458	6,182,963
Total expenditures	<u>\$ 270,070,574</u>	<u>\$ 281,351,715</u>	<u>\$ 505,096,292</u>	<u>\$ 287,470,258</u>	<u>\$ 291,946,381</u>

*Beginning with fiscal year 2017 financial reports, the district is now reporting student transportation service both for to and from school and for student activities.

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				
	2007-08	2008-09	2009-10	2010-11	2011-12
Excess (deficiency) of revenues over expenditures	\$ 2,620,840	\$ (2,118,726)	\$ 1,486,241	\$ 6,877,119	\$ 2,734,136
Other financing sources (uses):					
Issuance of capital leases					
Transfers in	1,058,843	819,355	920,072	7,797,196	6,956,916
Transfers out	(1,058,843)	(1,503,166)	(1,211,124)	(8,088,914)	(7,123,916)
Total other financing sources (uses)	-	(683,811)	(291,052)	(291,718)	(167,000)
Net change in fund balances	\$ 2,620,840	\$ (2,802,537)	\$ 1,195,189	\$ 6,585,401	\$ 2,567,136

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Excess (deficiency) of revenues over expenditures	\$ 1,801,236	\$ 4,378,736	\$ 5,558,294	\$ (4,098,129)	\$ (5,500,905)
Other financing sources (uses):					
Issuance of capital leases					
Transfers in	1,306,620	3,391,608	3,692,367	2,646,100	3,192,212
Transfers out	(1,306,620)	(3,224,608)	(3,692,367)	(2,646,100)	(3,192,212)
Total other financing sources (uses)	-	167,000	-	-	-
Net change in fund balances	\$ 1,801,236	\$ 4,545,736	\$ 5,558,294	\$ (4,098,129)	\$ (5,500,905)

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
2007	8,046,203,700	59,026,332	1,176,565,700	6,928,664,332
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

	Less:		
	Direct Tax Rate	Estimated Actual Taxable Value	Percentage of Actual Value
2007	9.644	7,507,998,500	92.28%
2008	9.644	8,580,916,190	89.24%
2009	10.326	8,697,868,950	91.49%
2010	9.980	8,929,096,710	90.40%
2011	9.956	9,103,817,690	90.18%
2012	10.051	9,063,680,270	92.50%
2013	9.691	9,568,003,300	89.18%
2014	9.852	10,064,353,720	86.47%
2015	9.662	10,268,301,740	87.69%
2016	9.984	10,985,826,830	84.35%

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, 2016. 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	2016			2007		
	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	\$ 101,434,800	1	1.09%	\$ 109,474,569	1	1.58%
Enstar Natural Gas	64,525,500	2	0.70	41,381,800	2	0.60
Fred Meyer Stores, Inc.	44,033,202	3	0.48	37,719,202	3	0.54
Alaska Hotel Properties, Inc.	42,041,500	4	0.45	25,553,100	5	0.37
GCI Cable/Alaska Wireless	31,570,300	5	0.34	-	-	-
Wal-Mart Stores, Inc.	29,941,116	6	0.32	26,213,769	4	0.38
Cook Inlet Region, Inc.	27,808,980	7	0.30	17,338,200	9	0.25
Global Finance & Investments S. A./Gary Lundgren	24,809,000	8	0.27	16,807,300	10	0.24
DBC, LLC/Target	22,139,449	9	0.24	-	-	-
C5, LLC/C-4 Properties, LLC/Double B, LLC	18,525,600	10	0.20	-	-	-
Lowe's HIW Inc.	-	-	-	21,950,823	7	0.32
Alaska Pipeline Co.	-	-	-	24,884,800	6	0.36
Wasilla LLC/Pioneer Square LLC	-	-	-	17,742,100	8	0.26
	<u>\$ 406,829,447</u>		<u>4.39%</u>	<u>\$ 339,065,663</u>		<u>4.90%</u>

Note: Includes real and personal property

Source:

Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2016.

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
2007	9.644	0.351	3.00	-	3.00	2.18	2.98	0.96	8.34
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	-
2016	10.000	0.517	3.00	-	3.00	3.43	4.82	1.07	-

Fiscal Year	Overlapping Rates								
	Service Area Number								
	9	14	15	16	17	19	20	21	23
2007	1.76	1.39	3.49	1.40	2.48	1.89	2.53	2.32	3.18
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

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, 2016. 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
2007	1.41	1.20	2.27	2.70	1.85	2.22	3.17	2.74
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

Fiscal Year	Overlapping Rates								
	Service Area Number								
	33*	34*	35	69	130	131	132	135	136*
2007	1.76	1.37	0.93	4.57	1.42	2.89	0.65	-	3.13
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	-	-	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

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
2007	87,063,129	5,264,801	81,798,328	77,652,943	94.93%
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%

Fiscal Year	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Levy
2007	4,045,040	81,697,983	99.88%
2008	3,611,745	91,239,284	99.86%
2009	3,920,985	100,239,030	99.81%
2010	3,336,857	100,446,524	99.71%
2011	3,035,860	101,990,858	99.54%
2012	3,423,065	105,304,922	99.24%
2013	2,646,586	104,968,203	98.96%
2014	2,240,528	108,350,236	98.51%
2015	1,226,925	109,512,921	98.00%
2016	-	116,527,024	97.68%

Source: Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2016. 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	
2007-08	1,551,587	1.50	2.75	36.9%
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%

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		
2007	171,240,000	3,590,000	-	6,343,361	45,085	
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	-	
Fiscal Year	Business-type Activities					
	General	Notes Payable	Unamortized	Total	Percentage of Personal Income	Per Capita
	Obligation Bonds		Bond Premium	Primary Government		
2007	8,785,000	-	161,436	190,164,882	7.30	2,464
2008	8,410,000	995,155	151,940	187,184,612	6.60	2,337
2009	8,025,000	3,984,802	142,444	198,711,276	6.02	2,408
2010	7,630,000	3,951,150	132,948	186,830,445	5.49	2,216
2011	7,220,000	4,606,769	123,452	209,462,156	5.74	2,354
2012	6,665,000	4,561,767	684,094	297,342,571	7.72	3,243
2013	6,200,000	4,434,462	625,457	306,237,050	7.19	3,265
2014	5,735,000	4,346,366	566,821	346,715,974	7.90	3,609
2015	5,250,000	4,395,179	508,184	391,972,473	N/A	3,997
2016	4,750,000	6,147,994	449,547	374,679,257	N/A	3,740

Source:

Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. 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, 2016

Governmental Unit	Debt Outstanding	Percentage Applicable to this Governmental Unit	Share of Direct and Overlapping Debt
Education Debt	\$ 285,285,000	100%	\$ 285,285,000
Certificates of Participations-Public Safety Building	7,700,000	100%	7,700,000
Certificates of Participations-Animal Care Facility	3,185,000	100%	3,185,000
Notes Payable-AK Clean Water Fund Loans	273,815	100%	273,815
Notes Payable-USDA	6,081,755	100%	6,081,755
Notes Payable-University of Alaska	425,435	100%	425,435
Parks and Recreation	1,465,000	100%	1,465,000
Transportation	28,005,000	100%	28,005,000
Total	<u>\$ 332,421,005</u>		<u>\$ 332,421,005</u>
Unamortized bond premiums	\$ 30,910,711	100%	\$ 30,910,711
Total	<u>\$ 363,331,716</u>		<u>\$ 363,331,716</u>
Cities within the Borough, (Palmer and Wasilla) General Obligation Bonds as of June 30, 2016			
Palmer Ice Rink	785,000	100%	785,000
Wasilla Road Improvements	<u>1,185,000</u>	100%	<u>1,185,000</u>
Total	<u>\$ 1,970,000</u>		<u>\$ 1,970,000</u>
Net Direct and Overlapping Debt			<u>\$ 365,301,716</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, 2016. 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)
		Personal			
		Income	Per	School	Unemployment
Year	Population	<i>(thousands of dollars)</i>	Capita	Enrollment	Rate
			Income		
2007	77,174	2,603,465	33,735	15,847	7.4%
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%

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	2016		2007	
	Employees	Rank	Employees	Rank
Trade, Transportation, and Utilities	4,970	1	4,350	1
Education and Health Services	4,159	2	2,900	2
Local Government	3,293	3	2,456	3
Leisure and Hospitality	2,759	4	2,301	4
Construction	2,058	5	1,602	5
State Government	1,545	6	1,002	6
Professional and Business Services	1,237	7	856	7
Financial Activities	772	8	744	8
Information	444	10	663	9
Other Services	768	9	601	10
Manufacturing	422	11	246	11
Federal Government	213	12	199	12
Natural Resources and Mining	171	13	96	13
Unclassified Employers	25	14	22	14
Total	22,836		18,038	

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, 2016. 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			
	2007-08	2008-09	2009-10	2010-11
Personnel by Department				
a Alternative Learning System	83.68	78.43	52.44	46.70
Board / Superintendent	11.00	10.75	9.75	9.75
Business Services	36.00	33.75	37.25	28.50
Charter Schools	41.61	43.24	58.60	92.13
District-wide	12.80	11.75	11.00	0.00
Education & Instruction	11.50	22.50	27.75	19.30
b Elementary	592.19	448.19	438.93	359.09
Federal Programs	1.20	20.35	22.09	19.00
Information Technology	28.00	30.00	30.00	27.00
Middle Schools	271.75	204.90	193.25	169.00
b Operations Maint. & Custodial	39.50	45.50	144.90	129.85
Senior High School & JR/SR	306.10	237.80	251.60	209.10
b Student Support Services	76.55	413.80	419.77	380.80
Vocational Education	41.00	48.00	23.75	33.50
Total Personnel	<u>1,552.88</u>	<u>1,648.96</u>	<u>1,721.08</u>	<u>1,523.72</u>
Personnel by Employee Type				
Board / Superintendent (s)	8.00	8.00	8.00	8.00
Management - Certified	6.85	7.00	7.00	7.00
Management - Classified	14.50	17.75	17.75	19.00
Certificated Staff	1,109.17	1,155.90	1,112.29	993.36
Classified Staff	414.36	460.31	576.04	496.36
Total Personnel	<u>1,552.88</u>	<u>1,648.96</u>	<u>1,721.08</u>	<u>1,523.72</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					
2011-12 c	2012-13	2013-14	2014-15	2015-16	2016-17
80.05	84.83	65.83	82.42	110.98	110.75
10.75	10.75	11.75	11.88	11.88	11.88
36.00	35.00	36.75	33.75	34.50	33.25
102.56	113.75	159.47	173.73	161.22	149.78
0.00	0.50	0.49	0.49	1.49	1.49
16.24	22.79	15.25	17.43	17.92	17.43
636.50	653.99	680.25	689.75	736.27	720.97
6.50	6.10	16.10	15.10	16.60	14.60
26.00	28.00	26.68	26.68	29.18	29.50
272.50	273.54	279.18	273.13	266.05	266.19
47.25	45.75	43.25	44.25	43.38	43.38
322.43	325.58	349.56	343.47	367.03	375.09
85.47	86.97	100.42	106.36	122.35	114.50
44.00	38.75	13.50	16.00	12.49	12.00
<u>1,686.25</u>	<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>
8.00	8.00	8.00	8.00	8.00	8.00
6.00	7.00	63.85	65.65	64.90	64.39
31.50	31.75	31.50	32.99	33.00	34.00
1,113.00	1,130.97	1,107.73	1,133.17	1,170.50	1,151.17
527.75	548.58	587.40	594.61	654.94	652.41
<u>1,686.25</u>	<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>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 17

Teacher Salary Information
Last Ten School Years

School Year	Entry Level Salary ^a	Maximum Teacher Salary ^b	Average Teacher Salary ^c	Percent of Teachers at Maximum on Column(s) ^d
2007-08	39,039	71,589	56,313	34%
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%

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							
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
	^a							
SCHOOL SITE LOCATIONS (Percentage in site number order)								
001 Palmer High	26.86	29.15	30.97	29.91	53.61	30.49	27.84	31.77
002 Su-Valley JR/SR High	61.49	60.45	45.31	51.92	57.14	49.35	46.50	41.58
003 Wasilla High	34.74	36.45	24.56	34.36	32.51	39.06	32.45	34.59
005 Colony High	22.00	22.95	20.29	20.54	22.10	26.56	22.51	23.80
006 Burchell High School	76.43	73.94	25.86	68.25	58.72	56.82	100.00	100.00
007 Houston High	49.67	54.70	50.47	54.17	41.63	59.73	48.04	51.79
010 Palmer Middle	38.50	39.18	46.76	44.07	29.70	42.20	37.93	38.68
011 Wasilla Middle	45.66	44.98	40.60	44.20	42.82	50.07	44.83	44.90
012 Colony Middle	26.36	28.44	34.63	28.28	29.13	31.28	25.44	26.92
013 Teeland Middle	32.78	35.53	32.97	33.71	35.46	37.36	35.62	33.55
014 Houston Middle	61.96	65.42	52.32	54.05	50.13	62.94	58.33	55.71
030 Big Lake Elementary	65.75	64.62	50.80	65.39	60.22	48.12	84.49	84.58
031 Glacier View School	36.84	42.86	42.40	38.10	19.71	44.44	48.57	51.52
032 Iditarod Elementary	53.28	55.08	54.82	62.32	58.06	62.95	54.08	55.71
033 Sherrod Elementary	41.46	36.94	43.21	36.40	38.65	45.34	38.53	46.07
034 Swanson Elementary	40.29	36.79	41.86	42.28	43.64	46.71	39.74	40.85
035 Talkeetna Elementary	52.69	44.90	50.62	41.94	39.64	54.29	51.91	58.87
036 Trapper Creek Elementary	88.89	86.21	70.94	77.78	66.67	66.67	86.96	85.71
038 Willow Elementary	61.79	59.12	48.08	59.69	48.80	49.24	49.66	50.69
039 Snowshoe Elementary	37.14	36.63	42.52	36.19	33.75	48.17	49.54	45.09
041 Butte Elementary	48.00	50.65	49.19	51.59	37.76	48.37	48.85	45.95
042 Sutton Elementary	67.14	71.19	67.49	68.29	48.85	58.11	75.00	75.93
043 Cottonwood Creek Elementary	33.64	31.12	38.66	30.32	34.34	36.90	28.44	33.52
044 Tanaina Elementary	46.46	50.12	48.39	54.19	49.01	48.73	50.10	47.35
045 Pioneer Peak Elementary	25.71	27.53	37.38	26.56	39.08	29.60	30.39	29.71
046 Larson Elementary	36.80	41.99	40.06	37.44	44.17	40.21	39.51	40.47
047 Finger Lake Elementary	33.14	38.81	37.49	39.66	37.27	39.38	33.24	36.68
048 Goosebay Elementary	46.71	50.31	42.30	44.56	56.10	48.43	42.99	42.70
050 Shaw Elementary	44.91	46.00	50.03	41.24	29.17	47.14	40.70	39.86
051 Meadow Lakes Elementary	54.72	55.23	48.52	50.00	27.44	55.33	49.89	52.63
052 Knik Elementary	46.25	49.38	52.81	46.91	59.45	52.26	42.05	52.67
053 Machetan Elementary	34.15	27.09	32.55	21.62	48.47	21.23	19.21	20.85
054 Dena'ina Elementary	-	-	-	-	-	-	-	47.91
071 Valley Pathways School	43.41	48.39	12.57	40.91	41.81	52.38	46.40	48.96
073 Mat-Su Career & Tech High School	30.00	31.23	21.71	27.40	42.16	26.63	22.88	21.24
077 Mat-Su Day School	-	-	-	-	-	-	34.48	40.00
080 Joe Redington JR/SR High	-	-	-	-	-	-	48.12	49.73
Average of All Sites	<u>37.74%</u>	<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>

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
2007-08	16,115	206,949,606	12,842	22.58%	12,778,570	28,818,416
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

- 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	
2,581	106.40%	23.5	21.6	24.1	36.9%
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%

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
2007-08	23.5	21.2	21.1	1,521	1,511	1,511
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

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 FY07 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, 2017

	Per DEED Report	
	Average Daily Membership	Official Enrollment Count
Elementary Schools		
Beryozava	28	28
Big Lake	388	388
Butte	274	274
Cottonwood Creek	493	493
Dena'ina Elementary	401	401
Finger Lake	368	368
Fred & Sara Machetanz Elementary	472	472
Glacier View	32	32
Goose Bay	319	319
Knik	382	382
Iditarod	408	407
John Shaw Elementary	283	283
Larson	409	409
Meadow Lakes	418	418
Pioneer Peak	431	431
Sherrod	428	428
Snowshoe	406	406
Sutton	60	60
Swanson	448	447
Talkeetna	112	112
Tanaina	424	424
Trapper Creek	24	24
Willow	131	131
Secondary Schools		
Alaska Middle College School	117	117
Burchell Alternative High School	253	253
Colony High School	1,135	1,135
Colony Middle School	743	743
Houston High School	389	389
Houston Middle School	339	339
Joe Redington JR/SR High School	521	521
Mat-Su Career & Tech High School	581	581
Palmer High School	807	807
Palmer Middle School	560	559
Su-Valley High School	189	189
Teeland Middle School	746	746
Valley Pathways Alternative	179	179
Wasilla High School	1,029	1,029
Wasilla Middle School	584	583
Charter Schools		
Academy Charter	244	244
American Charter	188	188
Birchtree Charter	413	413
Fronteras Charter	289	289
Midnight Sun Family Learning Center	184	184
Twindly Bridge Charter	451	451
Other Schools		
Correspondence Study School	1,635	1,633
Headstart		
Mat-Su Day School	85	85
Mat-Su Youth Facility	10	15
Total	18,810	18,809

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
2007-08	70	1,131	1,197	1,223	1,155	1,172	1,182	7,130	1,216	1,284
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	1293.33	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
Projected Enrollment										
2017-18	110	1,427	1,427	1,523	1,483	1,484	1,549	9,003	1,477	1,492

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
1,303	3,803	1,282	1,311	1,562	1,027	5,182	16,115	16,116	1.7%
1,327	3,803	1,336	1,260	1,546	1,135	5,277	16,481	367	0.02%
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
1,459	4,428	1,371	1,403	1,389	1,506	5,669	19,100	291	0.02%

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 23

School Building Information
Last Ten Fiscal Years

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Type of School										
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	16	19	21	20	20	22	17	19	22	28
Big Lake Elementary										
Square Feet	57,240	57,240	57,240	57,240	57,240	57,240	57,240	57,240	58,200	58,200
Capacity	502	502	502	502	502	502	502	502	511	511
Enrollment	362	402	369	391	412	417	429	468	449	388
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	305	312	312	300	297	284	287	305	278	274
Cottonwood Creek Elementary										
Square Feet	49,550	49,550	51,470	51,470	51,470	49,550	49,550	49,550	49,550	53,390
Capacity	435	435	451	451	451	435	435	435	435	468
Enrollment	474	486	405	406	373	429	446	467	505	493
Dena'ina Elementary										
Square Feet									School	46,010
Capacity									Opened	403
Enrollment									7.1.16	401
Finger Lake Elementary										
Square Feet	53,457	53,457	54,417	54,417	54,417	53,457	53,457	53,457	54,417	54,417
Capacity	469	469	477	477	477	469	469	469	477	477
Enrollment	392	423	344	318	306	294	296	263	315	368
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	44	43	36	42	38	43	39	28	31	32
Goose Bay Elementary										
Square Feet	53,457	53,457	54,417	54,417	54,417	53,457	53,457	53,457	53,457	53,457
Capacity	444	444	465	465	465	465	465	465	465	465
Enrollment	395	423	432	469	464	469	480	465	483	319
Iditarod Elementary										
Square Feet	45,902	45,902	62,598	62,598	62,598	45,902	45,902	45,902	51,347	52,307
Capacity	403	403	549	549	549	403	403	403	450	459
Enrollment	437	458	362	340	354	364	337	312	347	382
Knik Elementary										
Square Feet	51,533	51,533	55,338	55,338	55,338	51,533	51,533	51,533	53,378	52,418
Capacity	452	452	485	485	485	452	452	452	468	460
Enrollment	384	395	405	408	400	403	439	459	495	283
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	380	290	344	357	391	385	385	378	390	409
Machetanz Elementary										
Square Feet		School	53,519	53,519	53,519	52,000	52,000	52,000	54,479	55,439
Capacity		Opened	469	469	469	456	456	456	478	486
Enrollment		7.1.09	308	348	452	405	407	423	462	472
Meadow Lakes Elementary										
Square Feet	54,378	54,378	56,298	56,298	56,298	54,378	54,378	54,378	54,378	54,378
Capacity	477	477	494	494	494	477	477	477	477	477
Enrollment	376	424	460	452	410	400	412	440	433	418
Pioneer Peak Elementary										
Square Feet	48,944	48,944	49,550	49,550	49,550	48,944	48,944	48,944	50,510	50,510
Capacity	429	429	435	435	435	429	429	429	443	443
Enrollment	426	411	376	336	353	360	398	389	423	431

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 23

School Building Information
Last Ten Fiscal Years

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
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	358	383	364	380	366	418	393	406	425	407
Sherrod Elementary										
Square Feet	54,700	54,700	54,378	54,378	54,378	54,700	54,700	54,700	54,378	54,378
Capacity	480	480	477	477	477	480	480	480	477	477
Enrollment	402	407	424	457	448	452	439	455	442	428
Snowshoe Elementary										
Square Feet	49,550	49,550	50,510	50,510	50,510	49,550	49,550	49,550	50,510	50,510
Capacity	435	435	443	443	443	435	435	435	443	443
Enrollment	383	378	372	387	380	380	382	399	418	406
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	62	66	72	61	58	42	38	51	55	60
Swanson Elementary										
Square Feet	51,335	51,335	51,095	51,095	51,095	51,335	51,335	51,335	51,335	51,335
Capacity	450	450	448	448	448	450	450	450	450	450
Enrollment	451	430	440	439	455	443	426	420	426	447
Talkeetna Elementary										
Square Feet	28,125	28,125	28,595	28,595	28,595	28,125	28,125	28,125	28,595	28,595
Capacity	247	247	251	251	251	247	247	247	251	251
Enrollment	98	96	90	111	92	76	89	88	105	112
Tanaina Elementary										
Square Feet	53,457	53,457	53,457	53,457	53,457	53,457	53,457	53,457	56,337	57,297
Capacity	469	469	469	469	469	469	469	469	494	503
Enrollment	371	332	401	402	395	408	426	453	462	424
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	19	21	23	22	35	35	31	32	22	24
Willow Elementary										
Square Feet	33,797	33,797	33,797	33,797	33,797	33,797	33,797	33,797	34,757	34,757
Capacity	296	296	296	296	296	296	296	296	305	305
Enrollment	124	119	129	131	135	124	114	136	134	131
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	721	665	646	627	633	636	651	665	726	743
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	353	341	323	343	403	372	390	327	307	339
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	667	632	597	569	634	602	641	590	609	559
Teeland Middle School										
Square Feet	135,000	135,000	134,539	134,539	134,539	135,000	135,000	135,000	135,403	135,403
Capacity	818	818	815	815	815	818	818	818	821	821
Enrollment	670	698	724	716	675	713	697	724	747	746
Wasilla Middle School										
Square Feet	124,809	124,809	136,518	136,518	136,518	124,809	124,809	124,809	131,718	129,798
Capacity	756	756	827	827	827	756	756	756	798	787
Enrollment	800	799	809	838	824	826	798	719	525	583
Secondary										
Colony High School										
Square Feet	194,000	194,000	194,960	194,960	194,960	194,000	194,000	194,000	194,960	194,960
Capacity	1,176	1,176	1,182	1,182	1,182	1,176	1,176	1,176	1,182	1,182
Enrollment	1,152	1,189	1,238	1,188	1,178	1,094	1,102	1,120	1,117	1,135

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 23

School Building Information
Last Ten Fiscal Years

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
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	430	414	404	387	409	389	376	387	391	389
Joe Redington Sr Jr/Sr High School										
Square Feet								School	107,306	107,306
Capacity								Opened	650	650
Enrollment								7.1.15	459	521
Mat-Su Career & Technical High School										
Square Feet	75,400	75,400	81,025	81,025	81,025	75,400	75,400	75,400	114,085	115,005
Capacity	457	457	491	491	491	457	457	457	691	697
Enrollment	258	346	406	416	423	436	423	457	540	581
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	893	899	794	763	797	764	785	762	772	807
Su-Valley Jr/Sr High School										
Square Feet	7,680	7,680	50,578	50,578	50,578	50,578	50,578	50,578	50,578	50,578
Capacity	47	47	307	307	307	307	307	307	307	307
Enrollment	176	180	164	190	174	164	165	177	188	189
Wasilla High School										
Square Feet	200,326	200,326	211,246	211,246	211,246	200,326	200,326	200,326	200,326	200,326
Capacity	1,214	1,214	1,280	1,280	1,280	1,214	1,214	1,214	1,214	1,214
Enrollment	1,212	1,253	1,276	1,235	1,279	1,236	1,202	1,159	1,067	1,029
Burchell Alternative High School										
Square Feet	33,794	33,794	37,482	37,482	37,482	33,794	33,794	33,794	38,282	38,282
Capacity	205	205	227	227	227	205	205	205	232	232
Enrollment	217	221	228	277	259	180	265	287	311	253
Valley Pathways Alternative High School										
Square Feet	6,629	6,629	11,520	11,520	11,520	11,520	47,792	47,792	47,792	47,792
Capacity	40	40	70	70	70	70	290	290	290	290
Enrollment	209	206	203	215	180	162	170	196	204	179
Charter Schools										
Academy Charter										
Square Feet	20,734	20,734	28,414	28,414	28,414	33,880	50,934	50,934	50,934	50,934
Capacity	126	126	172	172	172	205	309	309	309	309
Enrollment	227	229	227	231	231	237	236	234	241	244
American Charter (Formerly MV)										
^a Square Feet	9,000	9,000	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400
Capacity	55	55	39	39	39	39	39	39	39	39
Enrollment	208	194	193	198	212	188	191	188	174	188
Birchtree Charter										
^a Square Feet			School	21,000	31,400	35,000	35,000	35,000	43,000	43,000
Capacity			Opened	127	190	212	212	212	261	261
Enrollment			7.01.10	219	289	308	329	364	391	413
Fronteras Charter										
Square Feet	School	14,663	17,250	17,250	17,250	17,250	17,250	17,250	31,000	34,840
Capacity	Opened	89	105	105	105	105	105	105	188	211
Enrollment	7.1.08	187	203	221	214	220	231	247	248	289
Midnight Sun Family Learning Center										
^a Square Feet	19,216	19,216	17,956	17,956	17,956	19,216	19,216	19,216	22,816	22,816
Capacity	116	116	109	109	109	116	116	116	138	138
Enrollment	164	165	163	165	164	167	164	192	189	184
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	281	290	279	308	298	292	262	317	394	451
Other MSBSD Schools										

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 23

School Building Information

Last Ten Fiscal Years

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Alaska Middle College School										
^a Square Feet					School					
Capacity					Opened	100	100	100	100	100
Enrollment					7.1.12	37	82	93	89	117
Mat-Su Day School										
Square Feet	2,880	2,880	4,800	4,800	4,800	4,800	21,500	21,500	23,300	23,300
Capacity	17	17	29	29	29	29	130	130	141	141
Enrollment	19	38	41	51	57	65	77	68	76	85
Mat-Su Central School (Formerly Correspondence Study School)										
^a Square Feet	7,200	7,200	8,118	18,421	18,421	18,500	18,500	18,500	18,500	18,500
Capacity	44	44	49	112	112	112	112	112	112	112
Enrollment	1,182	1,193	1,243	1,220	1,359	1,490	1,512	1,614	1,561	1,633
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	N/A
Capacity	15	15	15	15	15	15	15	15	15	15
Enrollment	15	5	5	9	11	15	15	15	15	15
TOTAL ENROLLMENT	16,115	16,481	16,663	16,965	17,338	17,247	17,477	17,757	18,465	18,809

Notes:

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

Source: School District Operations & Maintenance Department.

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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, 2017, 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 13, 2017.

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 13, 2017



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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, 2017. 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, 2017.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by 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, 2017, 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 13, 2017, 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 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 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 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 13, 2017

Matanuska-Susitna Borough School District

Schedule of Expenditures of Federal Awards Year Ended June 30, 2017

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
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	\$ -	\$ 1,169,778
National School Lunch Program	10.555	03301	-	3,677,999
National School Lunch Program - Donated Produce	10.555	03301	-	421,183
Direct - National School Lunch Program	10.555		-	190,287
Total CFDA 10.555 National School Lunch Program				4,289,469
Total Child Nutrition Cluster				5,459,247
Passed through the State of Alaska, Department of Education and Early Development: Child and Adult Care Food Program	10.558	03301	-	93,341
State Administrative Expenses for Child Nutrition	10.560	FF.17.MSSD.01	-	13,896
Fresh Fruit and Vegetable Program	10.582	FF.17.MSSD.01	-	23,466
Fresh Fruit and Vegetable Program	10.582	FF.17.MSSD.02	-	93,573
Total CFDA 10.582 Fresh Fruit and Vegetable Program				117,039
Total U.S. Department of Agriculture				5,683,523
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 17.MSSD.01	-	623,534
Title I-A Basic	84.010	IP 17.MSSD.01	-	3,945,780
Title I-A School Improvement 1003a	84.010	PF 17.MSSD.02	-	18,378
Title I-A School Improvement 1003a	84.010	PF 17.MSSD.03	-	48,683
Total for CFDA 84.010 Title I Grants to Local Educational Agencies				4,636,375

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, 2017

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education, continued				
Passed through the State of Alaska,				
Department of Education and Early Development, continued:				
Migrant Education State Grant Program:				
Migrant Education Parent Advisory Council	84.011	MP 17.MSSD.02	\$ -	\$ 198
Title I-C Migrant Education	84.011	IP 17.MSSD.01	-	401,258
Title I-C Consolidated Administration	84.011	IP 17.MSSD.01	-	151,228
Migrant Education Book	84.011	MB 17.MSSD.01	-	10,029
Total for CFDA 84.011 Migrant Education State Grant Program				562,713
Title 1 State Agency Program for Neglected and Delinquent Children and Youth	84.013	IP 17.MSSD.01	-	28,506
Special Education Cluster (IDEA):				
Special Education-Grants to States:				
IDEA Part B Title VI-B Reg.	84.027	SE 17.MSSD.01	-	3,265,320
CEIS - IDEA Part B Title VI-B	84.027	SE 17.MSSD.01	-	269,085
Total for CFDA 84.027 Special Education Grants to States				3,534,405
Special Education-Preschool Grants -				
IDEA, Part B Preschool Disabled	84.173	SE 17.MSSD.01	-	88,859
Total Special Education Cluster (IDEA)				3,623,264
Career and Technical Education - Basic Grants to States -				
Carl Perkins Basic	84.048	EK 17.MSSD.01	-	418,041
Education for Homeless Children and Youth -				
McKinney-Vento Homeless	84.196	FR 17.MSSD.01	-	30,514
Twenty-First Century Community Learning Centers -				
Alaska Community Learning Center Program	84.287	AC 17.MSSD.01	-	518,972
Supporting Effective Instruction State Grants:				
Title II-A Teacher & Principal Training and Recruitment	84.367	IP 17.MSSD.01	-	679,801
Title II-A Consolidated Administration	84.367	IP 17.MSSD.01	-	357,924
Total for CFDA 84.367 Supporting Effective Instruction State Grants				1,037,725

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, 2017

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education, continued				
Passed through the State of Alaska, Department of Education and Early Development, continued:				
English Language Acquisition State Grants - Title III-A, English Language Acquisition	84.365	IP 17.MSSD.01	\$ -	\$ 39,563
Direct - Indian Education Grants to Local Educational Agencies	84.060		-	607,055
Passed through the University of Alaska - Fairbanks, Education Innovation and Research UAF Urban Growth	84.411	UAF-13-0007	-	268,477
Passed through Big Brothers Big Sisters of Alaska Alaska Native Educational Program	84.356	FY17	-	11,380
Total U.S. Department of Education				11,782,585
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 17.MSSD.01	-	43,523
Project Aware 2	93.243	AW 17.MSSD.02	-	338,618
Total for CFDA 93.243 Substance Abuse and Mental Health Projects of Regional and National Significance				382,141
Passed through Big Brothers Big Sisters of Alaska Block Grants for Prevention and Treatment of Substance Abuse	93.959	FY17	-	29,890
Total U.S. Department of Health and Human Services				412,031
Total Expenditures of Federal Awards				\$ 17,878,139

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, 2017

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Matanuska-Susitna Borough School District under programs of the federal government for the year ended June 30, 2017. 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 as following, as applicable, either the cost principles in the Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or 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 rate allowed under the Uniform Guidance.



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**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, 2017. 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, 2017.

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, 2017, 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 13, 2017, 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 13, 2017

Matanuska-Susitna Borough School District

Schedule of State Financial Assistance

Year Ended June 30, 2017

Name of Award	Grant Number	Total Grant Award	State Share of Expenditures
Department of Education and Early Development			
Major programs:			
Public School Funding	FY 17	\$ 170,159,336	\$ 170,159,336
Student Transportation	FY 17	15,478,656	15,478,656
Alaska Pre K Program	PK 17.MSSD.01	413,674	394,809
Total major programs			<u>186,032,801</u>
Nonmajor programs:			
Youth in Detention	EY 17.MSSD.01	67,414	61,869
Alternative Schools	BH 17.MSSD.01	60,660	53,653
Suicide Awareness, Prevention and Postvention	SP 17.MSSD.01	36,255	36,247
Safe Children's Act	SC 17.MSSD.01	27,108	13,109
Youth Risk Behavior Survey	YR 17.MSSD.01	17,438	15,921
Passed through the University of Alaska - Fairbanks - ANSEP Digital Plan	EN0550337	500,000	128,839
Total nonmajor programs			<u>309,638</u>
Total Department of Education and Early Development			<u>186,342,439</u>
Department of Administration			
Major programs:			
PERS on behalf	FY 17	1,507,427	1,507,427
TRS on behalf	FY 17	14,735,551	14,735,551
Total Department of Administration			<u>16,242,978</u>
Department of Commerce, Community, and Economic Development			
Nonmajor programs:			
Nutritional Alaska Foods for Schools	16-NAFS-033	476,616	79,782
American Charter Multi-Age	15-DC-431	32,000	22,913
Library and Technology Upgrade	15-DC-434	45,000	8,146
National Math and Science Initiative	15-DC-435	500,000	33,660
Mentoring for Education Success	FY17	16,475	6,357
Total Department of Commerce, Community, and Economic Development			<u>150,858</u>
Total State Financial Assistance			<u>\$ 202,736,275</u>

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, 2017

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 government for the year ended June 30, 2017. 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*, 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.

Matanuska-Susitna Borough School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

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 Number	Name of Federal Program or Cluster	Agency
84.367	Supporting Effective Instruction State Grants	U.S. Dept. of Education
84.010	Title I Grants to Local Educational Agencies	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, 2017

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:

\$ 300,000

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.