



# 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, 2016



*We prepare all students for success*



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
JUNE 30, 2016**

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



**GENE STONE  
SUPERINTENDENT**

**PREPARED BY: BUSINESS SERVICES**

**LUKE FULP  
ASSISTANT SUPERINTENDENT OF BUSINESS & OPERATIONS**

**ASHLEY BJORNSON  
DIRECTOR OF FINANCE**

**ALICIA CAMPBELL  
ACCOUNTING SUPERVISOR**



**MATANUSKA  
SUSITNA**  
BOROUGH SCHOOL  
DISTRICT

*We prepare all students for success*

# MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

## Comprehensive Annual Financial Report

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

December 21, 2016

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, 2016 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, 2016 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, 2016, 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 state financial assistance schedule, 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 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

The Matanuska-Susitna Borough School District is a component unit of the Matanuska-Susitna Borough (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 also responsible for new construction and 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.

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 to be better equipped during times of financial uncertainty and/or hardship.

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 a use of fund balance. No lapse back to the Borough occurred as there was no increase in unassigned fund balance.

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

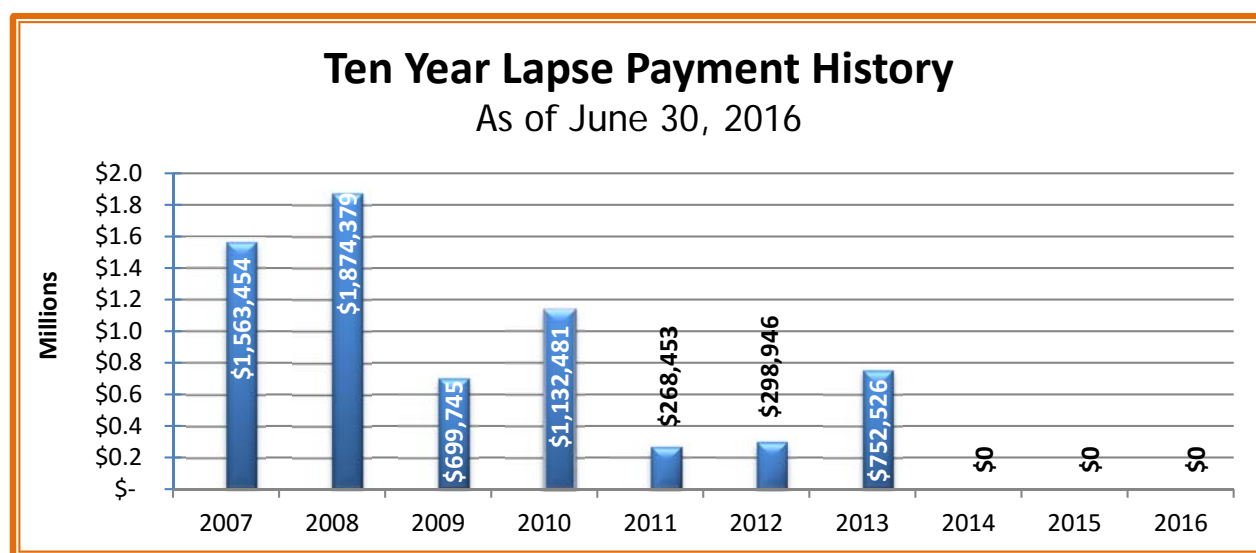


Chart 1

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 18,473 students at 46 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 16 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.

Redington Sr. Junior/Senior High School is a newly constructed 107,306 square foot building that opened for the start of the FY16 school year. It was designed to educate students in grades 6-12, with comprehensive middle school programs and high school programs. Grades 6-10 started this year, with an enrollment of 459. Grades 11 and 12 will be added over the next two years. The school features several career and technical offerings including welding, construction, and small engine repair.

Being that the Mat-Su Borough represents the fastest growing area of the State and the District's enrollment continues to increase, new schools are currently under construction to be added to the District through voter approved bond elections. FY17



will be the first year of operations for the newly constructed Dena'ina Elementary School. The District will also be opening brand new facilities to replace aging buildings at the already established Iditarod Elementary School and Fronteras Spanish Immersion Charter School.

### **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 FY2015-16 to better align the District with its mission and long-term goals. These priorities are listed below:

- Improve School Environments: Social-Emotional & Physical Plant
- Educate the Public as to its Role in Influencing the Funding Process
- Maintain Strategies to Increase Public Relations
- Improve Internal Relationships and Communication
- Increase Classroom Support
- Create a Five Year Technology Roadmap for Instruction and Business Services

Three tools that are essential in meeting the District's mission and goals are academic innovation, public school choice, and excellent customer service. The District realizes that it 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 2015-16 school year. The board objectives for the school year are outlined below:

- **Improve School Environments: Social-Emotional & Physical Plant**  
One of the primary goals of the School Board is to continuously improve school environments by implementing the newly adopted health curriculum for K-12 which includes social-emotional components, to provide professional development from the Flippen initiative including Capturing Kids' Hearts and the Leadership Blueprint to staff, and to continue to invest in the District's capital infrastructure including building new schools to accommodate increasing student enrollment and investing in upgrades to existing buildings including ADA, cyber centers, and safety upgrades.
- **Educate the Public as to its Role in Influencing the Funding Process**  
The School Board is committed to transparency, community outreach, and best stewardship of public funds and financial resources. The District's budget process includes four public open houses held at various outlying schools spread across the Matanuska Susitna Borough to facilitate public engagement and involvement. Additionally, a video of the Superintendent presenting the budget was distributed to the PTAs/PTOs and a 12-page budget handbook was created for the public that aided in understanding the budget process and included the ways for stakeholders to get involved by sharing their insight and feedback.
- **Maintain Strategies to Increase Public Relations**  
An on-going goal of the School Board is to continue to increase public engagement through the District's use of social media and through recognition of the Matanuska Susitna Borough School District brand through a rebranding effort including a logo refresh.
- **Improve Internal Relationships and Communication**  
The School Board wishes to improve internal communications by developing a communication plan that promotes timely distribution and receipt of information with and from staff, students, and parents; creating guidelines and/or processes for principals to communicate information to staff members in a timely manner; and exploring technology as a mechanism to increase efficiencies in the Maintenance & Operations, Human Resources, and Payroll Departments.
- **Increase Classroom Support**  
The School Board wishes to increase the expertise in classrooms by increasing the consistency of the substitute workforce; formalizing school leadership roles for teachers; continuing to enhance Response to Intervention (RTI) structures of support, providing systemic professional development; fostering agency and

community partnerships; reviewing technology curriculum; and developing and funding an equitable fee schedule.

- Create a Five Year Technology Roadmap for Instruction and Business Services  
The School Board has a focus on technology and the use of technology in the school environment. The Board wishes to assess District readiness for enhanced access to technology, build capacity in principals, foster community awareness and support for technology modernization through the first annual MSBSD Tech Expo, and increase student technology literacy.

### **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). The ASPI system effectively replaces the former AYP model that was in place since 2002.

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. The State is currently exploring other assessment tools to inform the recently adopted accountability system.

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 will replace AMP and will be administered for the first time in spring 2017 for grades 3-10.

## **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 20-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 1<sup>st</sup> 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



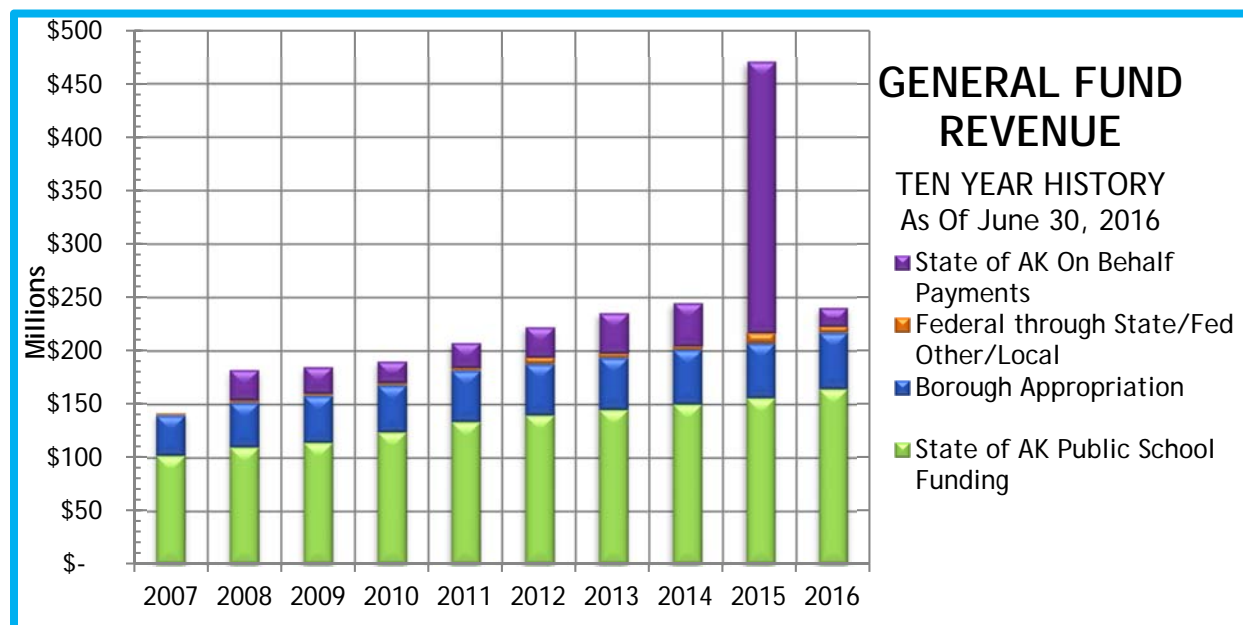
the amount to be raised from local sources under an equalization section of the formula.

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. HB 278 represents the first multi-year funding plan for K-12 education since 2008. Due to state fiscal constraints, as a result of decreased oil revenues the funding outside the BSA was not distributed for FY16.

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.



In 2008 the State of Alaska began On Behalf Payments for the State underfunded defined benefit program.

Chart 2

As shown in Chart 2, FY16 State of Alaska On-Behalf Contributions decreased dramatically, from the prior fiscal year. 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 3% or \$1,374,221 million over the amount received in FY15. Another factor increasing District revenue was an increase in average daily membership by 707 students from the prior year. As a result, State of Alaska public school funding revenue increased by \$8,517,523.

During FY15, the District increased the 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. This resulted in a use of fund balance as depicted by Chart 3. The District planned for expenditures to exceed revenues, as the adopted budget by the School Board included a budgeted line item of \$5,894,962 of appropriation from fund balance. The full budgeted amount was not expended as the District received additional revenue from the State of Alaska due to increased enrollment and the District's restriction on non-essential travel to align with the State of Alaska's internal policies as a result of the State's fiscal challenges.

Chart 3 represents the District's last five years of general fund balance, changed to reflect GASB 54.

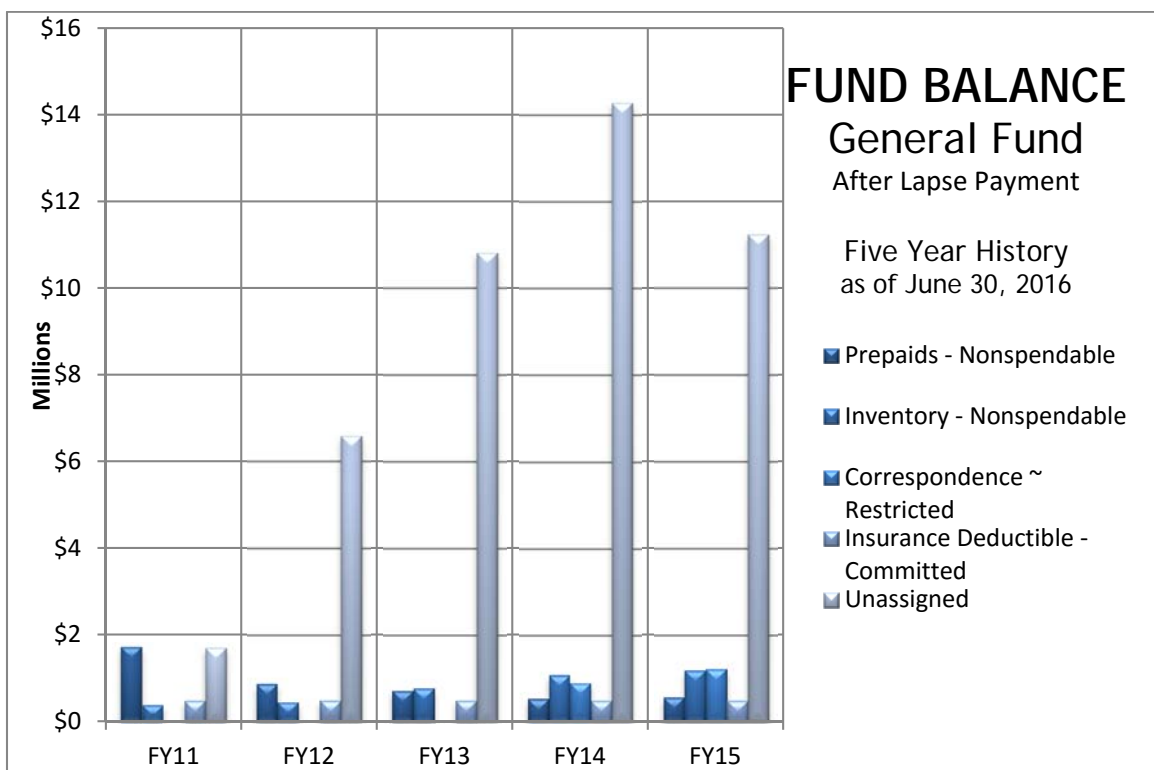


Chart 3

## Financial Forecast

For FY17 budgeting purposes, student enrollment projections will take into account the recent growth in student enrollment as experienced in FY15 and FY16.

The Governor's budget, released December 9, 2015, which sought to address the State's fiscal challenges included no major cuts to education and supported the \$50

increase to the BSA. The budget release also included a comprehensive plan to reform State finances by utilizing a Permanent Fund restructure, new taxes, spending reductions, lower dividend payments to citizens, and oil and gas tax credit reform. The plan was received with skepticism by some legislators since many of its components focused on new revenue sources, rather than reduced government spending.

In response to the largest budget deficit in State History, The State Finance Committee introduced a series of bills on March 28, 2016. Senate Bills 207-210 aimed to shift pension obligations to cities and schools, eliminate the Alaska Performance Scholarship, and scale back a revenue sharing program for municipalities. For FY17, the proposed would shift \$2.3 million of additional expense to the District for Teacher Retirement System (TRS) and Public Employee Retirement System (PERS) expenses with increasing amounts for subsequent years. Eventually, the Senate Finance Committee pulled back on the funding measures.

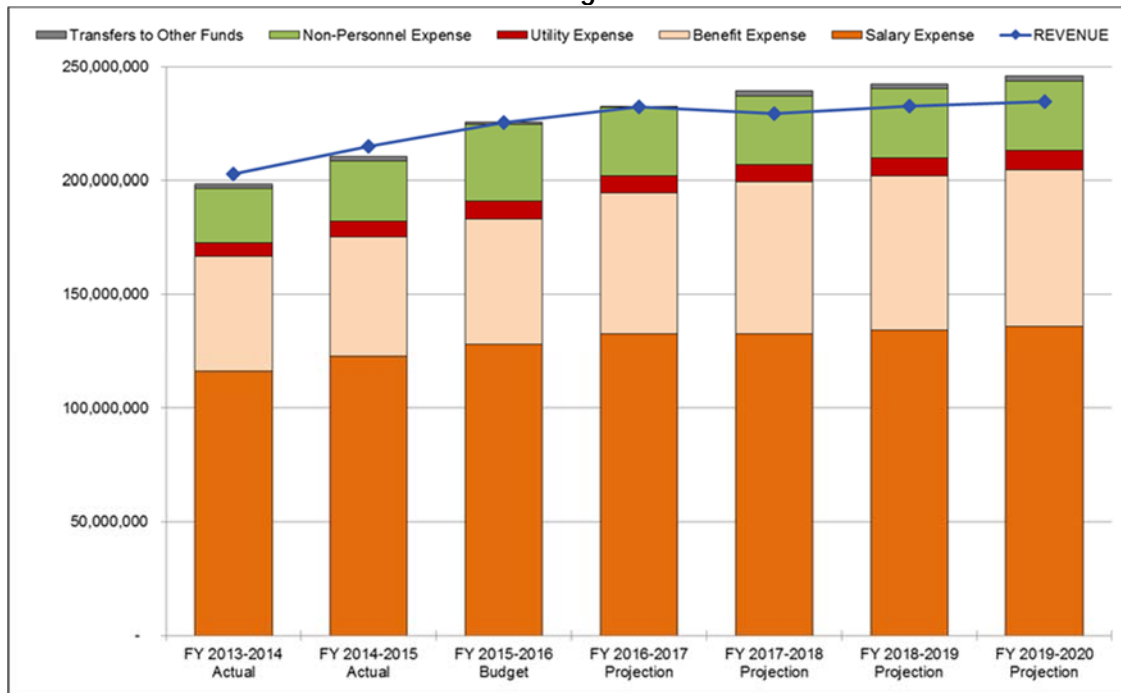
Taking into consideration Legislative actions to date, the State revenue crisis, and other economic factors, MSBSD prepared a long-term forecast that extends through Fiscal Years 2017-2020 based on the assumptions listed below.

- Student enrollment is expected to continue growth. The adopted budget for FY 2017 was set with a projected student enrollment of 18,819.
- The Intensive count maintains at 457 students.
- Borough Revenue will increase by 6% for FY17 due to significantly increased enrollment greater than projected during the prior year. Borough Revenue is expected to increase by 3% from FY18-FY20.
- The BSA is maintained at \$5,930 for FY17-FY20.
- 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 FY 2017 in the projected amount of \$17,451,098.
- Regular movement on the salary schedule, or the cost of retention, for all employee groups contributed to an overall increase of \$3.2M.
- Negotiated cost of living increases for employee group salary schedules ends after FY17.
- Health insurance increases by 25% which is split 50/50 between the District and employee. Thus, the budget will experience an increase by 12.5% over the prior year.
- Utilities increase at an annual rate of 5% after FY17.
- Insurance Bonds & Premiums increase at a rate of 1.8% annually.
- Lastly, Nutrition Services is expected to incur a revenue shortfall and require a subsidy of \$426,894 resulting from excess of costs over revenues.

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 \$9.9 M, \$9.9 M, and \$11.2 M, 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 2016-17

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, "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," was repealed in July 2016. Although this is no longer a State mandate, MSBSD's FY16 audited expenditures exceed the State of Alaska's mandate by spending 76% of its operating fund within the instructional component and 24% 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.

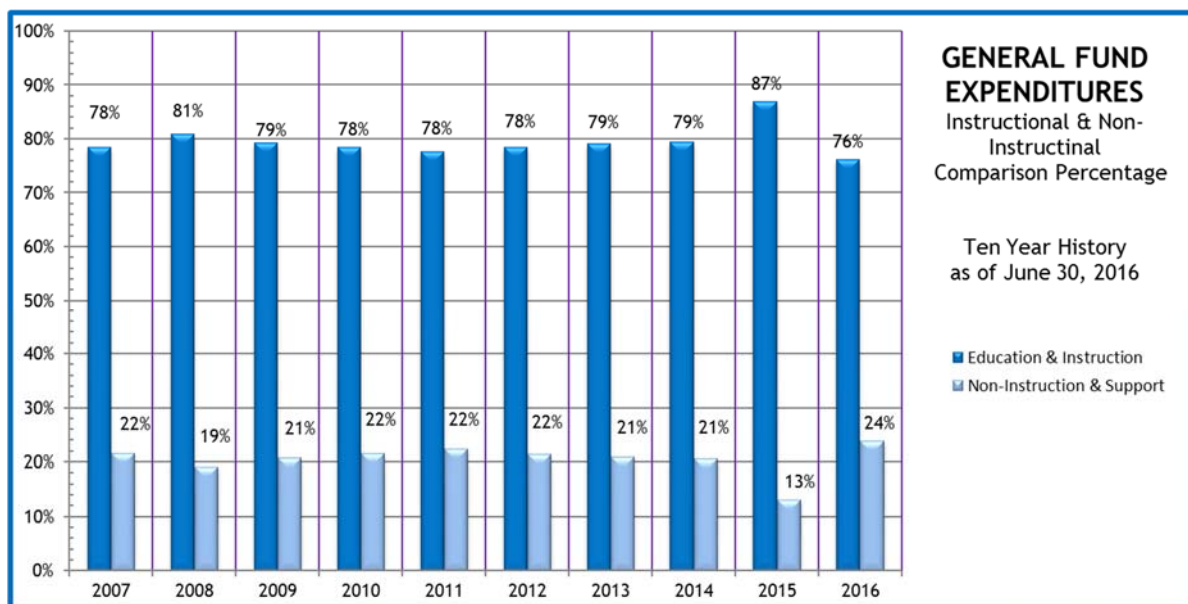


Chart 5

### 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, 2015. This was the seventh consecutive year the District applied and received this prestigious award. In order to be awarded Certificates of Excellence and Achievement, the District published an easily readable and efficiently organized CAFR. A Certificate of Excellence is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Excellence program's requirements and we are submitting to ASBO International to determine its eligibility for another certificate.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Gene Stone".

Gene Stone  
Superintendent

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

Luke Fulp, SFO  
Assistant Superintendent of Business  
and Operations

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

Ashley Bjornson  
Director of Finance

A handwritten signature in blue ink, appearing to read "Alicia Campbell".

Alicia Campbell  
Accounting Supervisor



# **MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

## **PRINCIPAL OFFICIALS**

### **2016-17 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



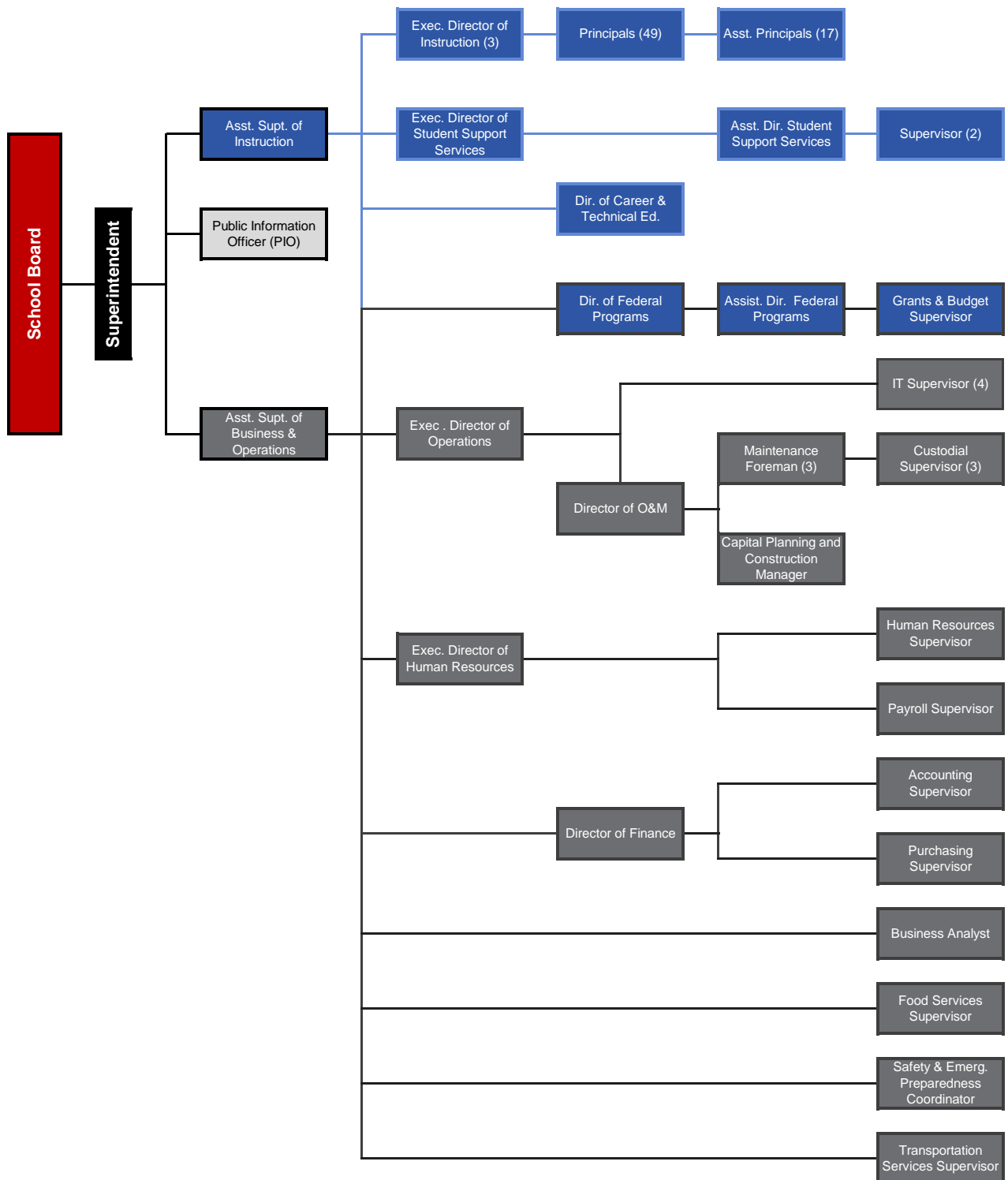
### **DISTRICTWIDE ADMINISTRATION**

Gene Stone, Superintendent  
Catherine Esary, Public Information Officer

Dr. Monica Goyette, Assistant Superintendent of Instruction  
Mike Vrvilo, Executive Director of Instruction  
Amy Spargo, Executive Director of Instruction  
Justin Ainsworth, 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  
Ray DePriest, Director of Career & Technical Education

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 Operations & Maintenance  
Tony Weese, Capital Planning & Construction Manager

**MSBSD ORGANIZATION CHART  
AS OF 6/30/2016**





**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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

**Matanuska-Susitna Borough School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2015.**

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



*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

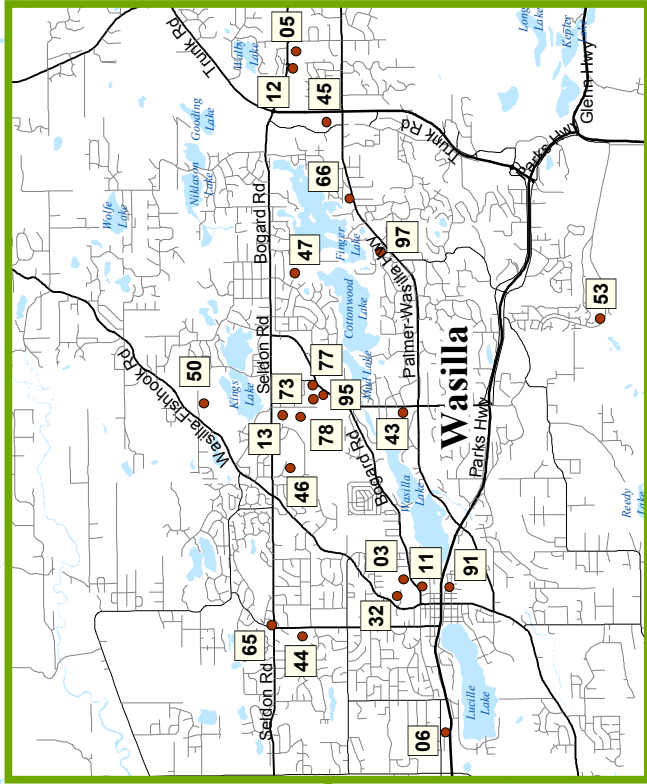
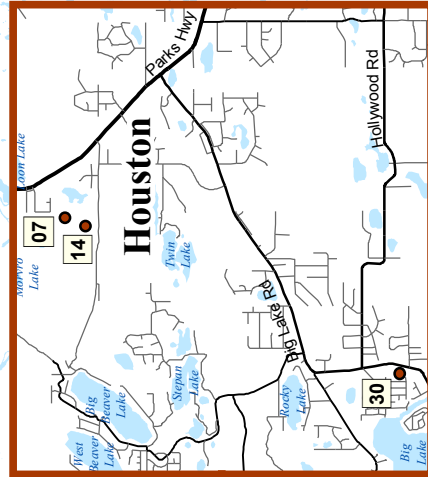
John D. Musso, CAE, RSBA  
Executive Director

## 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

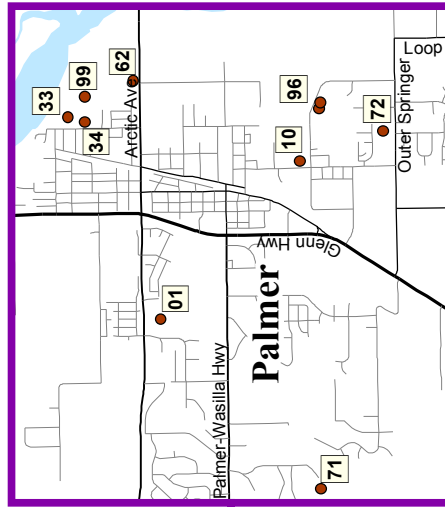


## Wasilla Area Inset

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





**MATANUSKA  
SUSITNA**  
BOROUGH SCHOOL  
DISTRICT

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

3601 C Street, Suite 600  
Anchorage, AK 99503

## **Independent Auditor's Report**

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, 2016, 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, 2016, 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 page 54, and the Schedules of Net Pension Liability, and Pension Contributions on pages 55 through 59, 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.

#### *Additional Supplementary 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, 2016 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, 2016, 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, the additional supplementary information as listed in the table of contents 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, 2015 (not presented herein), and have issued our report thereon dated December 22, 2015, 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, 2015 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 2015 financial statements. The individual fund financial statements and schedules for the year ended June 30, 2015 have been subjected to the auditing procedures applied in the audit of the 2015 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, 2015 are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

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 December 8, 2016 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  
December 8, 2016



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DISTRICT

*We prepare all students for success*

# Matanuska-Susitna Borough School District

## Management's Discussion and Analysis *Year Ended June 30, 2016*

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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, 2016 (FY16). 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, 2016 include the following:

As of the close of the current fiscal year, the School District's total governmental funds reported a combined ending fund balance of \$22,000,599, a decrease of \$4,098,129 in comparison to the beginning year balance.

At the end of the current fiscal year, the total fund balance for the General Fund was \$14,715,433. Of this amount, \$1,193,353 represents inventory, \$570,484 was set aside for prepaid expenses and considered non-spendable, \$1,221,455 was set aside for unspent student allotments and considered restricted, and \$500,000 was committed for self-insurance. The unassigned fund balance for the General Fund was \$11,230,141 at June 30, 2016.

### Overview of the Financial Statements

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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, 2016*

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### *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, 2016*

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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 nonmajor 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**

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### *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 School District's total liabilities exceeded assets by \$88,383,059 for the fiscal year ended June 30, 2016. Of this amount, (\$109,030,211) was unrestricted, and \$1,227,235 was restricted for correspondence student allotments. The remaining \$19,419,917 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. Current liabilities have remained relatively stable at the end of each fiscal year and include: accounts payable, payroll accruals, unemployment payable, health/life insurance payable, student lunch account deferred revenue, and grant deferred revenue. 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.

# Matanuska-Susitna Borough School District

## Management's Discussion and Analysis Year Ended June 30, 2016

**Table 1**  
**Net Position of Governmental Activities**

June 30,	2016	2015
<b>Assets</b>		
Current and other assets	\$ 33,994,521	\$ 38,925,195
Noncurrent capital assets	19,419,917	7,873,567
<b>Total Assets</b>	<b>53,414,438</b>	<b>46,798,762</b>
<b>Deferred Outflows - pension related</b>	<b>34,572,801</b>	<b>7,761,148</b>
<b>Total Assets and Deferred Outflows</b>	<b>87,987,239</b>	<b>54,559,910</b>
<b>Liabilities</b>		
Current liabilities	11,685,109	12,622,888
Noncurrent liabilities	162,080,332	91,721,220
<b>Total Liabilities</b>	<b>173,765,441</b>	<b>104,344,108</b>
<b>Deferred Inflows - pension related</b>	<b>2,604,857</b>	<b>8,926,236</b>
<b>Net Position</b>		
Net investment in capital assets	19,419,917	7,873,567
Restricted	1,227,235	909,690
Unrestricted	(109,030,211)	(67,493,691)
<b>Total Net Position</b>	<b>(88,383,059)</b>	<b>(58,710,434)</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 87,987,239</b>	<b>\$ 54,559,910</b>

See "Instructions" tab for brief note

### *Governmental Activities*

The following condensed table of changes in net position, as restated due to the implementation of GASB 68, 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, 2016

Table 2  
Statement of Activities

Year Ended June 30,	2016	2015
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1,039,643	\$ 1,108,593
Operating grants and contributions	62,405,666	101,938,313
General revenues:		
State grants not restricted	164,091,360	160,874,324
Borough district appropriations	52,665,941	51,291,720
E-rate	2,437,337	1,222,684
Out of district reimbursement	1,797,802	1,669,618
Medicaid and other	1,766,685	1,581,610
<b>Total Revenues</b>	<b>286,204,434</b>	<b>319,686,862</b>
<b>Expenses</b>		
Instruction	122,469,569	133,133,390
Special education instruction	48,649,106	44,347,523
Special education support services - student	16,189,170	18,887,579
Support services - students	12,929,378	11,371,555
Support services - instruction	14,381,217	15,877,378
School administration	11,442,708	12,258,280
School administration support services	12,952,086	10,151,374
District administration	2,676,091	2,652,052
District administration support services	16,529,327	10,321,568
Operations and maintenance of plant	29,164,991	23,926,623
Student activities	3,911,398	4,580,399
Student transportation	17,055,480	15,281,946
Community services	19,978	27,159
Food services	6,775,158	6,521,325
Construction and facilities acquisition	731,402	1,702,221
<b>Total Expenses</b>	<b>315,877,059</b>	<b>311,040,372</b>
Change in net position	(29,672,625)	8,646,490
<b>Net Position, beginning of year as restated (Note 14)</b>	<b>(58,710,434)</b>	<b>(67,356,924)</b>
<b>Net Position, end of year</b>	<b>\$ (88,383,059)</b>	<b>\$ (58,710,434)</b>

The cost of all governmental activities in FY16 was \$315,877,059. Users of the School District's programs paid some of the cost of the School District's programs (\$1,039,643). The federal and state government subsidized certain programs with grants and contributions (\$62,405,666). However, most of the School Districts' normal operating costs were paid with the State of Alaska Foundation Program (\$164,091,360), which does not include On-Behalf Retirement Contributions from the State of Alaska of (\$17,920,091). The Borough Appropriation (\$52,665,941) is derived from local property tax assessments. The Statement of Activities is in exhibit B-1 of this report.

# Matanuska-Susitna Borough School District

## Management's Discussion and Analysis Year Ended June 30, 2016

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 2016		Fiscal Year 2015	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Expenditures:				
Instruction	\$ 171,118,675	\$ 143,301,956	\$ 177,480,913	\$ 120,401,233
Support services - school	43,499,765	35,082,027	46,136,512	30,108,958
School administration	24,394,794	23,125,393	22,409,654	17,804,724
District administration	19,205,418	17,256,949	12,973,620	10,958,875
Operations and maintenance	29,164,991	28,347,141	23,926,623	25,976,702
Student activities	3,911,398	3,524,358	4,580,399	807,426
Student transportation	17,055,480	463,493	15,281,946	(369,909)
Community services	19,978	(880)	27,159	2,233
Food services	6,775,158	651,283	6,521,325	705,574
Construction and facilities acquisition	731,402	680,030	1,702,221	1,597,650
<b>Total</b>	<b>\$ 315,877,059</b>	<b>\$ 252,431,750</b>	<b>\$ 311,040,372</b>	<b>\$ 207,993,466</b>

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 \$22,000,599 as reported in exhibit C-1.

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.

# Matanuska-Susitna Borough School District

## Management's Discussion and Analysis Year Ended June 30, 2016

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

June 30,	2016	2015
Total fund balance - governmental funds at June 30	\$ 22,000,599	\$ 26,098,728
Cost of capital assets (net of accumulated depreciation)	19,419,917	7,873,567
Long-term liabilities	(162,080,332)	(91,721,220)
Pension liabilities	31,967,944	(1,165,088)
Enterprise fund net-assets	308,813	203,579
<b>Net Position At June 30</b>	<b>\$ (88,383,059)</b>	<b>\$ (58,710,434)</b>

The School District had two major governmental funds in FY16. 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 \$14,715,433, which includes non-spendable and committed funds. The unassigned fund balance as of June 30, 2016, was \$11,230,141. The Capital Improvement Projects Capital Project Fund is also considered a major fund.

The Capital Improvements fund is established to fund much needed equipment and infrastructure improvements to our aging buildings including upgrading internet speed to school sites, replacing technology equipment, and upgrading facilities for community meetings. The four largest projects were for expenditures for districtwide technology infrastructure; relocation of portables between school sites to accommodate student populations at the schools where enrollment was growing; fleet vehicle refresh; and construction of a pick-up/drop-off loop at Palmer Junior Middle School. Total expenditures for these 4 projects amounted to \$2,119,699, about 56% 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 \$4,857,129.

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.

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.

# Matanuska-Susitna Borough School District

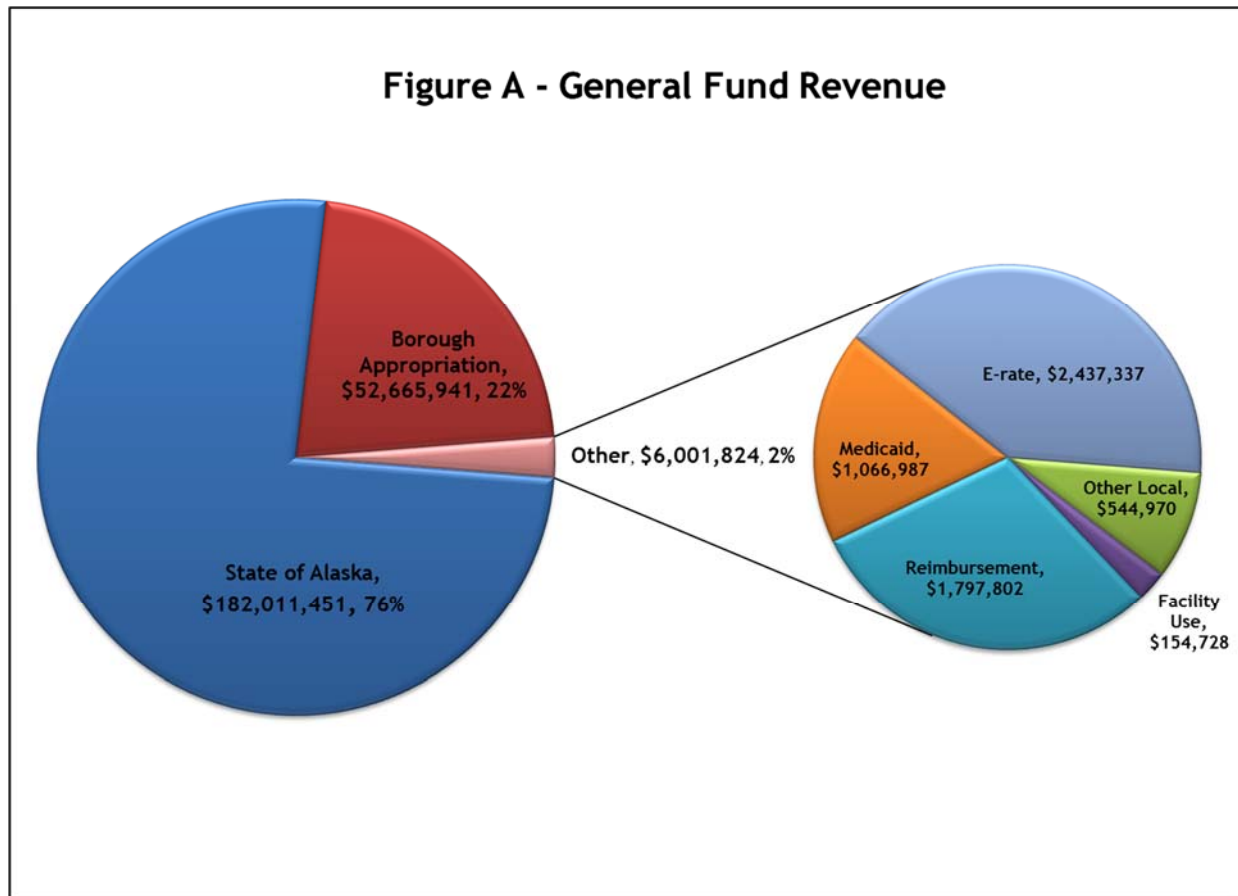
## Management's Discussion and Analysis Year Ended June 30, 2016

**Table 5**  
**General Fund Revenue**

	2016	2015*	Increase (Decrease)	Percentage Increase (Decrease)	
Borough appropriation	\$ 52,665,941	\$ 51,291,720	\$ 1,374,221	2.68%	0
Other local	2,497,500	2,100,482	397,018	18.90%	0
State of Alaska*	182,011,451	414,663,971	(232,652,520)	-56.11%	-1
Federal E-Rate	2,437,337	1,222,684	1,214,653	99.34%	1
Federal Medicaid	1,066,987	1,150,746	(83,759)	-7.28%	-0
<b>Total Revenue</b>	<b>\$ 240,679,216</b>	<b>\$ 470,429,603</b>	<b>\$ (229,750,387)</b>	<b>-48.84%</b>	<b>-0</b>

\* Fiscal Year 2015 includes one-time additional PERS & TRS expense due to the addition of the District's share of a \$3 billion infusion from the State Constitutional Budget Reserve Fund for pension liability.

Figure A presents a chart of general fund revenue by source for the fiscal year ended June 30, 2016.



# Matanuska-Susitna Borough School District

## Management's Discussion and Analysis Year Ended June 30, 2016

The School District experienced a revenue decrease of (\$229,750,387) or -48.84%. However, if the difference in On-behalf retirement contributions from 2015 to 2016 (\$235,869,556) were removed from the year-over-year comparison, the District would have reported an overall increase in revenue in FY16 of \$6,119,169. During the 2014 Legislative Session, Senate Bill 119 appropriated \$1 billion to PERS and \$2 billion to TRS from the State's budget reserve fund. This funding measure resulted in contribution rates of 64.41% for PERS and 267.85% for TRS in FY15. Both contribution rates were well above the actuarial rates set by the Alaska Retirement Management Board. The larger than usual appropriation by the Legislature was designed to pay down the State's unfunded liability in PERS and TRS. Being that the School District was required to record revenue and expense to align with these rates, total revenue and expenses for FY15 was significantly higher than FY16 amounts.

In terms of other revenue categories, the Borough appropriation increased \$1,374,221 over the amount received in FY15. Another factor increasing District revenue was an increase in average daily membership by more than 700 students from the prior year. This, along with a \$50 increase to the Base Student Allocation within the State's Foundation Formula Program resulted in an increase of Foundation Formula Program revenue of \$8,517,523 to the School District. The State did not continue to fund One-time payments outside of the Foundation Formula, however, so this resulted in a decrease of (\$5,300,487) in revenue. The District received an additional \$1,214,653 in E-rate revenue by applying for and receiving funding for technology infrastructure aimed to improve internal connections.

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 a decrease of 47.94% in expenditures in FY16. Similar to revenue, this decrease was primarily due to the District's share of a \$3 billion infusion from the State Constitutional Budget Reserve Fund for the unfunded pension liability. Since the majority of all expenses incurred by the District were related to salaries and benefits, the increased PERS and TRS expenditures in FY15 were reflected across most account code functions, making comparison with the prior year difficult.

**Table 6**  
**General Fund Expenditures**

	2016	2015*	Increase (Decrease)	Percentage Increase (Decrease)
Instruction	\$ 138,908,305	\$ 304,158,059	\$ (165,249,754)	-54.33%
Support services - school	34,600,845	73,903,990	(39,303,145)	-53.18%
School administration	20,367,382	35,644,776	(15,277,394)	-42.86%
District administration	16,446,247	15,285,363	1,160,884	7.59%
Operations and maintenance	25,812,703	25,945,340	(132,637)	-0.51%
Student activities	3,534,412	7,291,546	(3,757,134)	-51.53%
Student transportation	786,645	5,964	780,681	13089.89%
Community Services	-	824	(824)	-100.00%
Food services	6,748	8,168	(1,420)	-17.38%
Construction and facilities acquisition	160,391	-	160,391	100.00%
<b>Total Expenditures</b>	<b>\$ 240,623,678</b>	<b>\$ 462,244,030</b>	<b>\$ (221,620,352)</b>	<b>-47.94%</b>

\* Fiscal Year 2015 includes one-time additional PERS & TRS expense due to the addition of the District's share of a \$3 billion infusion from the State Constitutional Budget Reserve Fund for pension liability.

# Matanuska-Susitna Borough School District

## Management's Discussion and Analysis Year Ended June 30, 2016

Figure B presents a chart of general fund expenditures by function for the fiscal year ended June 30, 2016.

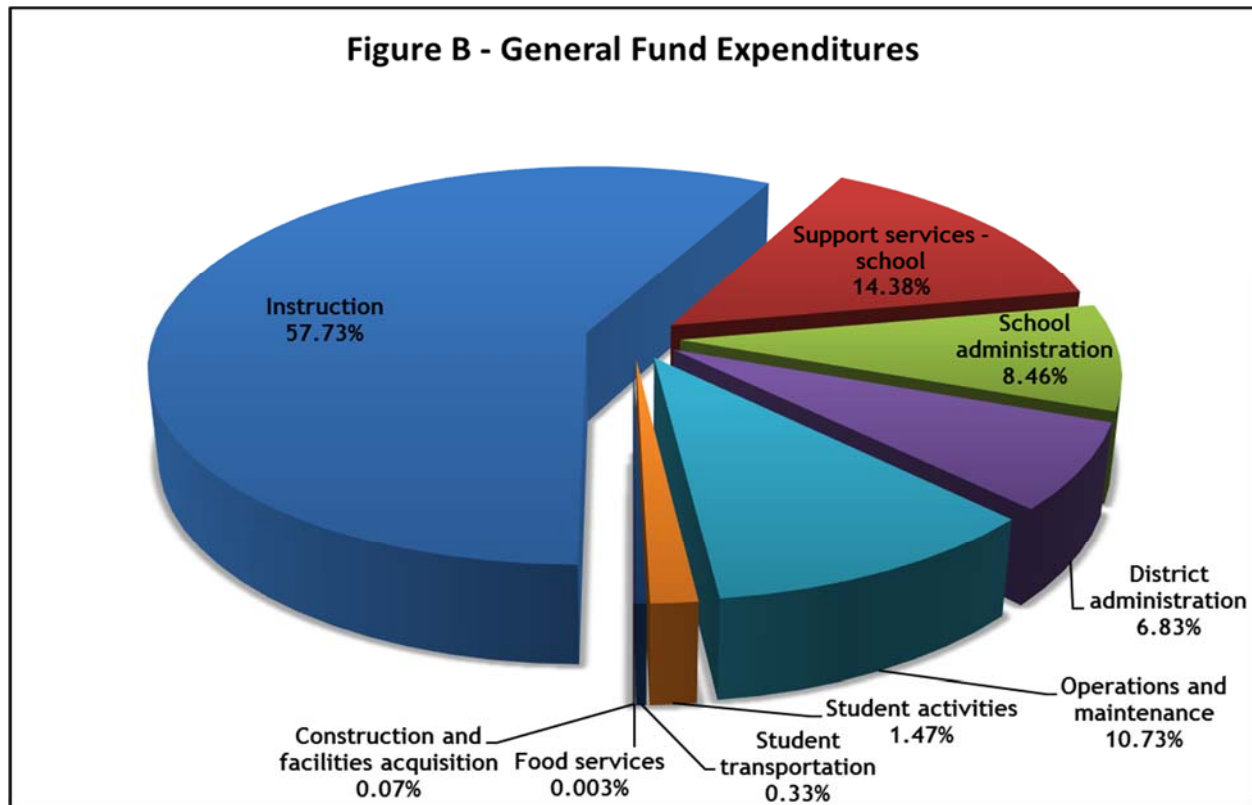


Table 6.1 below has been provided for a comparative view of increases and decreases over prior year, and unlike Table 6, this schedule excludes On-behalf from both years. This view demonstrates that, excluding any impact of On-behalf payments, the School District's expenditures increased 6.84% overall from the prior fiscal year. Half of the increase came from the instructional areas, where 79.53% of all expenditures were coded in FY16.

The year-over-year increase with on-behalf payments excluded for instruction was 3.93% and 3.41% for school support services. School administration increased by 5.37%, mainly due to the opening of Redington Jr./Sr. High School. District administration includes services provided by payroll processing, purchasing, information technology, accounting, human resources, and business administration. Expenditures within district administration experienced an increase of 39.94%, which can be attributed to additional technology spending tied to E-rate funding received in FY16 for upgrades to the District's wireless network. Operation and maintenance also had a significant increase of \$2,276,112 for utilities, increased lease payments by charter schools, and increased custodial supplies to support the additional square footage brought about by new schools. Student activities decreased by 9.38%, while student transportation increased by \$780,681 as the District budgeted for and funded more student travel expenses out of the general fund.

# Matanuska-Susitna Borough School District

## Management's Discussion and Analysis Year Ended June 30, 2016

**Table 6.1**  
**General Fund Expenditures**

	2016	2015	Percentage Increase (Decrease)	Percentage Increase (Decrease)
Instruction	\$ 126,575,242	\$ 121,786,296	\$ 4,788,946	3.93%
Support services ~ school	31,422,153	30,386,662	1,035,491	3.41%
School administration	19,000,286	18,031,213	969,073	5.37%
District administration	16,041,987	11,463,075	4,578,912	39.94%
Operations and maintenance	25,443,873	23,167,761	2,276,112	9.82%
Student activities	3,266,262	3,604,419	(338,157)	-9.38%
Student transportation	786,645	5,964	780,681	13090.24%
Community Services	-	824	(824)	-100.00%
Food services	6,748	8,168	(1,420)	-17.38%
Construction and facilities acquisition	160,391	-	160,391	100.00%
<b>Total Expenditures</b>	<b>\$ 222,703,587</b>	<b>\$ 208,454,382</b>	<b>\$ 14,249,205</b>	<b>6.84%</b>

### Capital Projects Fund

The School District's Capital Projects Fund expenditures increased by 68.26% overall from the prior fiscal year. The majority of this increase is attributed to an increase in the number of active projects from 25 in FY15 to 41 in FY16 for facilities-related projects. The highest expenditures occurred for technology infrastructure upgrades and relocation of portables.

### 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.

The net position of Mat-Su Construction Trades of \$225,174 represents the construction projects built by District students. The net position from the sale of previous construction projects are reinvested in new properties for students involved in the Career and Technical Education program to experience real world trades and activities. During FY15 Mat-Su Construction trades sold its twentieth home and has been preparing for starting construction of its twenty-first home.

### 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 \$2,242,258. The difference can primarily be attributed to unspent non-personnel budgets throughout the District as spending restrictions were implemented towards the end of FY16 in an effort to preserve fund balance.



# Matanuska-Susitna Borough School District

## Management's Discussion and Analysis

*Year Ended June 30, 2016*

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The difference between the original and amended budgets of \$7,917,922 results primarily from the School District's following significant highlights:

1. Increased budgeted expense of \$839,638 to special education support services, due to increased enrollment and increased enrollment of students with intensive needs.
2. Increased budgeted expense of \$6,045,787 to support services - instruction to accommodate E-rate category 2 spending as well as increased for curriculum budget line items.
3. An increase of \$1,143,504 to operations and maintenance of plant for insurance adjustments, utility rate adjustments, and charter school lease payments.

### Capital Improvement Projects Fund Budgetary Highlights

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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 the year-end appropriation of \$1,975,000 to fund on-going and new projects. The most significant highlights for funded projects can be attributed to:

1. The addition of \$1,500,000 for portable relocations to house growing student enrollment.
2. The addition of three new projects which include: \$100,000 for charter school safety upgrades, \$125,000 for siding repairs at Machetanz Elementary School, and \$250,000 for a classroom technology refresh.

### Capital Asset and Debt Administration

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#### *Capital Assets*

The School District's investment in capital assets for its governmental and business type activities as of June 30, 2016, amounts to \$19,419,917 (net of accumulated depreciation). This investment in capital assets consists primarily of buildings, equipment, and furnishings. Additional information is available on footnote 3 of the notes to the financial statements.



# Matanuska-Susitna Borough School District

## Management's Discussion and Analysis *Year Ended June 30, 2016*

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### *Debt Administration*

The School District's long-term obligations include \$3,768,208 for compensated absences or accrued leave. Additional information about annual leave is available in footnote 4 of the notes to the financial statements. Additionally, footnote 13 states that GASB 68 will require all governments to report any "net pension liability" as newly defined for fiscal period ended June 30, 2015. This liability is shown on the Statement of Net Position and amounts to \$150,612,124 for FY16. 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**

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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 2017, the School District considered a number of issues, with government-wide impacts among them, resulting in the following assumptions:

- Student enrollment is expected to continue growth. The original budget for FY 2017 was set with a projected student enrollment of 18,819.
- The Intensive count maintains at 457 students.
- Borough Revenue was set at \$55,841,300, a 6% increase (\$3.2M) over the FY16 appropriation.
- House Bill 278 (HB 278 made some significant changes for student funding for FY 2015 school year through FY 2017.
  - The State Foundation Formula increased the base student allocation (BSA) by \$150 in FY 2015, \$50 in FY 2016, and again by \$50 in FY 2017. Funding levels are maintained in FY 2018.
  - Originally established to provide one-time energy relief to school districts for FY 2015 to FY 2017, the school district received \$5,283,881 in FY2015 as expected; however, this funding was eliminated by the State for FY 2016 and FY 2017.
- PERS/TRS cost sharing will continue in FY17. The School District estimates that the on-behalf retirement contributions from the State will equal \$18,126,908.
- Regular movement on the salary schedule, or the cost of retention, for all employee groups contributed to an overall increase of approximately \$2.4M.
- Negotiated cost of living increases for employee group salary schedules contributed an overall increase of \$1.4M.
- Mandatory benefits as a percent of increased salaries increased the budget by \$.8M.
- Budgeted health insurance increased \$4.2M for a 25% renewal over prior year premiums.
- Another \$4.6M was added to the budget to fund new positions to accommodate enrollment growth and to staff a new elementary school (Dena'ina Elementary).
- Lastly, the FY17 budget reflects a (\$2.7M) reduction to non-personnel spending, utilities, and transfers to other funds.

# Matanuska-Susitna Borough School District

## Management's Discussion and Analysis *Year Ended June 30, 2016*

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The School District continues to work towards building or maintaining a healthy unassigned fund balance. At the end of FY13, the Mat-Su Assembly approved an ordinance reducing the School District's lapse of unspent funds back to the Borough to 25% of the net change in fund balance. At the end of FY14, FY15, and FY16, the Assembly approved for the School District to keep 100% of the change in fund balance. Without another action by the Assembly, any increase in net fund balance at the end of FY17 will be subject to Ordinance #13-096, requiring twenty-five percent of the increase be lapsed back to the Borough. The remaining seventy-five percent will help build fund balances, not exceeding the amount allowed by the then current version of Alaska Statute 14.17.505, to build an adequate reserve over time to offset unanticipated costs or structural deficits in future years.

### Requests for Information

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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



**MATANUSKA  
SUSITNA**  
BOROUGH SCHOOL  
DISTRICT

*We prepare all students for success*



**MATANUSKA  
SUSITNA**  
BOROUGH SCHOOL  
DISTRICT

*We prepare all students for success*

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

**Statement of Net Position**

<i>June 30, 2016</i>	Governmental Activities
<b>Assets and Deferred Outflows of Resources</b>	
<b>Assets</b>	
Cash and investments	\$ 25,972,472
Accounts receivable:	
Federal and state grants	3,916,726
Other	1,217,638
Receivable from the Borough	558,709
Inventory	1,756,492
Prepaid items	572,484
Capital assets, net of accumulated depreciation	19,419,917
<b>Total Assets</b>	<b>53,414,438</b>
<b>Deferred Outflows of Resources - pension related</b>	<b>34,572,801</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 87,987,239</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
<b>Liabilities</b>	
Accounts payable	\$ 2,648,775
Accrued payroll and related liabilities	7,256,961
Unearned revenue	1,094,423
Insurance claims incurred but not reported	684,950
Noncurrent liabilities:	
Capital lease payable- due within one year	400,000
Capital lease payable - due in more than one year	7,300,000
Accrued leave - due within one year	3,768,208
Net pension liability - due in more than one year	150,612,124
<b>Total Liabilities</b>	<b>173,765,441</b>
<b>Deferred Inflows of Resources - pension related</b>	<b>2,604,857</b>
<b>Net Position</b>	
Net investment in capital assets	19,419,917
Restricted	1,227,235
Unrestricted (deficit)	(109,030,211)
<b>Total Net Position</b>	<b>(88,383,059)</b>
<b>Total Liabilities, Deferred Inflows of Resources of Resources and Net Position</b>	<b>\$ 87,987,239</b>

*See accompanying notes to basic financial statements.*

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

**Statement of Activities**

Year Ended June 30, 2016	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contri- butions	
<b>Governmental Activities</b>				
Instruction	\$ 122,469,569	\$ -	\$ 19,158,014	\$ (103,311,555)
Special education instruction	48,649,106	-	8,658,705	(39,990,401)
Special education support services - students	16,189,170	-	2,239,466	(13,949,704)
Support services - students	12,929,378	-	2,035,147	(10,894,231)
Support services - instruction	14,381,217	-	4,143,125	(10,238,092)
School administration	11,442,708	-	723,538	(10,719,170)
School administration support services	12,952,086	-	545,863	(12,406,223)
District administration	2,676,091	-	1,027,593	(1,648,498)
District administration support services	16,529,327	-	920,876	(15,608,451)
Operations and maintenance of plant	29,164,991	-	817,850	(28,347,141)
Student activities	3,911,398	-	387,040	(3,524,358)
Student transportation	17,055,480	-	16,591,987	(463,493)
Community services	19,978	-	20,858	880
Food services	6,775,158	1,039,643	5,084,232	(651,283)
Construction and facilities acquisition	731,402	-	51,372	(680,030)
<b>Total Governmental Activities</b>	<b>\$ 315,877,059</b>	<b>\$ 1,039,643</b>	<b>\$ 62,405,666</b>	<b>(252,431,750)</b>
<b>General Revenues</b>				
Borough contribution				52,665,941
State grants and entitlements not restricted to a specific purpose				164,091,360
E-rate				2,437,337
Medicaid reimbursement				1,066,987
Out of district reimbursement				1,797,802
Other				699,698
<b>Total General Revenues</b>				<b>222,759,125</b>
Change in net position				(29,672,625)
<b>Net Position, beginning of year</b>				<b>(58,710,434)</b>
<b>Net Position, end of year</b>				<b>\$ (88,383,059)</b>

*See accompanying notes to basic financial statements.*

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

**Governmental Funds**  
**Balance Sheet**

	Major Funds			Total Govern- mental Funds
	General	Capital Improvement Projects Capital Project	Nonmajor Funds	
<i>June 30, 2016</i>				
<b>Assets</b>				
Cash and investments	\$ 15,182,293	\$ 4,951,662	\$ 3,030,478	\$ 23,164,433
Accounts receivable:				
Federal and state grants	-	-	3,916,726	3,916,726
Other	1,154,314	-	580,180	1,734,494
Inventory	1,193,353	-	563,139	1,756,492
Prepaid items	570,484	-	-	570,484
Due from other funds	6,115,206	-	-	6,115,206
<b>Total Assets</b>	<b>\$ 24,215,650</b>	<b>\$ 4,951,662</b>	<b>\$ 8,090,523</b>	<b>\$ 37,257,835</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 2,241,981	\$ 94,533	\$ 300,976	\$ 2,637,490
Accrued payroll and related liabilities	7,256,961	-	-	7,256,961
Unearned revenue	1,275	-	1,091,645	1,092,920
Due to other funds	-	-	4,269,865	4,269,865
<b>Total Liabilities</b>	<b>9,500,217</b>	<b>94,533</b>	<b>5,662,486</b>	<b>15,257,236</b>
<b>Fund Balances</b>				
Nonspendable	1,763,837	-	563,139	2,326,976
Restricted	1,221,455	-	5,780	1,227,235
Committed	500,000	4,857,129	-	5,357,129
Assigned	-	-	1,859,118	1,859,118
Unassigned	11,230,141	-	-	11,230,141
<b>Total Fund Balances</b>	<b>14,715,433</b>	<b>4,857,129</b>	<b>2,428,037</b>	<b>22,000,599</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 24,215,650</b>	<b>\$ 4,951,662</b>	<b>\$ 8,090,523</b>	<b>\$ 37,257,835</b>

*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, 2016*

Total fund balances of governmental funds	\$ 22,000,599
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.	
Buildings	\$ 8,100,000
Furnishings and equipment	21,380,963
Accumulated depreciation	<u>(10,061,046)</u>
Total capital assets	<u>19,419,917</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	(3,768,208)
Capital lease payable	(7,700,000)
Net pension liability	<u>(150,612,124)</u>
Total long-term liabilities	<u>(162,080,332)</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	34,572,801
Deferred inflows of resources related to pensions	<u>(2,604,857)</u>
Total deferred pension items	<u>31,967,944</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>308,813</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ (88,383,059)</u></b>

*See accompanying notes to basic financial statements.*



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

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

	Major Funds				Total Govern- mental Funds
	General	Capital Improvement Projects Capital Project	Nonmajor Funds		
Year Ended June 30, 2016					
Revenues					
Local sources:					
Borough appropriation	\$ 52,665,941	\$ -	\$ -	\$ 52,665,941	
Other local	2,497,500	-	1,254,382	3,751,882	
Borough capital projects	-	-	5,722,878	5,722,878	
State of Alaska	182,011,451	-	17,834,064	199,845,515	
Federal sources:					
E-rate	2,437,337	-	-	2,437,337	
Medicaid reimbursement	1,066,987	-	-	1,066,987	
Direct grants	-	-	778,384	778,384	
Grants passed through the State of Alaska	-	-	16,843,876	16,843,876	
Grants passed through intermediate agencies	-	-	259,329	259,329	
Total Revenues	240,679,216	-	42,692,913	283,372,129	
Expenditures					
Current:					
Instruction	102,766,001	23,624	5,342,643	108,132,268	
Special education instruction	36,142,304	-	2,988,424	39,130,728	
Special education support services - students	14,770,451	-	1,412,891	16,183,342	
Support services - students	9,446,012	-	407,427	9,853,439	
Support services - instruction	10,384,382	-	3,149,986	13,534,368	
School administration	9,668,211	-	243,760	9,911,971	
School administration support services	10,699,171	-	-	10,699,171	
District administration	1,839,404	-	483,271	2,322,675	
District administration support services	14,606,843	-	515,678	15,122,521	
Operations and maintenance of plant	25,812,703	-	316,797	26,129,500	
Student activities	3,534,412	-	-	3,534,412	
Student transportation	786,645	-	16,265,183	17,051,828	
Community services	-	-	20,854	20,854	
Food services	6,748	-	6,794,975	6,801,723	
Construction and facilities acquisition	160,391	3,748,367	5,132,700	9,041,458	
Total Expenditures	240,623,678	3,771,991	43,074,589	287,470,258	
Excess (deficiency) of revenues over expenditures	55,538	(3,771,991)	(381,676)	(4,098,129)	
Other Financing Sources (Uses)					
Transfers in	-	1,975,000	671,100	2,646,100	
Transfers out	(2,646,100)	-	-	(2,646,100)	
Net Other Financing Sources (Uses)	(2,646,100)	1,975,000	671,100	-	
Net change in fund balances	(2,590,562)	(1,796,991)	289,424	(4,098,129)	
Fund Balances, beginning of year	17,305,995	6,654,120	2,138,613	26,098,728	
Fund Balances, end of year	\$ 14,715,433	\$ 4,857,129	\$ 2,428,037	\$ 22,000,599	

*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, 2016*

Net change in fund balances - total governmental funds \$ (4,098,129)

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	\$ 5,701,499	
Depreciation expense	<u>(1,855,149)</u>	
		3,846,350

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.

105,234

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	\$ 5,722,878	
Expenditures	<u>(5,722,878)</u>	

-

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.

(29,849,270)

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.

323,190

**Change in Net Position of Governmental Activities**

**\$ (29,672,625)**

*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, 2016</i>		
<b>Assets</b>		
Current:		
Cash and investments	\$ 308,316	\$ 2,499,723
Accounts receivable	-	41,853
Prepaid items	2,000	-
<b>Total Assets</b>	<b>\$ 310,316</b>	<b>\$ 2,541,576</b>
<b>Liabilities and Net Position</b>		
Current Liabilities		
Accounts payable	\$ -	\$ 11,285
Due to other funds	-	1,845,341
Unearned revenue	1,503	-
Insurance claims incurred but not reported	-	684,950
<b>Total Current Liabilities</b>	<b>1,503</b>	<b>2,541,576</b>
<b>Net Position - unrestricted</b>	<b>308,813</b>	<b>-</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 310,316</b>	<b>\$ 2,541,576</b>

*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, 2016</i>		
<b>Operating Revenues</b>		
Interfund charges	\$ -	\$ 1,557,287
Sales	451,980	-
<b>Total Operating Revenues</b>	<b>451,980</b>	<b>1,557,287</b>
<b>Operating Expenses</b>		
Claims expense	-	1,070,773
Instruction	346,552	-
Support services - instruction	194	-
General and administrative	-	486,708
<b>Total Operating Expenses</b>	<b>346,746</b>	<b>1,557,481</b>
Operating income (loss)	105,234	(194)
<b>Non Operating Revenue - interest income</b>	<b>-</b>	<b>194</b>
Change in net position	105,234	-
<b>Net Position, beginning of year</b>	<b>203,579</b>	<b>-</b>
<b>Net Position, end of year</b>	<b>\$ 308,813</b>	<b>\$ -</b>

*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, 2016</i>		
<b>Cash Flows for Operating Activities</b>		
Receipts from interfund charges	\$ -	\$ 2,649,682
Receipts from customers and users	457,042	-
Payments to suppliers	(287,326)	(1,983,541)
Net cash flows for operating activities	169,716	666,141
<b>Cash Flows from Investing Activities</b>		
Interest received	-	194
Net increase in cash and cash equivalents	169,716	666,335
Cash and Cash Equivalents, beginning of year	138,600	1,833,388
Cash and Cash Equivalents, end of year	\$ 308,316	\$ 2,499,723
<b>Reconciliation of Operating Loss to Net Cash Flows for Operating Activities</b>		
Operating income (loss)	\$ 105,234	\$ (194)
Adjustments to reconcile operating loss to net cash flows for operating activities:		
Decrease in inventories	225,148	-
Increase (decrease) in due to other funds	(23,567)	1,134,248
Increase (decrease) in accounts receivable	5,100	(41,853)
Decrease in accounts payable	(2)	(1,670)
Decrease in unearned revenue	(142,197)	-
Decrease in insurance claims incurred but not reported	-	(424,390)
Total adjustments	64,482	666,335
<b>Net Cash Flows for Operating Activities</b>	\$ 169,716	\$ 666,141

*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**

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*Year Ended June 30, 2016*

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**Assets**

Cash and investments	\$ 1,929,654
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**Liabilities**

Due to student activities and community schools	\$ 1,929,654
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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, 2016

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## 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

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

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

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

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

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

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

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



# Matanuska-Susitna Borough School District

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

### Notes to Basic Financial Statements

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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 and Investments*

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

#### *G. Short-Term Interfund Receivables and Payables*

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

#### *H. Inventories and Prepaid Items*

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

# Matanuska-Susitna Borough School District

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

### Notes to Basic Financial Statements

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Payments made to vendors for services that will benefit periods beyond June 30, 2016, 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 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 are depreciated. Depreciation is computed on the straight line method over the estimated useful life of the assets, generally 3 to 7 years for equipment and vehicles, and 40 years for buildings. Maintenance and repairs of a routine nature that do not add to the value of the asset are charged as expenditures as incurred and are not capitalized.

#### *J. Accrued Leave*

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

#### *K. Unearned Revenue*

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

#### *L. Pensions*

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.

# Matanuska-Susitna Borough School District

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

### Notes to Basic Financial Statements

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#### *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.

*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.

# Matanuska-Susitna Borough School District

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

### Notes to Basic Financial Statements

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#### *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 and investments**

The District's cash and investment 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."

#### *Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. All of the U.S. government agency investments are rated AA+ by Standard and Poor's.

#### *Interest Rate Risk*

To limit exposure to declines in fair values of investments, Borough policy requires that investments be limited to securities or money market mutual funds. Policy generally requires maturity dates of five years or less, although under certain conditions, the Borough may invest its securities with maturity dates exceeding five years. The Borough requires all deposits and investments be fully collateralized.

#### *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, 2016 follows:

Governmental Activities	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<i>Capital assets being depreciated:</i>				
Furnishings and equipment	\$ 16,419,208	\$ 5,301,499	\$ (339,744)	\$ 21,380,963
Buildings	-	8,100,000	-	8,100,000
Total assets being depreciated	16,419,208	13,401,499	(339,744)	29,480,963
Accumulated depreciation	(8,545,641)	(1,855,149)	339,744	(10,061,046)
<b>Net Capital Assets</b>	<b>\$ 7,873,567</b>	<b>\$ 11,546,350</b>	<b>\$ -</b>	<b>\$ 19,419,917</b>

Depreciation expense was charged to the governmental functions of the District as follows for the year ended June 30, 2016:

Instruction	\$ 110,672
Special education support services - students	15,575
Support services - students	2,188
Support services - instruction	17,696
School administration support services	11,260
District administration	4,892
District administration support services	348,643
Operations and maintenance of plant	270,164
Student transportation	3,823
Construction and facilities acquisition	1,070,236
<b>Total Depreciation</b>	<b>\$ 1,855,149</b>

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 the buildings recorded as capital leases. The legal title of these buildings rests with the Borough.

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# 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, 2016 follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
Capital lease payable	\$ -	\$ 7,700,000	\$ -	\$ 7,700,000	\$ 400,000
Annual leave	4,091,398	6,035,602	(6,358,792)	3,768,208	3,768,208
Net pension liability	87,629,822	62,982,302	-	150,612,124	-
<b>Long-term Obligations</b>	<b>\$ 91,721,220</b>	<b>\$ 76,717,904</b>	<b>\$ (6,358,792)</b>	<b>\$ 162,080,332</b>	<b>\$ 4,168,208</b>

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 land and improvements in the amount of \$1,200,000 for the District's use. In 2016, 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 note 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.

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

<i>Year Ending June 30,</i>	Principal	Interest	Total
2017	\$ 400,000	\$ 133,977	\$ 533,977
2018	533,244	361,258	894,502
2019	150,489	242,811	393,300
2020	156,036	237,264	393,300
2021	161,787	231,513	393,300
2022-2026	902,903	1,063,597	1,966,500
2027-2031	1,082,027	884,473	1,966,500
2032-2036	1,296,688	669,812	1,966,500
2037-2041	1,553,934	412,566	1,966,500
2042-2045	1,462,892	110,866	1,573,758
	<b>\$ 7,700,000</b>	<b>\$ 4,348,137</b>	<b>\$ 12,048,137</b>

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

**Notes to Basic Financial Statements**

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**5. Leases**

The District has operating leases for buildings and equipment used for education program sites. Rent and lease expenditures were \$2,243,472 for the year ended June 30, 2016. The future minimum lease payments on non-cancellable leases are as follows:

*Year Ending June 30,*

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2017	\$ 1,915,243
2018	1,835,600
2019	1,309,252
2020	1,299,929
2021	1,271,975
Thereafter	2,343,739
	<hr/>
	\$ 9,975,738

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**6. Interfund Receivables, Payables, and Transfers**

A schedule of interfund balances and transfers for the year ended June 30, 2016 follows:

***Due from Other Funds***

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Due from the nonmajor governmental funds to the General Fund for short-term operating advances	\$ 4,269,865
Due from Internal Service Fund to the General Fund for short-term operating advances	1,845,341
	<hr/>
<b>Total Amount Due From Other Funds</b>	<b>\$ 6,115,206</b>

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***Transfers***

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To nonmajor governmental funds from the General Fund for operating subsidies	\$ 671,100
To the Capital Improvement Projects Capital Project Fund from the General Fund for capital acquisition subsidy	1,975,000
	<hr/>
<b>Total Transfers to Other Funds</b>	<b>\$ 2,646,100</b>

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# Matanuska-Susitna Borough School District

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

### Notes to Basic Financial Statements

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#### 7. Defined Benefit (DB) Pension Plans

##### *General Information About the Plans*

The District participates in two defined benefit pension plans. The Teachers' Retirement System (TRS) is a cost-sharing multiple employer plan which covers teachers and other eligible participants. The Public Employees' Retirement System (PERS) is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. Both Plans were established and are administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

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

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

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

##### *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.



# Matanuska-Susitna Borough School District

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

### Notes to Basic Financial Statements

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#### *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.

*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 2015, the State Legislature appropriated a one-time contribution to the Plan in the amount of \$1 billion for PERS and \$2 billion for TRS. As a result, the on-behalf contributions for 2015 were significantly higher than the statutory amount. In 2016, the on-behalf contributions have returned to "normal" levels and generally equal the statutory calculation.

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 FY16, the calculation uses an 8.00% pension discount rate and a 4.55% healthcare discount rate for PERS and 4.31% 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.

# Matanuska-Susitna Borough School District

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

### Notes to Basic Financial Statements

Contribution rates for the year ended June 30, 2016 were determined in the June 30, 2013 actuarial valuation.

<i>PERS</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	13.25%	16.38%	3.63%	37.79%
Postemployment healthcare (see Note 9)	8.75%	10.81%	1.56%	58.73%
<b>Total PERS Contribution Rates</b>	<b>22.00%</b>	<b>27.19%</b>	<b>5.19%</b>	<b>96.52%</b>

<i>TRS</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	7.01%	16.34%	11.63%	66.52%
Postemployment healthcare (see Note 9)	5.55%	12.93%	5.08%	70.97%
<b>Total TRS Contribution Rates</b>	<b>12.56%</b>	<b>29.27%</b>	<b>16.71%</b>	<b>137.49%</b>

In 2016, the District was credited with the following contributions to the pension plans:

<i>PERS</i>	District FY15 Measurement Period	District FY16
Employer contributions (including DBUL)	\$ 2,902,874	\$ 3,169,854
Nonemployer contributions (on-behalf)	13,941,378	1,312,847
<b>Total Contributions</b>	<b>\$ 16,844,252</b>	<b>\$ 4,482,701</b>

In addition, employee contributions to the Plan totaled \$1,232,072 during the District fiscal year.

<i>TRS</i>	District FY15 Measurement Period	District FY16
Employer contributions (including DBUL)	\$ 4,729,021	\$ 4,448,917
Nonemployer contributions (on-behalf)	199,397,789	11,171,445
<b>Total Contributions</b>	<b>\$ 204,126,810</b>	<b>\$ 15,620,362</b>

In addition, employee contributions to the Plan totaled \$5,450,749 during the District fiscal year.

# Matanuska-Susitna Borough School District

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

### Notes to Basic Financial Statements

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

At June 30, 2016, 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	\$ 62,250,192	\$ 88,361,932
State's proportionate share of NPL associated with the District	16,670,606	141,230,415
<b>Total Net Pension Liability</b>	<b>\$ 78,920,798</b>	<b>\$ 229,592,347</b>

The net pension liabilities were measured as of June 30, 2015, 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, 2015 for PERS was 1.28351 percent, which was an increase of 0.60531 percent, from its proportion as of the prior measurement date. For TRS the District's proportion was 4.74949 percent, representing an increase of 2.88232 percent, from the prior year.

For the year ended June 30, 2016, the District recognized pension expense of \$17,856,078 for PERS and \$19,894,842 for TRS. In addition, the District recognized on-behalf revenue from the State of Alaska in the amounts of \$2,302,158 and \$18,285,337 for PERS and TRS, respectively. At June 30, 2016, 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	\$ 72,560	\$ (141,640)
Changes in assumptions	7,542,090	-
Net difference between projected and actual earnings on pension plan investments	-	(2,400,348)
Changes in proportion and differences between District contributions and proportionate share of contributions	19,339,380	(62,869)
District contributions subsequent to the measurement date	7,618,771	-
<b>Total Deferred Outflows and Deferred Inflows</b>	<b>\$ 34,572,801</b>	<b>\$ (2,604,857)</b>

# Matanuska-Susitna Borough School District

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

### Notes to Basic Financial Statements

The \$7,618,771 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,*

2017	\$ 22,487,642
2018	607,642
2019	(1,827,136)
2020	3,081,025
2021	-
Thereafter	-

#### *Actuarial Assumptions*

The total pension liability for the measurement period ended June 30, 2015 (District fiscal year 2016) was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2015. The actuarial assumptions used in the June 30, 2014 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	Amounts for FY14 and FY13 were allocated to employers based on actual contributions made in FY14 and FY13, respectively.  Amounts for FY15 were allocated to employers based on the projected present value of contributions for FY17-FY39. The liability is expected to go to zero at 2039.
Investment Return / Discount Rate	8.00% per year (geometric), compounded annually, net of expenses for pension; and 4.55% for healthcare
Salary Scale	Inflation - 3.12% per year Productivity - 0.50% per year Teachers in TRS - graded by years of services from 8.11% to 3.87% All others - graded by age and years of service from 8.55% to 4.34%
Total Inflation	Measured by the consumer price index for urban and clerical workers for Anchorage and is assumed to increase 3.12% annually.
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience  Post-termination - 96% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB

# Matanuska-Susitna Borough School District

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

### Notes to Basic Financial Statements

#### *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, 2014 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	1.28351%	\$ 82,756,360	\$ 62,250,192	\$ 44,986,120

<i>TRS</i>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net pension liability	4.74949%	\$ 127,531,829	\$ 88,361,932	\$ 55,538,065

# Matanuska-Susitna Borough School District

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

### Notes to Basic Financial Statements

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#### *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, 2016, 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, 2016 were \$801,380 and \$1,282,207, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2016 were \$2,294,920 and \$2,622,761, respectively.

District contributions are recognized as pension expense/expenditures.

# Matanuska-Susitna Borough School District

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

### 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. In addition, during 2016, the State on-behalf contribution rate for OPEB was 1.56% for PERS and 5.08% for TRS.

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>	Annual	District	% of Costs
<i>Year Ended June 30,</i>	<i>OPEB</i>	<i>Contributions</i>	<i>Contributed</i>
	<i>Costs</i>		
2016	\$ 2,093,355	\$ 2,093,355	100 %
2015	2,189,957	2,189,957	100 %
2014	2,553,904	2,553,904	100 %

On-behalf contributions for PERS OPEB were \$562,200, \$0, and \$1,818,161 for 2016, 2015, and 2014, respectively. Those amounts are not reflected in the OPEB costs in the table above.

<i>TRS</i>	Annual	District	% of Costs
<i>Year Ended June 30,</i>	<i>OPEB</i>	<i>Contributions</i>	<i>Contributed</i>
	<i>Costs</i>		
2016	\$ 3,527,989	\$ 3,527,989	100 %
2015	3,497,974	3,497,974	100 %
2014	3,974,539	3,974,539	100 %

On-behalf contributions for TRS OPEB were \$4,873,599, \$40,450,479, and \$12,558,601 for 2016, 2015, and 2014, respectively. Those amounts are not reflected in the OPEB costs in the table above.

# Matanuska-Susitna Borough School District

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

### Notes to Basic Financial Statements

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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, 2016:

	PERS Tier IV	TRS Tier III
Retiree medical plan	1.68%	2.04%
Occupational death and disability benefits	0.22%	-%
<b>Total Contribution Rates</b>	<b>1.90%</b>	<b>2.04%</b>

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, 2015, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,005 per year for each full-time employee, and \$1.28 per hour for part-time employees for both PERS and TRS.

#### *Annual Postemployment Healthcare Cost*

In 2016, the District contributed \$1,096,848 in DC OPEB costs to PERS and \$1,731,646 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.



# Matanuska-Susitna Borough School District

(A Component Unit of the Matanuska-Susitna Borough)

## Notes to Basic Financial Statements

### *Accounting for Self-Insurance*

For the year ended June 30, 2016, 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, 2015 and 2016 for the workers' compensation plan.

	Workers' Compensation Insurance
<b>Claims Liability at June 30, 2014</b>	<b>\$ 1,077,344</b>
Claims and administration expenses	2,008,942
Claims and administration expenses paid	(1,976,946)
<b>Claims Liability at June 30, 2015</b>	<b>\$ 1,109,340</b>
Claims and administration expenses	1,557,481
Claims and administration expenses paid	(1,981,871)
<b>Claims Liability at June 30, 2016</b>	<b>\$ 684,950</b>

### 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.

# Matanuska-Susitna Borough School District

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

### 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 2016, 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, 2016:

	Major Funds			
	General	Capital Improvements Projects	Nonmajor Funds	Totals
Nonspendable:				
Inventory	\$ 1,193,353	\$ -	\$ 563,139	\$ 1,756,492
Prepaid items	570,484	-	-	570,484
<b>Total nonspendable</b>	<b>1,763,837</b>	<b>-</b>	<b>563,139</b>	<b>2,326,976</b>
Restricted:				
Scholarships	-	-	5,780	5,780
Correspondence program	1,221,455	-	-	1,221,455
<b>Total restricted</b>	<b>1,221,455</b>	<b>-</b>	<b>5,780</b>	<b>1,227,235</b>
Committed:				
Insurance reserve	500,000	-	-	500,000
Construction	-	4,857,129	-	4,857,129
<b>Total committed</b>	<b>500,000</b>	<b>4,857,129</b>	<b>-</b>	<b>5,357,129</b>
Assigned:				
Student transportation	-	-	1,859,118	1,859,118
Food services	-	-	-	-
SV fire damage reclamation	-	-	-	-
<b>Total assigned</b>	<b>-</b>	<b>-</b>	<b>1,859,118</b>	<b>1,859,118</b>
<b>Unassigned</b>	<b>11,230,141</b>	<b>-</b>	<b>-</b>	<b>11,230,141</b>
<b>Total Fund Balances</b>	<b>\$ 14,715,433</b>	<b>\$ 4,857,129</b>	<b>\$ 2,428,037</b>	<b>\$ 22,000,599</b>

# Matanuska-Susitna Borough School District

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

### Notes to Basic Financial Statements

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#### 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 74 - Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* - Effective for year-end June 30, 2017, with earlier application encouraged - This statement contains financial reporting guidelines for Postemployment Benefit Plans. This is the Plan side requirements applicable to OPEB benefits and generally brings the OPEB reporting rules into alignment with the new GASB 67 Pension rules.

*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 77 - Tax Abatement Disclosures* - Effective for year-end June 30, 2017 - This statement requires local governments to provide financial disclosures relating to tax abatements affecting the government. This includes information about abatement agreements entered into directly by the government, including conditions and criteria under which taxes can be abated, and the type and dollar amount of the tax. In addition, the statement requires disclosure of tax abatements issued by other governments that affect the local government's revenue recognition and reporting.

*GASB 78 - Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* - Effective for year-end June 30, 2017 - This statement amends the scope and applicability of GASB 68 to exclude pensions provided to employees through a cost-sharing multiple-employer defined benefit pension plan that is (1) not a state or local government pension plan, (2) used to provide defined benefit pensions to employees of both government and non-government employers, and (3) has no predominant state or local government employer, either individually or collectively with other governmental employers providing pensions in the plan.

*GASB 79 - Certain External Investment Pools and Pool Participants* - Effective for year-end June 30, 2016 - This statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

*GASB 82 - Pension-Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73* - Effective for year-end June 30, 2017, with earlier application encouraged - This statement further amends prior pension reporting to redefine "covered payroll" for required supplementary information, clarifies deviations from Actuarial standards, and clarifies the classification of employer-paid member contributions.

## Required Supplementary Information

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**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**

	Budget			Variance with
Year Ended June 30, 2016	Original	Final	Actual	Final Budget
Revenues				
Local sources:				
Borough appropriation	\$ 52,680,472	\$ 58,560,907	\$ 52,665,941	\$ (5,894,966)
Other	475,002	2,381,768	2,497,500	115,732
State of Alaska	174,174,410	181,542,322	182,011,451	469,129
Federal grants	1,742,384	3,169,200	3,504,324	335,124
Total Revenues	229,072,268	245,654,197	240,679,216	(4,974,981)
Expenditures				
Current:				
Instruction	104,981,169	104,030,427	102,766,001	1,264,426
Special education instruction	36,037,724	36,293,211	36,142,304	150,907
Special education support services - students	13,699,488	14,539,126	14,770,451	(231,325)
Support services - students	10,146,230	9,675,811	9,446,012	229,799
Support services - instruction	7,935,071	13,980,858	10,384,382	3,596,476
School administration	9,017,250	9,562,683	9,668,211	(105,528)
School administration support services	9,761,899	10,035,167	10,699,171	(664,004)
District administration	1,498,250	1,690,005	1,839,404	(149,399)
District administration support services	10,697,849	10,381,945	14,606,843	(4,224,898)
Operations and maintenance of plant	25,933,266	27,076,770	25,812,703	1,264,067
Student activities	4,282,935	4,676,502	3,534,412	1,142,090
Student transportation	-	763,040	786,645	(23,605)
Food services	-	-	6,748	(6,748)
Construction and facilities acquisition	-	160,391	160,391	-
Total Expenditures	233,991,131	242,865,936	240,623,678	2,242,258
Excess (deficiency) of revenues over expenditures	(4,918,863)	2,788,261	55,538	(2,732,723)
Other Financing Uses -				
Transfers out	(976,099)	(765,301)	(2,646,100)	(1,880,799)
Net change in fund balance	\$ (5,894,962)	\$ 2,022,960	\$ (2,590,562)	\$ (4,613,522)
Fund Balance, beginning of year			17,305,995	
Fund Balance, end of year			\$ 14,715,433	

*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		District's		Total		District's		District's		Plan Fiduciary	
		Proportion of the Net Pension Liability	Share of the Net Pension Liability	Proportion Share of the Net Pension Liability	Share of the Net Pension Liability	Share of the Net Pension Liability	Share of the Net Pension Liability	Net Pension Liability	Net Pension Liability	Covered Payroll	Percentage of Payroll	Liability as a Percentage of Payroll	Share of the Net Pension Liability as a Percentage of Payroll	Net Position as a Percentage of the Total Pension Liability	
2015	0.67819877%	\$	31,632,130	\$	28,809,640	\$	60,441,770	\$	28,697,672	110%				62.37%	
2016	1.28351000%	\$	62,250,192	\$	16,670,606	\$	78,920,798	\$	30,298,959	205%				63.96%	

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**

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	Contributions Relative to the Contractually Required Contribution			
2015	\$ 2,902,874	\$ 2,902,874	\$	-	\$ 30,298,959	9.581%
2016	\$ 3,169,854	\$ 3,169,854	\$	-	\$ 32,540,635	9.741%

See accompanying notes to Required Supplementary Information.

Years Ended June 30,	District's Proportion of the Net Pension Liability	District's			State of Alaska			District's			State of Alaska			District's			Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
		Proportionate Share of the Net Pension Liability as a Percentage of Payroll	District's Covered Payroll	Total Net Pension Liability	Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability	District's Covered Payroll	Total Net Pension Liability	Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability							
2015	1.86717332%	\$	55,997,692	\$	295,698,194	\$	351,695,886	\$	88,788,045	63%						55.70%	
2016	4.74949000%	\$	88,361,932	\$	141,230,415	\$	229,592,347	\$	92,055,028	96%						73.82%	

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

**Teacher 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			
2015	\$ 4,729,021	\$ 4,729,021	\$ -	\$ 92,055,028	5.137%
2016	\$ 4,448,917	\$ 4,448,917	\$ -	\$ 95,217,509	4.672%

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

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#### 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, 2016, the Plan measurement date is June 30, 2015.

There was a material change in the allocation methodology from the prior measurement period. The measurement period ended June 30, 2014 allocated the net pension liability based on actual contributions for 2014. The measurement period ended June 30, 2015 allocated the net pension liability based on the present value of contributions for FY2017-FY2039, as determined by projections based on the June 30, 2014 actuarial valuation.

#### 3. Schedule of District Contributions - Public Employees Retirement System

This table reports the District's pension contributions to PERS during fiscal year 2015. These contributions are reported as a deferred outflow on the June 30, 2016 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, 2016, the Plan measurement date is June 30, 2014.

There was a material change in the allocation methodology from the prior measurement period. The measurement period ended June 30, 2014 allocated the net pension liability based on actual contributions for 2014. The measurement period ended June 30, 2015 allocated the net pension liability based on the present value of contributions for FY2017-FY2039, as determined by projections based on the June 30, 2014 actuarial valuation.

#### 5. Schedule of District Contributions - Teachers Retirement System

This table reports the District's pension contributions to TRS during fiscal year 2015. These contributions are reported as a deferred outflow on the June 30, 2016 basic financial statements.

All four pension tables are intended to present 10 years of information. Additional years' 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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**MATANUSKA  
SUSITNA**  
BOROUGH SCHOOL  
DISTRICT

*We prepare all students for success*

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

**General (School Operating) Fund**  
**Balance Sheet**

<i>June 30,</i>	2016	2015
<b>Assets</b>		
Cash and investments	\$ 15,182,293	\$ 18,620,008
Accounts receivable - other	1,154,314	194,215
Inventory	1,193,353	1,085,529
Prepaid items	570,484	538,017
Due from other funds	6,115,206	5,902,466
<b>Total Assets</b>	<b>\$ 24,215,650</b>	<b>\$ 26,340,235</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 2,241,981	\$ 3,386,034
Accrued payroll and related liabilities	7,256,961	5,644,419
Unearned revenue	1,275	3,787
<b>Total Liabilities</b>	<b>9,500,217</b>	<b>9,034,240</b>
<b>Fund Balance</b>		
Nonspendable	1,763,837	1,623,546
Restricted	1,221,455	903,914
Committed	500,000	500,000
Unassigned	11,230,141	14,278,535
<b>Total Fund Balance</b>	<b>14,715,433</b>	<b>17,305,995</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 24,215,650</b>	<b>\$ 26,340,235</b>

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

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

<i>Years Ended June 30,</i>	2016			2015
	Budget	Actual	Variance with Budget	Actual
<b>Revenues</b>				
Local sources:				
Borough appropriation	\$ 58,560,907	\$ 52,665,941	\$ (5,894,966)	\$ 51,291,720
Facility use	125,001	154,728	29,727	162,505
Other local reimbursement	1,800,000	1,797,802	(2,198)	1,669,618
Other	456,767	544,970	88,203	268,359
<b>Total local sources</b>	<b>60,942,675</b>	<b>55,163,441</b>	<b>(5,779,234)</b>	<b>53,392,202</b>
State sources:				
PERS on behalf	1,758,714	1,875,047	116,333	13,941,378
TRS on behalf	15,692,384	16,045,044	352,660	239,848,269
Public school funding	164,091,224	164,091,360	136	155,573,837
House Bill 278	-	-	-	5,300,487
<b>Total state sources</b>	<b>181,542,322</b>	<b>182,011,451</b>	<b>469,129</b>	<b>414,663,971</b>
Federal sources:				
E-rate	2,723,486	2,437,337	(286,149)	1,222,684
Medicaid reimbursement	445,714	1,066,987	621,273	1,150,746
<b>Total federal sources</b>	<b>3,169,200</b>	<b>3,504,324</b>	<b>335,124</b>	<b>2,373,430</b>
<b>Total Revenues</b>	<b>245,654,197</b>	<b>240,679,216</b>	<b>(4,974,981)</b>	<b>470,429,603</b>
<b>Expenditures</b>				
Current:				
Instruction	104,030,427	102,766,001	1,264,426	234,628,175
Special education instruction	36,293,211	36,142,304	150,907	69,529,884
Special education support services - students	14,539,126	14,770,451	(231,325)	29,644,007
Support services - students	9,675,811	9,446,012	229,799	21,303,655
Support services - instruction	13,980,858	10,384,382	3,596,476	22,956,328
School administration	9,562,683	9,668,211	(105,528)	23,566,567
School administration support services	10,035,167	10,699,171	(664,004)	12,078,209
District administration	1,690,005	1,839,404	(149,399)	3,401,874
District administration support services	10,381,945	14,606,843	(4,224,898)	11,883,489
Operations and maintenance of plant	27,076,770	25,812,703	1,264,067	25,945,340
Student activities	4,676,502	3,534,412	1,142,090	7,291,546
Student transportation	763,040	786,645	(23,605)	5,964
Food services	-	-	-	824
Construction and facilities acquisition	-	6,748	(6,748)	8,168
	160,391	160,391	-	-
<b>Total Expenditures</b>	<b>242,865,936</b>	<b>240,623,678</b>	<b>2,242,258</b>	<b>462,244,030</b>
Excess of revenues over expenditures	2,788,261	55,538	(2,732,723)	8,185,573
<b>Other Financing Uses -</b>				
Transfers out	(765,301)	(2,646,100)	(1,880,799)	(3,692,367)
Net change in fund balance	<u>\$ 2,022,960</u>	<u>(2,590,562)</u>	<u>\$ (4,613,522)</u>	<u>4,493,206</u>
Fund Balance, beginning of year		<u>17,305,995</u>		<u>12,812,789</u>
Fund Balance, end of year		<u>\$ 14,715,433</u>		<u>\$ 17,305,995</u>

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

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

<i>Years Ended June 30,</i>	2016			2015
	Budget	Actual	Variance with Budget	Actual
<b>Expenditures</b>				
Instruction:				
Certificated salaries	\$ 56,060,620	\$ 56,436,449	\$ (375,829)	\$ 54,467,247
Non-certificated salaries	3,158,511	3,254,837	(96,326)	2,696,925
Employee benefits	32,837,711	32,668,352	169,359	167,704,922
Professional and technical services	367,086	18,204	348,882	10,910
Staff travel	113,989	56,144	57,845	191,155
Student travel	141,643	138,800	2,843	106,610
Utility services	2,400	752	1,648	1,097
Other purchased services	2,071,648	1,689,830	381,818	1,310,378
Insurance and bond premiums	1,100	536	564	-
Supplies, materials and media	9,096,016	8,363,452	732,564	7,993,650
Other expenditures	66,344	91,358	(25,014)	50,245
Equipment	113,359	47,287	66,072	95,036
<b>Total instruction</b>	<b>104,030,427</b>	<b>102,766,001</b>	<b>1,264,426</b>	<b>234,628,175</b>
Special education instruction:				
Certificated salaries	13,297,937	13,334,236	(36,299)	13,178,485
Non-certificated salaries	8,923,103	9,008,374	(85,271)	8,546,786
Employee benefits	13,836,070	13,609,914	226,156	47,681,713
Professional and technical services	34,837	28,472	6,365	20,120
Staff travel	720	708	12	4,585
Student travel	4,500	4,362	138	694
Other purchased services	5,579	4,634	945	4,335
Supplies, materials and media	189,965	151,073	38,892	93,166
Other expenditures	500	531	(31)	-
<b>Total special education instruction</b>	<b>36,293,211</b>	<b>36,142,304</b>	<b>150,907</b>	<b>69,529,884</b>
Special education support services - students:				
Certificated salaries	6,413,122	6,476,185	(63,063)	5,986,196
Non-certificated salaries	1,420,562	1,408,070	12,492	1,400,985
Employee benefits	4,315,246	4,433,060	(117,814)	19,649,140
Professional and technical services	1,888,197	2,076,077	(187,880)	1,913,940
Staff travel	179,837	120,449	59,388	175,142
Student travel	10,750	6,813	3,937	5,773
Utility services	-	-	-	40
Other purchased services	43,800	79,795	(35,995)	86,574
Supplies, materials and media	131,112	125,661	5,451	258,232
Tuition and stipends	91,500	5,280	86,220	97,500
Other expenditures	45,000	39,061	5,939	60,481
Equipment	-	-	-	10,004
<b>Total special education support services - students</b>	<b>14,539,126</b>	<b>14,770,451</b>	<b>(231,325)</b>	<b>29,644,007</b>

**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,	2016			2015
	Budget	Actual	Variance with Budget	Actual
<b>Expenditures, continued</b>				
Support services - students:				
Certificated salaries	\$ 4,809,887	\$ 4,768,270	\$ 41,617	\$ 4,530,921
Non-certificated salaries	1,325,660	1,221,218	104,442	1,251,592
Employee benefits	3,132,396	3,252,887	(120,491)	15,292,825
Professional and technical services	170,588	97,995	72,593	131,926
Staff travel	13,108	9,712	3,396	7,487
Other purchased services	48,250	36,026	12,224	31,497
Supplies, materials and media	112,182	59,111	53,071	57,091
Other expenditures	50,740	793	49,947	316
Equipment	13,000	-	13,000	-
<b>Total support services - students</b>	<b>9,675,811</b>	<b>9,446,012</b>	<b>229,799</b>	<b>21,303,655</b>
Support services - instruction:				
Certificated salaries	4,539,103	4,593,719	(54,616)	4,549,119
Non-certificated salaries	202,201	192,078	10,123	168,106
Employee benefits	2,437,900	2,560,909	(123,009)	15,507,085
Professional and technical services	281,137	180,062	101,075	113,399
Staff travel	120,282	90,432	29,850	75,649
Student travel	20,000	1,800	18,200	12,619
Utility services	1,853,595	1,843,976	9,619	1,479,117
Other purchased services	2,474,570	119,065	2,355,505	543,472
Supplies, materials and media	1,282,339	615,807	666,532	472,579
Other expenditures	65,195	161,080	(95,885)	35,183
Equipment	704,536	25,454	679,082	-
<b>Total support services - instruction</b>	<b>13,980,858</b>	<b>10,384,382</b>	<b>3,596,476</b>	<b>22,956,328</b>
School administration:				
Certificated salaries	6,357,378	6,442,745	(85,367)	6,062,473
Non-certificated salaries	5,687	11,477	(5,790)	8,831
Employee benefits	3,032,505	3,069,891	(37,386)	17,360,893
Professional and technical services	1,804	1,804	-	-
Staff travel	94,536	83,867	10,669	92,795
Other purchased services	40,073	37,868	2,205	695
Supplies, materials and media	27,900	18,259	9,641	35,075
Other expenditures	2,800	2,300	500	5,805
Equipment	-	-	-	-
<b>Total school administration</b>	<b>9,562,683</b>	<b>9,668,211</b>	<b>(105,528)</b>	<b>23,566,567</b>
School administration support services:				
Non-certificated salaries	5,672,024	5,730,820	(58,796)	5,533,204
Employee benefits	3,968,286	3,930,182	38,104	5,696,621
Professional and technical services	52,300	58,150	(5,850)	61,350
Staff travel	6,469	5,641	828	5,877
Utility services	69,562	53,974	15,588	53,993
Other purchased services	38,326	31,561	6,765	31,604
Supplies, materials and media	227,554	280,048	(52,494)	200,425
Other expenditures	646	608,795	(608,149)	495,135
<b>Total school administration support services</b>	<b>10,035,167</b>	<b>10,699,171</b>	<b>(664,004)</b>	<b>12,078,209</b>



**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,	2016			2015
	Budget	Actual	Variance with Budget	Actual
<b>Expenditures, continued</b>				
District administration:				
Certificated salaries	\$ 341,988	\$ 536,934	\$ (194,946)	\$ 462,870
Non-certificated salaries	283,119	361,481	(78,362)	353,600
Employee benefits	402,640	554,751	(152,111)	2,173,394
Professional and technical services	11,500	-	11,500	-
Staff travel	100,119	62,110	38,009	77,503
Student travel	2,291	2,291	-	2,165
Other purchased services	483,800	264,046	219,754	283,483
Supplies, materials and media	33,000	26,189	6,811	22,713
Other expenditures	31,548	31,602	(54)	26,146
<b>Total district administration</b>	<b>1,690,005</b>	<b>1,839,404</b>	<b>(149,399)</b>	<b>3,401,874</b>
District administration support services:				
Certificated salaries	41,738	13,272	28,466	27,980
Non-certificated salaries	5,004,332	5,141,455	(137,123)	4,615,144
Employee benefits	3,006,669	4,377,988	(1,371,319)	4,384,388
Professional and technical services	370,200	259,446	110,754	286,978
Staff travel	142,400	65,914	76,486	99,900
Utility services	5,000	3,177	1,823	1,825
Other purchased services	256,502	2,287,461	(2,030,959)	926,737
Insurance and bond premiums	613,634	719,821	(106,187)	447,664
Supplies, materials and media	812,160	1,381,903	(569,743)	1,438,142
Other expenditures	1,115,166	76,430	1,038,736	149,746
Equipment	950	795,653	(794,703)	148,939
<b>Total district administration support services</b>	<b>11,368,751</b>	<b>15,122,520</b>	<b>(3,753,769)</b>	<b>12,527,443</b>
Less indirect cost recovery	(986,806)	(515,677)	(471,129)	(643,954)
<b>Net district administration support services</b>	<b>10,381,945</b>	<b>14,606,843</b>	<b>(4,224,898)</b>	<b>11,883,489</b>
Operations and maintenance of plant:				
Non-certificated salaries	7,311,238	7,378,729	(67,491)	7,010,571
Employee benefits	4,658,730	4,603,935	54,795	6,828,341
Professional and technical services	25,500	25,910	(410)	-
Staff travel	10,250	8,778	1,472	14,880
Utility services	438,910	429,158	9,752	388,433
Energy	5,306,996	5,370,293	(63,297)	5,159,703
Other purchased services	5,254,390	4,277,194	977,196	3,589,470
Insurance and bond premiums	1,856,574	1,588,866	267,708	1,363,358
Supplies, materials and media	2,056,727	1,959,349	97,378	1,382,954
Other expenditures	6,344	6,299	45	5,490
Equipment	151,111	164,192	(13,081)	202,140
<b>Total operations and maintenance of plant</b>	<b>27,076,770</b>	<b>25,812,703</b>	<b>1,264,067</b>	<b>25,945,340</b>

**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,	2016			2015
	Budget	Actual	Variance with Budget	Actual
<b>Expenditures, continued</b>				
Student activities:				
Certificated salaries	\$ 2,202,911	\$ 1,646,298	\$ 556,613	\$ 1,461,376
Non-certificated salaries	593,919	573,414	20,505	502,035
Employee benefits	1,056,754	620,601	436,153	4,009,393
Professional and technical services	-	-	-	-
Staff travel	2,067	2,801	(734)	137
Student travel	584,845	506,561	78,284	463,884
Other purchased services	105,834	85,819	20,015	769,418
Supplies, materials and media	60,015	30,653	29,362	20,123
Other expenditures	70,157	68,265	1,892	65,180
<b>Total student activities</b>	<b>4,676,502</b>	<b>3,534,412</b>	<b>1,142,090</b>	<b>7,291,546</b>
Student transportation:				
Student travel	1,183	7,392	(6,209)	1,136
Other purchased services	761,857	779,253	(17,396)	4,828
<b>Total student transportation</b>	<b>763,040</b>	<b>786,645</b>	<b>(23,605)</b>	<b>5,964</b>
Community services - supplies, materials and media	-	-	-	824
Food services:				
Non-certificated salaries	-	5,676	(5,676)	6,628
Employee benefits	-	1,072	(1,072)	1,540
<b>Total food services</b>	<b>-</b>	<b>6,748</b>	<b>(6,748)</b>	<b>8,168</b>
Construction and facilities acquisition				
Capital outlay	160,391	160,391	-	-
<b>Total construction and facilities acquisition</b>	<b>160,391</b>	<b>160,391</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 242,865,936</b>	<b>\$ 240,623,678</b>	<b>\$ 2,242,258</b>	<b>\$ 462,244,030</b>



**MATANUSKA  
SUSITNA**  
BOROUGH SCHOOL  
DISTRICT

*We prepare all students for success*

## **Special Revenue Funds**

**Capital Improvement Funds** account for expenditures for major equipment and infrastructure improvements.

**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. Financing is provided by user fees and funds received for the National School Lunch and Breakfast Programs.

**Pupil Transportation Fund** accounts for the operations of the school district's student transportation program.

**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, 2016*

<b>Revenues</b>	<b>\$ -</b>
<b>Expenditures</b>	
Instruction	
Certificated salaries	20,571
Employee Benefits	3,053
<b>Total Instruction</b>	<b>23,624</b>
Construction and facilities acquisition:	
Non-certificated salaries	133,790
Employee benefits	50,512
Professional and technical services	48,142
Other purchased services	1,119,589
Supplies, materials and media	1,127,701
Capital outlay	239,609
Equipment	1,019,024
Other capital outlay	10,000
<b>Total construction and facilities acquisition</b>	<b>3,748,367</b>
<b>Total Expenditures</b>	<b>3,771,991</b>
<b>Other Financing Sources - transfers in</b>	<b>1,975,000</b>
Net change in fund balance	(1,796,991)
<b>Fund Balance, beginning of year</b>	<b>6,654,120</b>
<b>Fund Balance, end of year</b>	<b>\$ 4,857,129</b>

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

**Nonmajor Governmental Funds**  
**Combining Balance Sheet**

	Special Revenue Funds							
	Student Trans- portation	ANSEP Digital Plan	Staff Develop- ment	Suicide Awareness, Prevention & Postvention	Youth in Detention	Obesity Prevention K-12	Artists in Schools	LEG Grants Direct Small
<i>June 30, 2016</i>								
<b>Assets</b>								
Cash and investments	\$ 1,905,270	\$ -	\$ -	\$ -	\$ 294,116	\$ -	\$ 3,764	\$ -
Accounts receivable:								
Federal and state grants	-	55,699	216	801	-	106,429	-	5,880
Other	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,905,270</b>	<b>\$ 55,699</b>	<b>\$ 216</b>	<b>\$ 801</b>	<b>\$ 294,116</b>	<b>\$ 106,429</b>	<b>\$ 3,764</b>	<b>\$ 5,880</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 132,797	\$ -	\$ -	\$ -	\$ 168	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	293,948	-	3,764	-
Due to other funds	-	55,699	216	801	-	106,429	-	5,880
<b>Total Liabilities</b>	<b>132,797</b>	<b>55,699</b>	<b>216</b>	<b>801</b>	<b>294,116</b>	<b>106,429</b>	<b>3,764</b>	<b>5,880</b>
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Assigned	1,772,473	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>1,772,473</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,905,270</b>	<b>\$ 55,699</b>	<b>\$ 216</b>	<b>\$ 801</b>	<b>\$ 294,116</b>	<b>\$ 106,429</b>	<b>\$ 3,764</b>	<b>\$ 5,880</b>

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

Exhibit J-1, continued

**Nonmajor Governmental Funds**  
**Combining Balance Sheet, continued**

	Special Revenue Funds, continued							
	LEG Grants Direct Large	Alaska Family Services Tobacco Prevention	Mat-Su Construction Academy	Nutritional Alaskan Foods Program	Fresh Fruits and Vegetables Program	Nutrition Services	Youth Title I-D Delinquent	Risk Behavior Survey
<i>June 30, 2016</i>								
<b>Assets</b>								
Cash and investments	\$ -	\$ -	\$ -	\$ 391,385	\$ -	\$ 196,670	\$ -	\$ 1,105
Accounts receivable:								
Federal and state grants	11,963	-	-	-	3,845	5,367	7,228	-
Other	-	7,293	14,178	-	-	-	-	-
Inventory	-	-	-	-	-	563,139	-	-
<b>Total Assets</b>	<b>\$ 11,963</b>	<b>\$ 7,293</b>	<b>\$ 14,178</b>	<b>\$ 391,385</b>	<b>\$ 3,845</b>	<b>\$ 765,176</b>	<b>\$ 7,228</b>	<b>\$ 1,105</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,198	\$ -	\$ -
Unearned revenue	-	-	-	391,385	-	106,644	-	1,105
Due to other funds	11,963	7,293	14,178	-	3,845	-	7,228	-
<b>Total Liabilities</b>	<b>11,963</b>	<b>7,293</b>	<b>14,178</b>	<b>391,385</b>	<b>3,845</b>	<b>116,842</b>	<b>7,228</b>	<b>1,105</b>
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	563,139	-	-
Restricted	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	85,195	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>648,334</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,963</b>	<b>\$ 7,293</b>	<b>\$ 14,178</b>	<b>\$ 391,385</b>	<b>\$ 3,845</b>	<b>\$ 765,176</b>	<b>\$ 7,228</b>	<b>\$ 1,105</b>

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

Exhibit J-1, continued

**Nonmajor Governmental Funds**  
**Combining Balance Sheet, continued**

	Special Revenue Funds, continued						
			Title II-A,		Carl		IASA
	Alternative	Alaska	Teacher and	Perkins	Title		Consol-
	McKinney	Program	Principal	Vocational	III-A		idated
	Homeless	Grant	Grant	Recruitment	English		Admini-
				Basic	Language		stration
<i>June 30, 2016</i>							
<b>Assets</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Federal and state grants	7,898	34,471	142,815	201,019	232,958	15,507	303,701
Other	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 7,898</b>	<b>\$ 34,471</b>	<b>\$ 142,815</b>	<b>\$ 201,019</b>	<b>\$ 232,958</b>	<b>\$ 15,507</b>	<b>\$ 303,701</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ 1,200	\$ 345	\$ 14	\$ 17,345	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	-
Due to other funds	7,898	33,271	142,470	201,005	215,613	15,507	303,701
<b>Total Liabilities</b>	<b>7,898</b>	<b>34,471</b>	<b>142,815</b>	<b>201,019</b>	<b>232,958</b>	<b>15,507</b>	<b>303,701</b>
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,898</b>	<b>\$ 34,471</b>	<b>\$ 142,815</b>	<b>\$ 201,019</b>	<b>\$ 232,958</b>	<b>\$ 15,507</b>	<b>\$ 303,701</b>



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

**Nonmajor Governmental Funds**  
**Combining Balance Sheet, continued**

	Special Revenue Funds, continued								
	Title I-A	Title VI-B	Learning	UAF Urban	Migrant	Title I-C	Migrant	CEIS	
	Basic	IDEA	Center	Growth	Parent	Migrant	Book	IDEA	
June 30, 2016				Opportunities	Advisor	Education	Program	Part B	
								Title VI-B	
Assets									
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:									
Federal and state grants	946,409	904,091	275,397	85,685	1,923	111,671	300	53,142	
Other	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total Assets	\$ 946,409	\$ 904,091	\$ 275,397	\$ 85,685	\$ 1,923	\$ 111,671	\$ 300	\$ 53,142	
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ 2,282	\$ -	\$ 1,479	\$ -	\$ -	\$ 10,000	\$ -	\$ -	
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to other funds	944,127	904,091	273,918	85,685	1,923	101,671	300	53,142	
Total Liabilities	946,409	904,091	275,397	85,685	1,923	111,671	300	53,142	
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 946,409	\$ 904,091	\$ 275,397	\$ 85,685	\$ 1,923	\$ 111,671	\$ 300	\$ 53,142	

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

Exhibit J-1, continued

**Nonmajor Governmental Funds**  
**Combining Balance Sheet, continued**

	Special Revenue Funds, continued							
	IDEA Part B Preschool Disabled	Project Aware	Title I-A School Improve- ment	Math Science Partnership	WHS AF JROTC	Indian Education	Contribution from Local Sources	Trapper Creek Community Enrichment
<i>June 30, 2016</i>								
<b>Assets</b>								
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,810	\$ 5,258
Accounts receivable:								
Federal and state grants	29,802	150,068	9,324	91,820	5,542	115,755	-	-
Other	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 29,802</b>	<b>\$ 150,068</b>	<b>\$ 9,324</b>	<b>\$ 91,820</b>	<b>\$ 5,542</b>	<b>\$ 115,755</b>	<b>\$ 79,810</b>	<b>\$ 5,258</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ 323	\$ -	\$ 25,980	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	79,810	5,258
Due to other funds	29,802	150,068	9,324	91,497	5,542	89,775	-	-
<b>Total Liabilities</b>	<b>29,802</b>	<b>150,068</b>	<b>9,324</b>	<b>91,820</b>	<b>5,542</b>	<b>115,755</b>	<b>79,810</b>	<b>5,258</b>
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 29,802</b>	<b>\$ 150,068</b>	<b>\$ 9,324</b>	<b>\$ 91,820</b>	<b>\$ 5,542</b>	<b>\$ 115,755</b>	<b>\$ 79,810</b>	<b>\$ 5,258</b>

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

Exhibit J-1, continued

**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, 2016								
Assets								
Cash and investments	\$ 849	\$ 8,854	\$ 10,133	\$ 563	\$ 60,175	\$ 3,322	\$ 4,727	
Accounts receivable:								
Federal and state grants	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Inventory	-	-	-	-	-	-	-	
Total Assets	\$ 849	\$ 8,854	\$ 10,133	\$ 563	\$ 60,175	\$ 3,322	\$ 4,727	
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ -	\$ -	
Unearned revenue	849	8,854	10,133	563	59,879	3,322	4,727	
Due to other funds	-	-	-	-	-	-	-	
Total Liabilities	849	8,854	10,133	563	60,175	3,322	4,727	
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	
Restricted	-	-	-	-	-	-	-	
Assigned	-	-	-	-	-	-	-	
Total Fund Balances	-	-	-	-	-	-	-	
Total Liabilities and Fund Balances	\$ 849	\$ 8,854	\$ 10,133	\$ 563	\$ 60,175	\$ 3,322	\$ 4,727	

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

**Nonmajor Governmental Funds**  
**Combining Balance Sheet, continued**

	Special Revenue Funds, continued			Capital Projects Funds			
	Fred Meyers Coin Boxes	SV Fire Damage Reclamation	RJ Jones Memorial Fund	Legislative Grants Small	Legislative Grants Large	Bond Reimburse- ment	Totals
<i>June 30, 2016</i>							
<b>Assets</b>							
Cash and investments	\$5,061	\$ 1,450	\$ 5,780	\$ -	\$ 52,186	\$ -	\$ 3,030,478
Accounts receivable:							
Federal and state grants	-	-	-	-	-	-	3,916,726
Other	-	-	-	14,036	87,117	457,556	580,180
Inventory	-	-	-	-	-	-	563,139
<b>Total Assets</b>	<b>\$5,061</b>	<b>\$ 1,450</b>	<b>\$ 5,780</b>	<b>\$ 14,036</b>	<b>\$ 139,303</b>	<b>\$ 457,556</b>	<b>\$ 8,090,523</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 3,920	\$ 22,960	\$ 71,669	\$ 300,976
Unearned revenue	5,061	-	-	-	116,343	-	1,091,645
Due to other funds	-	-	-	10,116	-	385,887	4,269,865
<b>Total Liabilities</b>	<b>5,061</b>	<b>-</b>	<b>-</b>	<b>14,036</b>	<b>139,303</b>	<b>457,556</b>	<b>5,662,486</b>
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	-	563,139
Restricted	-	-	5,780	-	-	-	5,780
Assigned	-	1,450	-	-	-	-	1,859,118
<b>Total Fund Balances</b>	<b>-</b>	<b>1,450</b>	<b>5,780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,428,037</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$5,061</b>	<b>\$ 1,450</b>	<b>\$ 5,780</b>	<b>\$ 14,036</b>	<b>\$ 139,303</b>	<b>\$ 457,556</b>	<b>\$ 8,090,523</b>

**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	Early Literacy K-3	ANSEP Digital Plan	Staff Development	Suicide Awareness, Prevention & Postvention	Youth in Detention	Obesity Prevention K-12	LEG Grants Direct Small
<i>Year Ended June 30, 2016</i>								
<b>Revenues</b>								
Local sources:								
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough capital projects	-	-	-	-	-	-	-	-
Total local sources	-	-	-	-	-	-	-	-
State of Alaska	16,591,987	42,416	251,695	-	24,275	28,196	38,500	\$12,056
Federal sources:								
Direct from federal government	-	-	-	-	-	-	-	-
Passed through the State of Alaska	-	-	-	5,325	-	-	86,081	-
Passed through other intermediate agencies	-	-	-	-	-	-	-	-
Total federal sources	-	-	-	5,325	-	-	86,081	-
<b>Total Revenues</b>	<b>16,591,987</b>	<b>42,416</b>	<b>251,695</b>	<b>5,325</b>	<b>24,275</b>	<b>28,196</b>	<b>124,581</b>	<b>12,056</b>
<b>Expenditures</b>								
Current:								
Instruction	-	-	200,323	-	-	-	-	-
Special education instruction	-	-	-	-	-	27,414	-	-
Special education support services - students	-	-	-	-	-	782	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	-	42,416	-	5,325	23,326	-	119,709	12,056
School administration	-	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	-
District administration support services	-	-	-	-	949	-	4,872	-
Operations and maintenance of plant	36,232	-	-	-	-	-	-	-
Student transportation	16,265,183	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	51,372	-	-	-	-	-
<b>Total Expenditures</b>	<b>16,301,415</b>	<b>42,416</b>	<b>251,695</b>	<b>5,325</b>	<b>24,275</b>	<b>28,196</b>	<b>124,581</b>	<b>12,056</b>
Excess (deficiency) of revenues over expenditures	290,572	-	-	-	-	-	-	-
Other Financing Sources - transfers in	-	-	-	-	-	-	-	-
Net change in fund balances	290,572	-	-	-	-	-	-	-
Fund Balances, beginning of year	1,481,901	-	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	<b>\$ 1,772,473</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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						
	LEG Grants Direct Large	Alaska Family Services Tobacco Prevention	Mat-Su Construction Academy	Nutritional Alaskan Foods Program	Fresh Fruits and Vegetables Program	Nutrition Services	Title I-D Delinquent
<i>Year Ended June 30, 2016</i>							
<b>Revenues</b>							
Local sources:							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,039,643	\$ -
Borough capital projects	-	-	-	-	-	-	-
<b>Total local sources</b>	-	-	-	-	-	1,039,643	-
State of Alaska	75,883	108,027	78,158	85,231	-	-	-
Federal sources:							
Direct from federal government	-	-	-	-	-	190,284	-
Passed through the State of Alaska	-	-	-	-	92,827	4,970,308	23,702
Passed through other intermediate agencies	-	-	-	-	-	-	-
<b>Total federal sources</b>	-	-	-	-	92,827	5,160,592	23,702
<b>Total Revenues</b>	<b>75,883</b>	<b>108,027</b>	<b>78,158</b>	<b>85,231</b>	<b>92,827</b>	<b>6,200,235</b>	<b>23,702</b>
<b>Expenditures</b>							
Current:							
Instruction	-	-	75,102	-	-	-	-
Special education instruction	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-
Support services - instruction	75,883	108,027	-	-	-	-	22,775
School administration	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-
District administration support services	-	-	3,056	-	-	-	927
Operations and maintenance of plant	-	-	-	-	-	254,418	-
Student transportation	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Food services	-	-	-	85,231	92,827	6,616,917	-
Construction and facilities acquisition	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>75,883</b>	<b>108,027</b>	<b>78,158</b>	<b>85,231</b>	<b>92,827</b>	<b>6,871,335</b>	<b>23,702</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	(671,100)	-
<b>Other Financing Sources - transfers in</b>	-	-	-	-	-	671,100	-
Net change in fund balances	-	-	-	-	-	-	-
<b>Fund Balances, beginning of year</b>	-	-	-	-	-	648,334	-
<b>Fund Balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 648,334</b>	<b>\$ -</b>

**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					
	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, 2016</i>						
<b>Revenues</b>						
Local sources:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough capital projects	-	-	-	-	-	-
<b>Total local sources</b>	-	-	-	-	-	-
State of Alaska	-	57,978	439,662	-	-	-
Federal sources:						
Direct from federal government	-	-	-	-	-	-
Passed through the State of Alaska	43,297	-	-	795,709	422,620	51,435
Passed through other intermediate agencies	-	-	-	-	-	-
<b>Total federal sources</b>	43,297	-	-	795,709	422,620	51,435
<b>Total Revenues</b>	43,297	57,978	439,662	795,709	422,620	51,435
<b>Expenditures</b>						
Current:						
Instruction	-	-	422,467	-	407,129	-
Special education instruction	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-
Support services - instruction	41,604	55,711	-	764,590	-	50,426
School administration	-	-	-	-	-	-
District administration	-	-	-	-	-	-
District administration support services	1,693	2,267	17,195	31,119	15,491	1,009
Operations and maintenance of plant	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Food services	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-
<b>Total Expenditures</b>	43,297	57,978	439,662	795,709	422,620	51,435
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
<b>Other Financing Sources - transfers in</b>	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
<b>Fund Balances, beginning of year</b>	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

	Special Revenue Funds, continued						
	IASA Con- solidated Admin- istration	Title I-A Basic	Title VI-B IDEA	Learning Center	UAF Urban Growth Opportunities	Migrant Education Parent Advisor	Title I-C Migrant Education Summer
<i>Year Ended June 30, 2016</i>							
<b>Revenues</b>							
Local sources:							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough capital projects	-	-	-	-	-	-	-
<b>Total local sources</b>	-	-	-	-	-	-	-
State of Alaska	-	-	-	-	-	-	-
Federal sources:							
Direct from federal government	-	-	-	-	-	-	-
Passed through the State of Alaska	1,140,216	3,124,485	4,219,505	561,021	-	2,114	265,383
Passed through other intermediate agencies	-	-	-	-	256,294	-	-
<b>Total federal sources</b>	1,140,216	3,124,485	4,219,505	561,021	256,294	2,114	265,383
<b>Total Revenues</b>	1,140,216	3,124,485	4,219,505	561,021	256,294	2,114	265,383
<b>Expenditures</b>							
Current:							
Instruction	-	2,758,532	-	539,080	-	2,031	255,005
Special education instruction	-	-	2,762,644	-	-	-	-
Special education support services - students	-	-	1,291,843	-	-	-	-
Support services - students	-	-	-	-	-	-	-
Support services - instruction	612,353	-	-	-	246,271	-	-
School administration	-	243,760	-	-	-	-	-
District administration	483,271	-	-	-	-	-	-
District administration support services	44,592	122,193	165,018	21,941	10,023	83	10,378
Operations and maintenance of plant	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-
<b>Total Expenditures</b>	1,140,216	3,124,485	4,219,505	561,021	256,294	2,114	265,383
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-
Other Financing Sources - transfers in	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-
Fund Balances, beginning of year	-	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**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	Math Science Partnership
<i>Year Ended June 30, 2016</i>						
<b>Revenues</b>						
Local sources:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough capital projects	-	-	-	-	-	-
<b>Total local sources</b>	-	-	-	-	-	-
State of Alaska	-	-	-	-	-	-
Federal sources:						
Direct from federal government	-	-	-	-	-	-
Passed through the State of Alaska agencies	5,983	237,448	84,229	424,009	20,693	252,862
<b>Total federal sources</b>	5,983	237,448	84,229	424,009	20,693	252,862
<b>Total Revenues</b>	5,983	237,448	84,229	424,009	20,693	252,862
<b>Expenditures</b>						
Current:						
Instruction	5,975	-	-	-	-	-
Special education instruction	-	198,366	-	-	-	-
Special education support services - students	-	29,796	80,934	-	-	-
Support services - students	-	-	-	407,427	-	-
Support services - instruction	8	-	-	-	19,883	242,973
School administration	-	-	-	-	-	-
District administration	-	-	-	-	-	-
District administration support services	-	9,286	3,295	16,582	810	9,889
Operations and maintenance of plant	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Food services	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-
<b>Total Expenditures</b>	5,983	237,448	84,229	424,009	20,693	252,862
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
<b>Other Financing Sources - transfers in</b>	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
<b>Fund Balances, beginning of year</b>	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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						
	Title III					Contributions	Trapper
	English	WHS	Indian	Knik	Enanuaq	From	Creek
	Language	AF	Education	Tribal	Preschool	Local	Community
<i>Year Ended June 30, 2016</i>	Acquisition	JROTC		Council	Grant	Sources	Enrichment
	Immigrant						
<b>Revenues</b>							
Local sources:							
Other	\$ -	\$ -	\$ -	\$ 9,518	\$ -	\$ 12,714	\$ 2,801
Borough capital projects	-	-	-	-	-	-	-
<b>Total local sources</b>	-	-	-	9,518	-	12,714	2,801
State of Alaska	-	-	-	-	-	-	-
Federal sources:							
Direct from federal government	-	7,087	554,474	-	26,539	-	-
Passed through the State of Alaska	14,624	-	-	-	-	-	-
Passed through other intermediate agencies	-	-	-	-	-	-	-
<b>Total federal sources</b>	14,624	7,087	554,474	-	26,539	-	-
<b>Total Revenues</b>	14,624	7,087	554,474	9,518	26,539	12,714	2,801
<b>Expenditures</b>							
Current:							
Instruction	-	-	522,678	9,518	25,501	-	-
Special education instruction	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	9,536	-
Support services - students	-	-	-	-	-	-	-
Support services - instruction	14,337	7,087	10,111	-	-	3,178	-
School administration	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-
District administration support services	287	-	21,685	-	1,038	-	-
Operations and maintenance of plant	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	2,801
Food services	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-
<b>Total Expenditures</b>	14,624	7,087	554,474	9,518	26,539	12,714	2,801
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-
<b>Other Financing Sources - transfers in</b>	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-
<b>Fund Balances, beginning of year</b>	-	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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					
	UAA Leap Grant	Talkeetna Community Enrichment	Knik Tribal Federal	Mat-Su Health Foundation	Friends of NRA	Cultural Program
<i>Year Ended June 30, 2016</i>						
<b>Revenues</b>						
Local sources:						
Other	\$ -	\$ 18,053	\$ -	\$ 161,836	\$ 3,729	\$ 6,084
Borough capital projects	-	-	-	-	-	-
<b>Total local sources</b>	-	18,053	-	161,836	3,729	6,084
State of Alaska	-	-	-	-	-	-
Federal sources:						
Direct from federal government	-	-	-	-	-	-
Passed through the State of Alaska	-	-	-	-	-	-
Passed through other intermediate agencies	117	-	2,918	-	-	-
<b>Total federal sources</b>	117	-	2,918	-	-	-
<b>Total Revenues</b>	117	18,053	2,918	161,836	3,729	6,084
<b>Expenditures</b>						
Current:						
Instruction	-	-	2,918	-	-	6,084
Special education instruction	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-
Support services - instruction	117	-	-	161,836	3,729	-
School administration	-	-	-	-	-	-
District administration	-	-	-	-	-	-
District administration support services	-	-	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Community services	-	18,053	-	-	-	-
Food services	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-
<b>Total Expenditures</b>	117	18,053	2,918	161,836	3,729	6,084
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
<b>Other Financing Sources - transfers in</b>	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
<b>Fund Balances, beginning of year</b>	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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**

Year Ended June 30, 2016	Special Revenue Funds, continued		Capital Projects Funds				Totals
	SV Fire Damage Reclam- ation	RJ Jones Memorial Fund	Legislative Grants Small	E-rate Phone Grant	Legislative Grants Large	Bond Reimburse- ment	
<b>Revenues</b>							
Local sources:							
Other	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ 1,254,382
Borough capital projects	-	-	91,714	506,255	1,177,522	3,947,387	5,722,878
<b>Total local sources</b>	-	4	91,714	506,255	1,177,522	3,947,387	6,977,260
State of Alaska	-	-	-	-	-	-	17,834,064
Federal sources:							
Direct from federal government	-	-	-	-	-	-	778,384
Passed through the State of Alaska	-	-	-	-	-	-	16,843,876
Passed through other intermediate agencies	-	-	-	-	-	-	259,329
<b>Total federal sources</b>	-	-	-	-	-	-	17,881,589
<b>Total Revenues</b>	-	4	91,714	506,255	1,177,522	3,947,387	42,692,913
<b>Expenditures</b>							
Current:							
Instruction	-	-	-	-	110,300	-	5,342,643
Special education instruction	-	-	-	-	-	-	2,988,424
Special education support services - students	-	-	-	-	-	-	1,412,891
Support services - students	-	-	-	-	-	-	407,427
Support services - instruction	-	-	-	506,255	-	-	3,149,986
School administration	-	-	-	-	-	-	243,760
District administration	-	-	-	-	-	-	483,271
District administration support services	-	-	-	-	-	-	515,678
Operations and maintenance of plant	1,152	-	24,995	-	-	-	316,797
Student transportation	-	-	-	-	-	-	16,265,183
Community services	-	-	-	-	-	-	20,854
Food services	-	-	-	-	-	-	6,794,975
Construction and facilities acquisition	-	-	66,719	-	1,067,222	3,947,387	5,132,700
<b>Total Expenditures</b>	1,152	-	91,714	506,255	1,177,522	3,947,387	43,074,589
Excess (deficiency) of revenues over expenditures	(1,152)	4	-	-	-	-	(381,676)
Other Financing Sources - transfers in	-	-	-	-	-	-	671,100
Net change in fund balances	(1,152)	4	-	-	-	-	289,424
Fund Balances, beginning of year	2,602	5,776	-	-	-	-	2,138,613
<b>Fund Balances, end of year</b>	\$ 1,450	\$ 5,780	\$ -	\$ -	\$ -	\$ -	\$ 2,428,037

**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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - State of Alaska</b>	\$ 16,591,987	\$ 16,591,987	\$ -
<b>Expenditures</b>			
Operations and maintenance of plant:			
Utility services	9,747	10,605	(858)
Energy	4,812	4,541	271
Other purchased services	19,819	19,819	-
Insurance and bond premiums	1,267	1,267	-
<b>Total operations and maintenance of plant</b>	<b>35,645</b>	<b>36,232</b>	<b>(587)</b>
Student transportation:			
Non-certificated salaries	261,174	281,510	(20,336)
Employee benefits	136,126	137,124	(998)
Staff travel	1,998	2,019	(21)
Utility services	2,000	348	1,652
Other purchased services	16,110,044	15,824,095	285,949
Supplies, materials and media	26,000	11,389	14,611
Student transportation - in-lieu-of agreements	18,000	8,688	9,312
Other expenditures	1,000	10	990
<b>Total student transportation</b>	<b>16,556,342</b>	<b>16,265,183</b>	<b>291,159</b>
<b>Total Expenditures</b>	<b>16,591,987</b>	<b>16,301,415</b>	<b>290,572</b>
Net change in fund balance	\$ -	290,572	\$ (290,572)
Fund Balance, beginning of year		<u>1,481,901</u>	
Fund Balance, end of year		<u>\$ 1,772,473</u>	

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

**Early Literacy K-3 Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

			Variance with
<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Final Budget
<b>Revenues - State of Alaska</b>	\$ 42,416	\$ 42,416	\$ -
<b>Expenditures</b>			
Support services - instruction - other expenditures	42,416	42,416	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance, beginning of year</b>		<u>-</u>	
<b>Fund Balance, end of year</b>		<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, 2016</i>	Final Budget		Actual	Variance with Final Budget		
Revenues - State of Alaska	\$	395,429	\$	251,695	\$	(143,734)
Expenditures						
Instruction:						
Certificated salaries		86,888		52,071		34,817
Non-certificated salaries		50,623		-		50,623
Employee benefits		49,886		2,875		47,011
Professional and technical services		18,400		-		18,400
Staff travel		20,500		12,536		7,964
Utility services		500		-		500
Supplies, materials, and media		4,000		32,841		(28,841)
Other expenditures		100,000		100,000		-
Total instruction		330,797		200,323		130,474
Construction and facilities acquisition:						
Non-certificated salaries		925		2,087		(1,162)
Employee benefits		80		636		(556)
Other purchased services		17,576		20,221		(2,645)
Supplies, materials and media		39,877		22,254		17,623
Equipment		6,174		6,174		-
Total construction and facilities acquisition		64,632		51,372		13,260
Total Expenditures		395,429		251,695		143,734
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)**

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 20,000	\$ 5,325	\$ (14,675)
<b>Expenditures</b>			
Support services - instruction:			
Staff travel	11,313	5,325	5,988
Other expenditures	8,687	-	8,687
<b>Total Expenditures</b>	20,000	5,325	14,675
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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - State of Alaska</b>	\$ 26,000	\$ 24,275	\$ (1,725)
<b>Expenditures</b>			
Support services - instruction:			
Non-certificated salaries	1,800	1,545	255
Employee benefits	160	115	45
Staff travel	760	759	1
Student travel	2,000	770	1,230
Supplies, materials and media	20,263	20,137	126
<b>Total support services - instruction</b>	<b>24,983</b>	<b>23,326</b>	<b>1,657</b>
District administration support services - indirect costs	1,017	949	68
<b>Total Expenditures</b>	<b>26,000</b>	<b>24,275</b>	<b>1,725</b>
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

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

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - State of Alaska</b>	\$ 322,145	\$ 28,196	\$ (293,949)
<b>Expenditures</b>			
Special education instruction:			
Certificated salaries	-	5,929	(5,929)
Employee benefits	-	891	(891)
Staff travel	61,528	19,368	42,160
Supplies, materials and media	69,672	1,226	68,446
<b>Total special education instruction</b>	<b>131,200</b>	<b>27,414</b>	<b>103,786</b>
Special education support services students:			
Certificated salaries	45,480	-	45,480
Non-certificated salaries	45,895	-	45,895
Employee benefits	11,098	-	11,098
Staff travel	38,472	782	37,690
Other purchases services	50,000	-	50,000
<b>Total special education support services students</b>	<b>190,945</b>	<b>782</b>	<b>190,163</b>
<b>Total Expenditures</b>	<b>322,145</b>	<b>28,196</b>	<b>293,949</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning of year</b>		<b>-</b>	
<b>Fund Balance, end of year</b>		<b>\$ -</b>	

**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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
State of Alaska	\$ 38,500	\$ 38,500	\$ -
Federal education grants passed through the State of Alaska	87,500	86,081	(1,419)
<b>Total Revenues</b>	<b>126,000</b>	<b>124,581</b>	<b>(1,419)</b>
<b>Expenditures</b>			
Support services - instruction:			
Certificated salaries	42,602	46,342	(3,740)
Non-certificated salaries	9,000	6,645	2,355
Employee benefits	2,634	4,665	(2,031)
Professional and technical services	20,000	3,990	16,010
Staff travel	2,000	60	1,940
Student travel	-	315	(315)
Other purchased services	-	1,588	(1,588)
Supplies, materials and media	44,836	56,104	(11,268)
<b>Total support services - instruction</b>	<b>121,072</b>	<b>119,709</b>	<b>1,363</b>
<b>District administration support services - indirect costs</b>	<b>4,928</b>	<b>4,872</b>	<b>56</b>
<b>Total Expenditures</b>	<b>126,000</b>	<b>124,581</b>	<b>1,419</b>
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)**

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - State of Alaska</b>	\$ 52,210	\$ 12,056	\$ (40,154)
<b>Expenditures</b>			
Support services - instruction - supplies, materials and media	52,210	12,056	40,154
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 Large Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - State of Alaska</b>	\$ 350,930	\$ 75,883	\$ (275,047)
<b>Expenditures</b>			
Support services - instruction:			
Certificated salaries	203,200	38,100	165,100
Employee benefits	59,080	1,083	57,997
Professional and technical services	46,750	11,600	35,150
Other expenditures	41,900	25,100	16,800
<b>Total Expenditures</b>	350,930	75,883	275,047
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)**

**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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - State of Alaska</b>	<b>\$ 111,928</b>	<b>\$ 108,027</b>	<b>\$ (3,901)</b>
<b>Expenditures</b>			
Support services - instruction:			
Certificated salaries	56,926	32,062	24,864
Non-certificated salaries	-	421	(421)
Employee benefits	3,342	1,388	1,954
Professional and technical services	15,000	14,357	643
Staff travel	7,795	7,306	489
Other purchased services	-	14,900	(14,900)
Supplies, materials and media	28,865	36,898	(8,033)
Other expenditures	-	695	(695)
<b>Total Expenditures</b>	<b>111,928</b>	<b>108,027</b>	<b>3,901</b>
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)**

**Mat-Su Construction Academy Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - State of Alaska</b>	\$ 79,590	\$ 78,158	\$ (1,432)
<b>Expenditures</b>			
Instruction:			
Certificated salaries	30,495	30,149	346
Employee benefits	23,036	23,003	33
Other purchased services	2,205	2,205	-
Supplies, materials and media	18,712	18,454	258
Other expenditures	1,292	1,291	1
<b>Total instruction</b>	<b>75,740</b>	<b>75,102</b>	<b>638</b>
District administration support services - indirect costs	3,850	3,056	794
<b>Total Expenditures</b>	<b>79,590</b>	<b>78,158</b>	<b>1,432</b>
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)**

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - State of Alaska</b>	\$ 476,616	\$ 85,231	\$ (391,385)
<b>Expenditures</b>			
Food services - supplies, materials and media	476,616	85,231	391,385
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)**

**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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 102,452	\$ 92,827	\$ (9,625)
<b>Expenditures</b>			
Food services - supplies, materials and media	102,452	92,827	9,625
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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Local sources:			
Food service	\$ 1,200,000	\$ 988,311	\$ (211,689)
Other local revenue	70,000	51,332	(18,668)
Total local sources	1,270,000	1,039,643	(230,357)
Federal sources:			
Direct federal grants	-	190,284	190,284
Federal grants passed through the State of Alaska	4,700,000	4,970,308	270,308
Total federal sources	4,700,000	5,160,592	460,592
<b>Total Revenues</b>	<b>5,970,000</b>	<b>6,200,235</b>	<b>230,235</b>
<b>Expenditures</b>			
Operations and maintenance of plant:			
Utility services	18,000	15,734	2,266
Energy	140,000	181,528	(41,528)
Other purchased services	-	10,361	(10,361)
Insurance and bond premiums	19,000	24,525	(5,525)
Supplies, materials and media	-	22,270	(22,270)
Total operations and maintenance of plant	177,000	254,418	(77,418)
Food services:			
Non-certificated salaries	2,661,766	2,631,274	30,492
Employee benefits	1,162,445	1,164,511	(2,066)
Professional and technical services	5,000	-	5,000
Staff travel	11,000	2,762	8,238
Utility services	-	59	(59)
Other purchased services	38,000	68,028	(30,028)
Supplies, materials and media	2,444,000	2,750,243	(306,243)
Other expenditures	30,000	40	29,960
Equipment	30,000	-	30,000
Total food services	6,382,211	6,616,917	(234,706)
<b>Total Expenditures</b>	<b>6,559,211</b>	<b>6,871,335</b>	<b>(312,124)</b>
Deficiency of revenues over expenditures	(589,211)	(671,100)	(81,889)
<b>Other Financing Sources - transfers in</b>	<b>589,211</b>	<b>671,100</b>	<b>81,889</b>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year		648,334	
Fund Balance, end of year		<u>\$ 648,334</u>	

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

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 24,952	\$ 23,702	\$ (1,250)
<b>Expenditures</b>			
Support services - instruction:			
Certificated salaries	3,485	3,485	-
Non-certificated salaries	6,634	6,412	222
Employee benefits	1,627	2,424	(797)
Staff travel	9,500	8,478	1,022
Supplies, materials and media	2,730	1,976	754
<b>Total support services - instruction</b>	<b>23,976</b>	<b>22,775</b>	<b>1,201</b>
<b>District administration support services - indirect costs</b>	<b>976</b>	<b>927</b>	<b>49</b>
<b>Total Expenditures</b>	<b>24,952</b>	<b>23,702</b>	<b>1,250</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning of year</b>		<b>-</b>	
<b>Fund Balance, end of year</b>		<b>\$ -</b>	

**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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 46,089	\$ 43,297	\$ (2,792)
<b>Expenditures</b>			
Support services - instruction:			
Staff travel	2,712	2,311	401
Student travel	480	480	-
Other purchased services	10,500	9,588	912
Supplies, materials and media	27,595	27,115	480
Other expenditures	3,000	2,110	890
<b>Total support services - instruction</b>	<b>44,287</b>	<b>41,604</b>	<b>2,683</b>
District administration support services - indirect costs	1,802	1,693	109
<b>Total Expenditures</b>	<b>46,089</b>	<b>43,297</b>	<b>2,792</b>
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, 2016</i>	Final Budget		Actual		Variance with Final Budget
<b>Revenues - State of Alaska</b>	\$	62,264	\$	57,978	\$ (4,286)
<b>Expenditures</b>					
Support services - instruction:					
Certificated salaries		2,081		199	1,882
Non-certificated salaries		9,262		-	9,262
Employee benefits		3,182		5	3,177
Professional and technical services		16,973		13,129	3,844
Staff travel		7,676		203	7,473
Student travel		1,000		3,245	(2,245)
Other purchased services		228		228	-
Supplies, materials and media		19,428		38,622	(19,194)
Other expenditures		-		80	(80)
<b>Total support services - instruction</b>		59,830		55,711	4,119
<b>District administration support services - indirect costs</b>		2,434		2,267	167
<b>Total Expenditures</b>		62,264		57,978	4,286
<b>Net change in fund balance</b>	\$	-		-	\$ -
<b>Fund Balance, beginning of year</b>				-	
<b>Fund Balance, end of year</b>				\$ -	

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

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - State of Alaska</b>	\$ 452,887	\$ 439,662	\$ (13,225)
<b>Expenditures</b>			
Instruction:			
Certificated salaries	289,507	290,803	(1,296)
Non-certificated salaries	2,550	1,436	1,114
Employee benefits	117,163	115,282	1,881
Professional and technical services	11,050	4,818	6,232
Staff travel	2,000	67	1,933
Student travel	4,000	3,017	983
Supplies, materials and media	6,905	7,044	(139)
Other expenditures	2,000	-	2,000
<b>Total instruction</b>	<b>435,175</b>	<b>422,467</b>	<b>12,708</b>
<b>District administration support services - indirect costs</b>	<b>17,712</b>	<b>17,195</b>	<b>517</b>
<b>Total Expenditures</b>	<b>452,887</b>	<b>439,662</b>	<b>13,225</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning of year</b>		<b>-</b>	
<b>Fund Balance, end of year</b>		<b>\$ -</b>	

**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**

			Variance with
<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 931,853	\$ 795,709	\$ (136,144)
<b>Expenditures</b>			
Support services - instruction:			
Certificated salaries	359,261	318,486	40,775
Non-certificated salaries	35,249	13,183	22,066
Employee benefits	103,688	97,508	6,180
Professional and technical services	307,511	210,374	97,137
Staff travel	44,464	37,626	6,838
Other purchased services	2,550	17,986	(15,436)
Supplies, materials and media	19,774	32,764	(12,990)
Other expenditures	22,913	36,663	(13,750)
<b>Total support services - instruction</b>	<b>895,410</b>	<b>764,590</b>	<b>130,820</b>
District administration support services - indirect costs	36,443	31,119	5,324
<b>Total Expenditures</b>	<b>931,853</b>	<b>795,709</b>	<b>136,144</b>
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)**

**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, 2016</i>	Final Budget	Actual	Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 442,928	\$ 422,620	\$ (20,308)
<b>Expenditures</b>			
Instruction:			
Certificated salaries	93,063	84,266	8,797
Non-certificated salaries	-	-	-
Employee benefits	41,795	35,770	6,025
Professional and technical services	5,340	5,340	-
Staff travel	11,802	11,058	744
Student travel	1,000	840	160
Other purchased services	5,002	5,302	(300)
Supplies, materials and media	212,013	213,234	(1,221)
Other expenditures	24,817	24,817	-
Equipment	32,026	26,502	5,524
<b>Total instruction</b>	<b>426,858</b>	<b>407,129</b>	<b>19,729</b>
<b>District administration support services - indirect costs</b>	<b>16,070</b>	<b>15,491</b>	<b>579</b>
<b>Total Expenditures</b>	<b>442,928</b>	<b>422,620</b>	<b>20,308</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning of year</b>		<b>-</b>	
<b>Fund Balance, end of year</b>		<b>\$ -</b>	



**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**

			Variance with
<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 52,306	\$ 51,435	\$ (871)
<b>Expenditures</b>			
Support services - instruction:			
Certificated salaries	300	-	300
Non-certificated salaries	2,598	135	2,463
Employee benefits	241	7	234
Professional and technical services	25,840	24,798	1,042
Staff travel	4,980	2,709	2,271
Supplies, materials and media	8,472	12,352	(3,880)
Other expenditures	8,850	10,425	(1,575)
<b>Total support services - instruction</b>	<b>51,281</b>	<b>50,426</b>	<b>855</b>
<b>District administration support services - indirect costs</b>	<b>1,025</b>	<b>1,009</b>	<b>16</b>
<b>Total Expenditures</b>	<b>52,306</b>	<b>51,435</b>	<b>871</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning of year</b>		<b>-</b>	
<b>Fund Balance, end of year</b>		<b>\$ -</b>	

**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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 1,249,640	\$ 1,140,216	\$ (109,424)
<b>Expenditures</b>			
Support services - instruction:			
Certificated salaries	369,836	367,351	2,485
Non-certificated salaries	40,825	41,643	(818)
Employee benefits	164,532	147,236	17,296
Staff travel	37,500	32,583	4,917
Utility services	200	-	200
Other purchased services	1,500	747	753
Supplies, materials and media	21,806	22,393	(587)
Other expenditures	2,000	400	1,600
<b>Total support services - instruction</b>	<b>638,199</b>	<b>612,353</b>	<b>25,846</b>
District administration:			
Certificated salaries	154,253	141,609	12,644
Non-certificated salaries	227,403	190,145	37,258
Employee benefits	180,914	151,517	29,397
<b>Total district administration</b>	<b>562,570</b>	<b>483,271</b>	<b>79,299</b>
District administration support services - indirect costs	48,871	44,592	4,279
<b>Total Expenditures</b>	<b>1,249,640</b>	<b>1,140,216</b>	<b>109,424</b>
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

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

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	<b>\$ 3,407,033</b>	<b>\$ 3,124,485</b>	<b>\$ (282,548)</b>
<b>Expenditures</b>			
Instruction:			
Certificated salaries	1,130,754	972,862	157,892
Non-certificated salaries	566,123	501,144	64,979
Employee benefits	837,365	537,738	299,627
Professional and technical services	90,028	94,217	(4,189)
Staff travel	92,805	88,590	4,215
Student travel	93,040	76,691	16,349
Utility services	2,975	4,889	(1,914)
Other purchased services	9,050	7,629	1,421
Supplies, materials and media	412,590	414,270	(1,680)
Other expenditures	46,620	60,502	(13,882)
<b>Total instruction</b>	<b>3,281,350</b>	<b>2,758,532</b>	<b>522,818</b>
School administration:			
Certificated salaries	-	193,891	(193,891)
Employee benefits	-	48,429	(48,429)
Staff travel	-	1,440	(1,440)
<b>Total school administration</b>	<b>-</b>	<b>243,760</b>	<b>(243,760)</b>
District administration support services - indirect costs	125,683	122,193	3,490
<b>Total Expenditures</b>	<b>3,407,033</b>	<b>3,124,485</b>	<b>282,548</b>
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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 4,911,893	\$ 4,219,505	\$ (692,388)
<b>Expenditures</b>			
Special education instruction:			
Certificated salaries	229,143	48,980	180,163
Non-certificated salaries	1,935,329	1,603,500	331,829
Employee benefits	1,476,493	1,110,164	366,329
<b>Total special education instruction</b>	<b>3,640,965</b>	<b>2,762,644</b>	<b>878,321</b>
Special education support services - students:			
Certificated salaries	21,674	152,391	(130,717)
Non-certificated salaries	498,770	628,905	(130,135)
Employee benefits	400,388	418,483	(18,095)
Professional and technical services	90,000	56,359	33,641
Staff travel	58,000	27,993	30,007
Supplies, materials, and media	10,000	7,712	2,288
<b>Total special education support services - students</b>	<b>1,078,832</b>	<b>1,291,843</b>	<b>(213,011)</b>
District administration support services - indirect costs	192,096	165,018	27,078
<b>Total Expenditures</b>	<b>4,911,893</b>	<b>4,219,505</b>	<b>692,388</b>
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**

			Variance with
<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 585,877	\$ 561,021	\$ (24,856)
<b>Expenditures</b>			
Instruction:			
Certificated salaries	234,568	234,566	2
Non-certificated salaries	31,422	31,420	2
Employee benefits	58,852	58,823	29
Professional and technical services	85,565	85,565	-
Staff travel	32,833	20,201	12,632
Student travel	52,609	52,435	174
Other purchased services	4,601	4,601	-
Supplies, materials and media	53,107	49,969	3,138
Other expenditures	9,000	1,500	7,500
<b>Total instruction</b>	<b>562,557</b>	<b>539,080</b>	<b>23,477</b>
<b>District administration support services - indirect costs</b>	<b>23,320</b>	<b>21,941</b>	<b>1,379</b>
<b>Total Expenditures</b>	<b>585,877</b>	<b>561,021</b>	<b>24,856</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning of year</b>		<b>-</b>	
<b>Fund Balance, end of year</b>		<b>\$ -</b>	

**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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the University of Alaska - Fairbanks</b>	\$ 250,754	\$ 256,294	\$ 5,540
<b>Expenditures</b>			
Support services - instruction:			
Certificated salaries	87,773	88,231	(458)
Employee benefits	21,415	31,793	(10,378)
Professional and technical services	130,601	124,447	6,154
Staff travel	1,159	1,800	(641)
<b>Total support services - instruction</b>	<b>240,948</b>	<b>246,271</b>	<b>(5,323)</b>
District administration support services - indirect costs	9,806	10,023	(217)
<b>Total Expenditures</b>	<b>250,754</b>	<b>256,294</b>	<b>(5,540)</b>
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, 2016</i>	Final Budget	Actual	Variance with Final Budget
Revenues - federal education grants passed through the State of Alaska	\$ 5,000	\$ 2,114	\$ (2,886)
Expenditures			
Instruction - other expenditures	4,804	2,031	2,773
District administration support services - indirect costs	196	83	113
<b>Total Expenditures</b>	<b>5,000</b>	<b>2,114</b>	<b>2,886</b>
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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 303,424	\$ 265,383	\$ (38,041)
<b>Expenditures</b>			
Instruction:			
Certificated salaries	106,472	102,661	3,811
Non-certificated salaries	12,600	11,142	1,458
Employee benefits	45,822	39,294	6,528
Professional and technical services	51,000	45,933	5,067
Staff travel	11,500	2,660	8,840
Student travel	1,000	-	1,000
Utility services	500	-	500
Other purchased services	6,500	4,019	2,481
Supplies, materials and media	53,864	49,097	4,767
Other expenditures	2,300	199	2,101
<b>Total instruction</b>	<b>291,558</b>	<b>255,005</b>	<b>36,553</b>
<b>District administration support services - indirect costs</b>	<b>11,866</b>	<b>10,378</b>	<b>1,488</b>
<b>Total Expenditures</b>	<b>303,424</b>	<b>265,383</b>	<b>38,041</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning of year</b>		<b>-</b>	
<b>Fund Balance, end of year</b>		<b>\$ -</b>	



**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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 6,188	\$ 5,983	\$ (205)
<b>Expenditures</b>			
Instruction - supplies, materials and media	6,188	5,975	213
Support services - instruction - supplies, materials and media	-	8	(8)
<b>Total Expenditures</b>	6,188	5,983	205
 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)**

**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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 274,938	\$ 237,448	\$ (37,490)
<b>Expenditures</b>			
Special education instruction:			
Non-certificated salaries	160,733	152,664	8,069
Employee benefits	63,568	45,702	17,866
<b>Total special education instruction</b>	<b>224,301</b>	<b>198,366</b>	<b>25,935</b>
Special education support services - students:			
Certificated salaries	29,885	28,964	921
Employee benefits	10,000	832	9,168
<b>Total special education support services - students</b>	<b>39,885</b>	<b>29,796</b>	<b>10,089</b>
District administration support services - indirect costs	10,752	9,286	1,466
<b>Total Expenditures</b>	<b>274,938</b>	<b>237,448</b>	<b>37,490</b>
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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 96,049	\$ 84,229	\$ (11,820)
<b>Expenditures</b>			
Special education support services - students:			
Certificated salaries	70,131	69,492	639
Employee benefits	10,662	10,561	101
Staff travel	3,000	375	2,625
Student travel	2,000	-	2,000
Supplies, materials and media	6,000	506	5,494
Other expenditures	500	-	500
<b>Total special education support services - students</b>	<b>92,293</b>	<b>80,934</b>	<b>11,359</b>
<b>District administration support services - indirect costs</b>	<b>3,756</b>	<b>3,295</b>	<b>461</b>
<b>Total Expenditures</b>	<b>96,049</b>	<b>84,229</b>	<b>11,820</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning of year</b>		<b>-</b>	
<b>Fund Balance, end of year</b>		<b>\$ -</b>	

**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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 480,698	\$ 424,009	\$ (56,689)
<b>Expenditures</b>			
Support services - students:			
Certificated salaries	325,824	298,308	27,516
Non-certificated salaries	5,507	344	5,163
Employee benefits	99,111	100,511	(1,400)
Professional and technical services	500	1,400	(900)
Staff travel	3,864	762	3,102
Student travel	-	540	(540)
Other purchased services	-	420	(420)
Supplies, materials, and media	12,519	5,142	7,377
Other expenditures	14,559	-	14,559
<b>Total support services - students</b>	<b>461,884</b>	<b>407,427</b>	<b>54,457</b>
<b>District administration support services - indirect costs</b>	<b>18,814</b>	<b>16,582</b>	<b>2,232</b>
<b>Total Expenditures</b>	<b>480,698</b>	<b>424,009</b>	<b>56,689</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning of year</b>		<b>-</b>	
<b>Fund Balance, end of year</b>		<b>\$ -</b>	

**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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 39,216	\$ 20,693	\$ (18,523)
<b>Expenditures</b>			
Support services - instruction:			
Certificated salaries	7,952	-	7,952
Non-certificated salaries	14,599	9,485	5,114
Employee benefits	3,114	2,611	503
Staff travel	6,432	3,326	3,106
Supplies, materials, and media	5,585	4,461	1,124
<b>Total support services - instruction</b>	<b>37,682</b>	<b>19,883</b>	<b>17,799</b>
<b>District administration support services - indirect costs</b>	<b>1,534</b>	<b>810</b>	<b>724</b>
<b>Total Expenditures</b>	<b>39,216</b>	<b>20,693</b>	<b>18,523</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning of year</b>		<b>-</b>	
<b>Fund Balance, end of year</b>		<b>\$ -</b>	

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

**Math Science Partnership Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through the State of Alaska</b>	\$ 413,520	\$ 252,862	\$ (160,658)
<b>Expenditures</b>			
Support services - instruction:			
Certificated salaries	22,500	20,550	1,950
Non-certificated salaries	68,011	51,967	16,044
Employee benefits	17,460	18,977	(1,517)
Professional and technical services	77,818	82,695	(4,877)
Staff travel	-	1,930	(1,930)
Utility Services	5,000	-	5,000
Supplies, materials and media	23,483	11,049	12,434
Other expenditures	183,076	55,805	127,271
<b>Total support services - instruction</b>	<b>397,348</b>	<b>242,973</b>	<b>154,375</b>
<b>District administration support services - indirect costs</b>	<b>16,172</b>	<b>9,889</b>	<b>6,283</b>
<b>Total Expenditures</b>	<b>413,520</b>	<b>252,862</b>	<b>160,658</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning of year</b>		<b>-</b>	
<b>Fund Balance, end of year</b>		<b>\$ -</b>	

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

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal revenue passed through the State of Alaska</b>	\$ 15,000	\$ 14,624	\$ (376)
<b>Expenditures</b>			
Support services - instruction:			
Supplies, materials and media	11,706	11,337	369
Other expenditures	3,000	3,000	-
<b>Total support services - instruction</b>	<b>14,706</b>	<b>14,337</b>	<b>369</b>
District administration support services - indirect costs	294	287	7
<b>Total Expenditures</b>	<b>15,000</b>	<b>14,624</b>	<b>376</b>
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)**

**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, 2016</i>	Final Budget	Actual	Final Budget
<b>Revenues - federal direct</b>	\$ 9,624	\$ 7,087	\$ (2,537)
<b>Expenditures</b>			
Support services instruction:			
Student travel	4,161	4,160	1
Other purchased services	690	690	-
Supplies, materials, and media	4,773	2,237	2,536
<b>Total Expenditures</b>	<b>9,624</b>	<b>7,087</b>	<b>2,537</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning of year</b>		<b>-</b>	
<b>Fund Balance, end of year</b>		<b>\$ -</b>	



**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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b> - direct federal education grants	\$ 568,003	\$ 554,474	\$ (13,529)
<b>Expenditures</b>			
Instruction:			
Certificated salaries	315,532	306,691	8,841
Non-certificated salaries	20,321	16,774	3,547
Employee benefits	155,573	138,454	17,119
Professional and technical services	30,000	27,780	2,220
Staff travel	4,500	2,556	1,944
Student travel	-	1,796	(1,796)
Other purchased services	1,000	442	558
Supplies, materials and media	18,961	28,040	(9,079)
Other expenditures	-	145	(145)
<b>Total instruction</b>	<b>545,887</b>	<b>522,678</b>	<b>23,209</b>
Support services - instruction			
Certificated salaries	-	6,470	(6,470)
Non-certificated salaries	-	775	(775)
Employee benefits	-	1,054	(1,054)
Professional and technical services	-	1,812	(1,812)
<b>Total support services - instruction</b>	<b>-</b>	<b>10,111</b>	<b>(10,111)</b>
District administration support services - indirect costs	22,116	21,685	431
<b>Total Expenditures</b>	<b>568,003</b>	<b>554,474</b>	<b>13,529</b>
Net change in fund balance	\$ -	-	\$ -
Fund Balance , beginning of year		-	
Fund Balance , end of year		\$ -	

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

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - local sources</b>	\$ 9,518	\$ 9,518	\$ -
<b>Expenditures</b>			
Instruction:			
Certificated salaries	8,179	8,179	-
Employee benefits	1,339	1,236	103
Student travel	-	103	(103)
<b>Total Expenditures</b>	9,518	9,518	-
<b>Net change in fund balance</b>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund Balance, beginning of year</b>		<u>-</u>	
<b>Fund Balance, end of year</b>		<u>\$ -</u>	

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

**Enanuaq Preschool Grant Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

			Variance with
<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Final Budget
<b>Revenues - direct federal education grants</b>	\$ 55,237	\$ 26,539	\$ (28,698)
<b>Expenditures</b>			
Instruction:			
Certificated salaries	28,328	20,276	8,052
Non-certificated salaries	1,800	1,741	59
Employee benefits	19,053	3,405	15,648
Staff travel	1,200	-	1,200
Supplies, materials and media	2,696	79	2,617
<b>Total instruction</b>	<b>53,077</b>	<b>25,501</b>	<b>27,576</b>
District administration support services - indirect costs	2,160	1,038	1,122
<b>Total Expenditures</b>	<b>55,237</b>	<b>26,539</b>	<b>28,698</b>
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)**

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - other local</b>	\$ 94,626	\$ 12,714	\$ (81,912)
<b>Expenditures</b>			
Special education support services - students:			
Supplies, materials and media	10,000	4,986	5,014
Other expenditures	-	4,550	(4,550)
<b>Total Support services - students</b>	<b>10,000</b>	<b>9,536</b>	<b>464</b>
Support services - instruction:			
Other purchased services	506	506	-
Supplies, materials and media	84,120	2,672	81,448
<b>Total support services - instruction</b>	<b>84,626</b>	<b>3,178</b>	<b>81,448</b>
<b>Total Expenditures</b>	<b>94,626</b>	<b>12,714</b>	<b>81,912</b>
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, 2016</i>	Final Budget	Actual	Variance with Final Budget
Revenues - other local	\$ 10,090	\$ 2,801	\$ (7,289)
<b>Expenditures</b>			
Community services:			
Non-certificated salaries	4,289	1,823	2,466
Employee benefits	1,422	494	928
Supplies, materials and media	4,379	484	3,895
<b>Total Expenditures</b>	10,090	2,801	7,289
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**

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b> - federal education grants passed through the University of Alaska Anchorage	\$ 966	\$ 117	\$ (849)
<b>Expenditures</b> Support services instruction - staff travel	966	117	849
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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - other local</b>	\$ 26,907	\$ 18,053	\$ (8,854)
<b>Expenditures</b>			
Community services:			
Non-certificated salaries	17,996	16,065	1,931
Employee benefits	3,947	1,477	2,470
Supplies, materials and media	4,964	511	4,453
<b>Total Expenditures</b>	26,907	18,053	8,854
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 Federal Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - federal education grants passed through other intermediate agency</b>	\$ 2,918	\$ 2,918	\$ -
<b>Expenditures</b>			
Instruction:			
Certificated salaries	2,072	2,071	1
Employee benefits	295	292	3
Student travel	-	155	(155)
Supplies, materials and media	551	-	551
Other expenditures	-	400	(400)
<b>Total Expenditures</b>	<b>2,918</b>	<b>2,918</b>	<b>-</b>
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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - other local</b>	\$ 191,774	\$ 161,836	\$ (29,938)
<b>Expenditures</b>			
Support services - instruction:			
Certificated salaries	25,173	22,009	3,164
Non-certificated salaries	3,739	3,235	504
Employee benefits	2,025	1,571	454
Professional and technical services	30,750	27,940	2,810
Student travel	4,871	4,733	138
Other purchased services	6,243	6,215	28
Supplies, materials and media	118,374	95,534	22,840
Other expenditures	599	599	-
<b>Total support services - instruction</b>	<b>191,774</b>	<b>161,836</b>	<b>29,938</b>
<b>Total Expenditures</b>	<b>191,774</b>	<b>161,836</b>	<b>29,938</b>
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)**

**Friends of NRA Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with
			Final Budget
Revenues - other local	\$ 10,029	\$ 3,729	\$ (6,300)
Expenditures			
Support services - instruction - supplies, materials and media	10,029	3,729	6,300
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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - other local</b>	\$ 10,757	\$ 6,084	\$ (4,673)
<b>Expenditures</b>			
Instruction:			
Professional and technical services	300	300	-
Student travel	2,686	1,337	1,349
Supplies, materials and media	7,771	4,447	3,324
<b>Total Expenditures</b>	10,757	6,084	4,673
 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)**

**SV Fire Damage Reclamation Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

			Variance with
<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Final Budget
Revenues - other local	\$ 2,600	\$ -	\$ (2,600)
Expenditures			
Operations and maintenance of plant - supplies, materials and media	2,600	1,152	1,448
Net change in fund balance	<u>\$ -</u>	(1,152)	<u>\$ (1,152)</u>
Fund Balance, beginning of year		<u>2,602</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, 2016</i>		Actual
Revenues - local		
earnings on investments	\$	4
Net change in fund balance		4
Fund Balance, beginning of year		5,776
Fund Balance, end of year	\$	5,780

**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, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
local sources - borough capital projects	\$ 299,673	\$ 91,714	\$ (207,959)
<b>Expenditures</b>			
Student activities - equipment	1,818	-	1,818
Operations and maintenance of plant - other purchased services	25,310	24,995	315
Construction and facilities acquisition:			
Professional and technical services	22,887	20,598	2,289
Other purchased services	7,677	7,677	-
Supplies, materials and media	190,514	38,444	152,070
Equipment	51,467	-	51,467
Total construction and facilities acquisition	272,545	66,719	205,826
<b>Total Expenditures</b>	<b>299,673</b>	<b>91,714</b>	<b>207,959</b>
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)**

**E-rate Phone Grant Capital Projects Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

			Variance with
<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Final Budget
<b>Revenues - local sources - borough capital projects</b>	\$ 506,255	\$ 506,255	\$ -
<b>Expenditures</b>			
Support services - instruction -			
utility services	506,255	506,255	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

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

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues - local sources - borough capital projects</b>	<b>\$ 1,887,288</b>	<b>\$ 1,177,522</b>	<b>\$ (709,766)</b>
<b>Expenditures</b>			
Instruction:			
Certificated salaries	435,331	86,518	348,813
Employee benefits	25,100	19,599	5,501
Professional and technical services	-	4,183	(4,183)
Supplies, materials and media	4,183	-	4,183
<b>Total instruction</b>	<b>464,614</b>	<b>110,300</b>	<b>354,314</b>
Construction and facilities acquisition:			
Certificated salaries	8,697	-	8,697
Employee benefits	5,522	-	5,522
Professional and technical services	107,829	3,000	104,829
Student travel	2,804	812	1,992
Other purchased services	341,117	242,635	98,482
Supplies, materials and media	280,688	224,708	55,980
Other expenditures	9,892	9,893	(1)
Equipment	666,125	586,174	79,951
<b>Total construction and facilities acquisition</b>	<b>1,422,674</b>	<b>1,067,222</b>	<b>355,452</b>
<b>Total Expenditures</b>	<b>1,887,288</b>	<b>1,177,522</b>	<b>709,766</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning of year</b>		<b>-</b>	
<b>Fund Balance, end of year</b>		<b>\$ -</b>	



**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**

			Variance with
<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Final Budget
<b>Revenues - local sources - borough capital projects</b>	<b>\$ 7,313,650</b>	<b>\$ 3,947,387</b>	<b>\$ (3,366,263)</b>
<b>Expenditures</b>			
Construction and facilities acquisition:			
Other purchased services	172,749	31,170	141,579
Supplies, materials and media	3,905,287	3,442,032	463,255
Equipment	3,235,614	474,185	2,761,429
<b>Total Expenditures</b>	<b>7,313,650</b>	<b>3,947,387</b>	<b>3,366,263</b>
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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**Matanuska-Susitna Borough School District**  
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**Nonmajor Enterprise Funds**  
**Combining Statement of Net Position**

	Mat-Su Construction Trade	Adult Welding Classes	Families In Transition	Alaska Works Part nership	Par ent Advisory Local Wellness	Totals
<i>June 30, 2016</i>						
<b>Assets</b>						
Cash and investments	\$ 223,174	\$ 48,505	\$ 426	\$ 35,134	\$ 1,077	\$ 308,316
Prepaid items	2,000	-	-	-	-	2,000
<b>Total Assets</b>	<b>\$ 225,174</b>	<b>\$ 48,505</b>	<b>\$ 426</b>	<b>\$ 35,134</b>	<b>\$ 1,077</b>	<b>\$ 310,316</b>
<b>Liabilities and Net Position</b>						
<b>Current Liabilities</b>						
Unearned revenue	\$ -	\$ -	\$ 426	\$ -	\$ 1,077	\$ 1,503
<b>Net Position - unrestricted</b>	<b>225,174</b>	<b>48,505</b>	<b>-</b>	<b>35,134</b>	<b>-</b>	<b>308,813</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 225,174</b>	<b>\$ 48,505</b>	<b>\$ 426</b>	<b>\$ 35,134</b>	<b>\$ 1,077</b>	<b>\$ 310,316</b>

**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, 2016</i>	Mat-Su Construction Trade	Adult Welding Classes	Families In Transition	Alaska Works Partnership	Totals
<b>Operating Revenues</b>					
Sales	\$ 295,000	\$ 85,755	\$ 194	\$ 71,031	\$ 451,980
<b>Operating Expenses</b>					
Instruction	273,405	37,250	-	35,897	346,552
Support services - instruction	-	-	194	-	194
<b>Total Operating Expenses</b>	273,405	37,250	194	35,897	346,746
Change in net position	21,595	48,505	-	35,134	105,234
<b>Net Position, beginning of year</b>	203,579	-	-	-	203,579
<b>Net Position, end of year</b>	\$ 225,174	\$ 48,505	\$ -	\$ 35,134	\$ 308,813

**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, 2016</i>	Mat-Su Construction Trade	Adult Welding Classes	Families In Transition	Alaska Works Partnership	Parent Advisory Local Wellness	Totals
<b>Cash Flows for Operating Activities</b>						
Receipts from customers and users	\$ 295,000	\$ 90,855	\$ 156	\$ 71,031	\$ -	\$ 457,042
Payments to suppliers	(71,826)	(114,065)	-	(101,435)	-	(287,326)
<b>Net cash flows from (for) operating activities</b>	<b>223,174</b>	<b>(23,210)</b>	<b>156</b>	<b>(30,404)</b>	<b>-</b>	<b>169,716</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>223,174</b>	<b>(23,210)</b>	<b>156</b>	<b>(30,404)</b>	<b>-</b>	<b>169,716</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>-</b>	<b>71,715</b>	<b>270</b>	<b>65,538</b>	<b>1,077</b>	<b>138,600</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 223,174</b>	<b>\$ 48,505</b>	<b>\$ 426</b>	<b>\$ 35,134</b>	<b>\$ 1,077</b>	<b>\$ 308,316</b>
<b>Reconciliation of Operating Income</b>						
<b>Cash Flows for Operating Activities</b>						
Operating income	\$ 21,595	\$ 48,505	\$ -	\$ 35,134	\$ -	\$ 105,234
<b>Adjustments to Reconcile Operating Income to</b>						
Net cash flows for operating activities:						
Decrease in inventories	225,148	-	-	-	-	225,148
Decrease in accounts receivable	-	5,100	-	-	-	5,100
Increase in prepaids	(2)	-	-	-	-	(2)
Increase in due to other funds	(23,567)	-	-	-	-	(23,567)
Increase (decrease) in unearned revenue	-	(76,815)	156	(65,538)	-	(142,197)
<b>Total adjustments</b>	<b>201,579</b>	<b>(71,715)</b>	<b>156</b>	<b>(65,538)</b>	<b>-</b>	<b>64,482</b>
<b>Net Cash Flows from (for) Operating Activities</b>	<b>\$ 223,174</b>	<b>\$ (23,210)</b>	<b>\$ 156</b>	<b>\$ (30,404)</b>	<b>\$ -</b>	<b>\$ 169,716</b>

**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>	2016	2015
<b>Assets</b>		
Cash and investments	\$ 2,499,723	\$ 1,833,388
Accounts receivable	41,853	-
<b>Total Assets</b>	<b>2,541,576</b>	<b>1,833,388</b>
<b>Liabilities and Net Position</b>		
<b>Current Liabilities</b>		
Due to other funds	\$ 1,845,341	\$ 711,093
Insurance claims incurred but not reported	684,950	1,109,340
Accounts payable	11,285	12,955
<b>Total Current Liabilities</b>	<b>2,541,576</b>	<b>1,833,388</b>
<b>Net Position</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 2,541,576</b>	<b>\$ 1,833,388</b>

**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>	2016	2015
<b>Operating Revenues - interfund charges</b>	<b>\$ 1,557,287</b>	<b>\$ 2,008,752</b>
<b>Operating Expenses</b>		
District administration support services:		
Claims expense	1,070,773	1,708,858
General and administrative	486,708	300,084
<b>Total Operating Expenses</b>	<b>1,557,481</b>	<b>2,008,942</b>
Operating loss	(194)	(190)
<b>Nonoperating Revenue - interest income</b>	<b>194</b>	<b>190</b>
Change in net position	-	-
<b>Net Position, beginning of year</b>	<b>-</b>	<b>-</b>
<b>Net Position, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

**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>	2016	2015
<b>Cash Flows from (for) Operating Activities</b>		
Receipts from interfund charges	\$ 2,649,682	\$ 1,764,435
Payments to suppliers	(1,983,541)	(1,975,831)
Net cash flows from (for) operating activities	666,141	(211,396)
<b>Cash Flows from Investing Activities</b>		
Interest received	194	190
Net increase (decrease) in cash and cash equivalents	666,335	(211,206)
Cash and Cash Equivalents, beginning of year	1,833,388	2,044,594
Cash and Cash Equivalents, end of year	\$ 2,499,723	\$ 1,833,388
<b>Reconciliation of Operating Loss to Net Cash Flows from Operating Activities</b>		
Operating loss	\$ (194)	\$ (190)
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:		
Increase (decrease) in due to other funds	1,134,248	(244,317)
Increase in accounts receivable	(41,853)	-
Increase (decrease) in accounts payable	(1,670)	1,115
Increase (decrease) in insurance claims incurred but not reported	(424,390)	31,996
Total adjustments	666,335	(211,206)
Net Cash Flows from Operating Activities	\$ 666,141	\$ (211,396)





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

**Student Activities Agency Fund**  
**Balance Sheets**

<i>June 30,</i>	2016	2015
<b>Assets</b>		
Cash and investments	\$ 1,929,654	\$ 1,743,926
<b>Liabilities</b>		
Due to student activities and community schools	\$ 1,929,654	\$ 1,743,926

**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, 2016</i>	Balance at July 1, 2015	Receipts	Disburse- ments	Balance at June 30, 2016
American Charter	\$ 28,507	\$ 31,170	\$ 35,755	\$ 23,922
Beryozava	589	-	-	589
Big Lake Elementary	53,311	55,867	49,297	59,881
Birchtree Charter	51,693	105,886	93,919	63,660
Burchell High School	71,713	40,023	34,410	77,326
Butte Elementary School	9,319	43,651	35,182	17,788
Colony High	226,892	449,172	454,859	221,205
Colony Middle	86,881	156,082	157,134	85,829
Cottonwood Creek	37,878	81,167	78,450	40,595
Finger Lake	17,321	23,493	21,032	19,782
Fronteras Spanish Immersion	47,819	89,358	77,570	59,607
Glacier View	7,203	4,936	6,453	5,686
Goose Bay	25,172	15,925	11,468	29,629
Houston High	60,288	282,088	243,881	98,495
Houston Middle	41,887	42,234	45,203	38,918
Iditarod	23,001	26,852	36,320	13,533
Knik Elementary	18,238	31,638	27,495	22,381
Larson	20,388	45,631	41,577	24,442
Machentanz Elementary	60,342	97,252	84,807	72,787
Mat-Su Career and Tech Ed	67,857	264,668	252,742	79,783
Mat-Su Central School	15,120	89,926	95,242	9,804
Mat-Su Day School	15,600	9,862	11,137	14,325
Meadow Lakes	26,819	39,142	32,794	33,167
Palmer High	121,269	394,834	354,011	162,092
Palmer Middle	49,779	138,612	115,195	73,196
Pioneer Peak	14,305	25,192	21,741	17,756
Redington Jr/Sr High	-	91,041	61,203	29,838
Shaw Elementary	17,896	57,990	48,899	26,987
Sherrod	40,787	105,246	92,545	53,488
Snowshoe	35,413	45,268	54,455	26,226
Su Valley	69,648	97,962	91,650	75,960
Sutton	3,150	3,482	2,762	3,870
Swanson	23,814	37,869	35,007	26,676
Talkeetna	20,593	23,250	26,665	17,178
Tanaina	40,294	43,556	41,508	42,342
Teeland	57,696	129,763	138,016	49,443

**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, 2016</i>	Balance at July 1, 2015	Receipts	Disburse- ments	Balance at June 30, 2016
Trapper Creek	\$ 4,994	\$ 4,243	\$ 2,712	\$ 6,525
Twindly-Bridge	5,477	15,244	14,322	6,399
Valley Pathways	16,284	11,646	11,316	16,614
Wasilla High	148,447	563,303	595,709	116,041
Wasilla Middle	35,299	84,610	75,674	44,235
Willow	24,943	23,900	27,189	21,654
<b>Total Due to Student Activities</b>	<b>\$ 1,743,926</b>	<b>\$ 3,923,034</b>	<b>\$ 3,737,306</b>	<b>\$ 1,929,654</b>

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

**Schedule of Compliance - AS 14.17.505**

*Year Ended June 30, 2016*

Total fund balance - School Operating Fund	\$ 14,715,433
less exemptions per 4 AAC 09.160(a):	
Inventory	1,193,353
Prepaid items	570,484
Reserve for correspondence program	1,221,455
Self-insurance	500,000
	<hr/>
Fund balance subject to 10% limitation	<u>\$ 11,230,141</u>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	11,230,141	=	<u>4.67%</u>
Current year expenditures	<hr/> 240,623,678		



**MATANUSKA  
SUSITNA**  
BOROUGH SCHOOL  
DISTRICT

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# MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

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**MATANUSKA  
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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				
	2006-07	2007-08	2008-09	2009-10	2010-11
Governmental activities:					
Net investment in capital assets	\$ 695,411	\$ 1,235,075	\$ 1,315,150	\$ 1,571,667	\$ 2,364,292
Restricted					
Endowment & Scholarships	5,491	5,588	5,677	5,712	5,745
Unrestricted	(1,580,420)	622,528	243,274	1,247,677	6,672,023
Total Net Position	<u>\$ (879,518)</u>	<u>\$ 1,863,191</u>	<u>\$ 1,564,101</u>	<u>\$ 2,825,056</u>	<u>\$ 9,042,060</u>

	Fiscal Year				
	2011-12	2012-13	2013-14	2014-15	2015-16
Governmental activities:					
Net investment in capital assets	\$ 5,707,926	\$ 6,935,776	\$ 6,659,975	\$ 7,873,567	\$ 19,419,917
Restricted					
Endowment & Scholarships	5,764	5,768	5,772	909,690	1,227,235
Unrestricted	9,628,437	11,235,950	16,453,611	(67,493,691)	(109,030,211)
Total Net Position	<u>\$ 15,342,127</u>	<u>\$ 18,177,494</u>	<u>\$ 23,119,358</u>	<u>\$ (58,710,434)</u>	<u>\$ (88,383,059)</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			
	2006-07	2007-08	2008-09	2009-10
<b>Expenses</b>				
Governmental activities:				
Instruction	\$ 73,582,426	\$ 93,792,972	\$ 94,133,794	\$ 94,601,470
Special education instruction	20,231,689	25,086,016	29,629,313	31,328,062
Special education support svcs - students	7,190,877	10,065,884	10,652,847	11,810,969
Support services - students	6,081,659	7,640,084	7,783,258	7,684,522
Support services - instruction	7,366,001	10,431,903	10,201,097	9,619,364
School administration	5,433,824	7,150,509	7,492,197	7,078,405
School administration support services	6,227,850	7,324,869	8,083,649	8,502,451
District administration	827,700	1,426,966	1,420,554	1,652,256
District administration support services	6,245,949	7,594,026	8,676,686	9,418,471
Operations and maintenance of plant	15,946,695	17,919,168	19,326,776	20,764,598
Student activities	1,889,120	2,840,204	2,952,583	2,853,439
Student transportation service	10,194,656	10,464,368	11,174,965	11,954,203
Community Services		9,473	12,288	166,234
Food services	4,795,331	5,137,889	5,683,849	5,729,154
Construction and facilities acquisition			54,507	51,860
Total expenses	166,013,777	206,884,331	217,278,363	223,215,458
<b>Program Revenues</b>				
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	1,632,405	1,551,587	1,555,972	1,449,019
Operating grants and contributions	25,734,850	26,065,287	26,897,652	32,812,129
Capital grants and contributions				
Total program revenues	27,367,255	27,616,874	28,453,624	34,261,148
<b>Net expense - governmental activities</b>	<b>(138,646,522)</b>	<b>(179,267,457)</b>	<b>(188,824,739)</b>	<b>(188,954,310)</b>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Grants and contributions not restricted to specific programs:				
Borough direct appropriation	38,021,951	41,758,620	44,012,143	43,964,884
Foundation program	101,337,261	101,599,107	113,640,165	123,861,967
Other state revenue	351,271	36,865,918	25,571,568	20,317,514
E-rate	395,033	482,893	320,588	381,036
Other	646,094	1,053,628	1,374,466	1,689,864
Miscellaneous		250,000	3,606,719	
Total general revenue	140,751,610	182,010,166	188,525,649	190,215,265
<b>Change in Net Position</b>	<b>\$ 2,105,088</b>	<b>\$ 2,742,709</b>	<b>\$ (299,090)</b>	<b>\$ 1,260,955</b>

**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					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
\$ 101,676,435	\$ 102,652,990	\$ 111,528,252	\$ 115,177,488	\$ 133,133,390	\$ 122,469,569
34,791,877	34,635,679	37,990,290	39,598,495	44,347,523	48,649,106
12,562,755	13,424,756	14,444,346	14,890,203	18,887,579	16,189,170
9,372,873	9,134,244	10,142,769	10,221,597	11,371,555	12,929,378
13,789,623	11,608,145	12,929,046	11,920,978	15,877,378	14,381,217
8,961,567	8,644,008	9,251,490	9,750,103	12,258,280	11,442,708
8,445,556	8,690,991	9,321,729	10,237,800	10,151,374	12,952,086
2,081,487	2,183,125	2,510,421	2,381,199	2,652,052	2,676,091
11,127,927	11,124,510	11,152,661	11,473,216	10,321,568	16,529,327
20,186,592	24,642,884	23,314,018	23,899,444	23,926,623	29,164,991
3,619,406	3,817,866	4,127,474	4,261,180	4,580,399	3,911,398
12,528,426	14,054,946	14,984,891	14,625,526	15,281,946	17,055,480
170,616	71,929	28,425	33,206	27,159	19,978
5,842,775	6,102,001	6,227,749	6,158,475	6,521,325	6,775,158
146,825	204,284	1,086,884	2,561,948	1,702,221	731,402
245,304,740	250,992,358	269,040,445	277,190,858	311,040,372	315,877,059
1,311,006	1,251,850	1,238,418	1,143,678	1,108,593	1,039,643
42,671,259	59,152,213	73,268,002	74,179,332	101,938,313	62,405,666
43,982,265	60,404,063	74,506,420	75,323,010	103,046,906	63,445,309
(201,322,475)	(190,588,295)	(194,534,025)	(201,867,848)	(207,993,466)	(252,431,750)
48,078,905	48,048,419	48,845,260	51,226,720	51,291,720	52,665,941
133,428,978	116,437,627	141,742,098	144,272,582	155,573,837	164,091,360
23,681,260	28,752,528	1,428,842	8,242,061	5,300,487	2,437,337
373,968	956,307	818,873	977,158	1,222,684	1,066,987
1,976,368	2,693,481	3,033,312	590,741	1,581,610	1,797,802
		1,501,007	1,500,450	1,669,618	699,698
207,539,479	196,888,362	197,369,392	206,809,712	216,639,956	222,759,125
\$ 6,217,004	\$ 6,300,067	\$ 2,835,367	\$ 4,941,864	\$ 8,646,490	\$ (29,672,625)

**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

Table 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

*(modified accrual basis of accounting)*

	Fiscal Year			
	2006-07	2007-08	2008-09	2009-10
General Fund				
Nonspendable	\$ 283,385	\$ 411,392	\$ 489,920	\$ 851,140
Restricted				
Committed	500,000	500,000	500,000	500,000
Assigned				
Unassigned	1,563,455	3,514,629	747,819	1,132,482
Total general fund	<u>\$ 2,346,840</u>	<u>\$ 4,426,021</u>	<u>\$ 1,737,739</u>	<u>\$ 2,483,622</u>
All other governmental funds				
Nonspendable, reported in:				
Special revenue funds				
Restricted	5,491	5,588	5,677	5,712
Committed, reported in:				
Capital projects funds			117,238	876,189
Assigned, reported in:				
Special revenue funds				
Unassigned, reported in:				
Special revenue funds	1,675,102	2,216,664	1,985,082	1,675,402
Total all other governmental fund:	<u>\$ 1,680,593</u>	<u>\$ 2,222,252</u>	<u>\$ 2,107,997</u>	<u>\$ 2,557,303</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					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
\$ 962,784	\$ 2,125,081	\$ 1,344,040	\$ 1,503,064	\$ 1,623,546	\$ 1,763,837
				903,914	1,221,455
500,000	500,000	500,000	500,000	500,000	500,000
1,400,935	1,699,886	6,582,546	10,809,725	14,278,535	11,230,141
<u>\$ 2,863,719</u>	<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>
540,394	540,361	645,710	630,557	633,195	563,139
5,745	5,764	5,768	5,772	5,776	5,780
7,227,733	8,000,740	6,080,793	5,895,826	6,654,120	4,857,129
1,529,129	1,321,630	835,841	1,195,490	1,499,642	1,859,118
(540,394)					
<u>\$ 8,762,607</u>	<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>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 4

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2006-07	2007-08	2008-09	2009-10
Revenues from local sources:				
Borough direct appropriation	\$ 38,021,951	\$ 41,758,620	\$ 44,012,143	\$ 43,964,884
E-rate reimbursement	395,033	482,893	320,588	381,036
Food services	1,632,405	1,551,587	1,555,972	1,449,019
Earnings on investments	23	97	89	35
Other local revenue	703,043	1,440,657	1,618,700	3,203,579
Tuition from students				
Total revenue from local sources	<u>40,752,455</u>	<u>45,233,854</u>	<u>47,507,492</u>	<u>48,998,553</u>
Revenue from state sources:				
Foundation program	101,688,532	101,599,107	113,640,165	123,440,655
School Improvement		2,567,238		421,312
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
PERS on-behalf		1,149,481	2,763,620	1,399,694
Other state revenue	11,214,127	11,333,927	11,652,431	11,730,340
Total revenue from state sources	<u>112,902,659</u>	<u>149,798,952</u>	<u>150,464,860</u>	<u>155,909,821</u>
Revenue from federal sources:				
Direct	1,860,647	804,561	569,630	799,667
E-Rate				
Medicaid reimbursement				
Through the State of Alaska and other				
intermediate agencies	12,550,238	13,733,079	14,544,323	18,757,991
Total revenue from federal sources	<u>14,410,885</u>	<u>14,537,640</u>	<u>15,113,953</u>	<u>19,557,658</u>
Total revenues	<u>\$ 168,065,999</u>	<u>\$ 209,570,446</u>	<u>\$ 213,086,305</u>	<u>\$ 224,466,032</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 4

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting), continued

Fiscal Year					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
\$ 48,078,905	\$ 48,048,419	\$ 48,845,260	\$ 51,226,720	\$ 51,291,720	\$ 52,665,941
See Direct Fed.	See Direct Fed.	See Direct Fed.	See Direct Fed.	See Direct Fed.	See Direct Fed.
1,340,169	1,401,593	1,238,418	1,143,678	1,108,593	1,039,643
988	651	373	351	1,185	34
2,050,752	1,660,026	2,113,217	7,504,075	6,635,854	8,435,083
51,470,814	51,110,689	52,197,268	59,874,824	59,037,352	62,140,701
132,987,274	139,119,165	141,276,085	143,796,099	155,076,933	164,091,360
441,704	459,962	466,013	476,483	496,904	
	2,361,367	2,929,851		5,300,487	
			2,517,299		
			2,996,786		
21,480,287	25,502,869	34,140,205	36,858,926	239,848,269	16,045,044
2,200,973	3,249,659	4,178,043	4,187,300	13,941,378	1,875,047
12,133,717	14,793,929	15,835,467	16,164,379	17,283,941	17,834,064
169,243,955	185,486,951	198,825,664	206,997,272	431,947,912	199,845,515
968,294	1,271,425	1,457,073	1,073,904	852,066	778,384
373,968	956,307	818,873	977,158	1,222,684	2,437,337
223,583	1,032,785	1,005,974	166,098	1,150,746	1,066,987
28,981,400	17,429,596	17,566,958	16,641,195	16,443,827	17,103,205
30,547,245	20,690,113	20,848,878	18,858,355	19,669,323	21,385,913
\$ 251,262,014	\$ 257,287,753	\$ 271,871,810	\$ 285,730,451	\$ 510,654,586	\$ 283,372,129



MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 5

Governmental Funds Expenditures  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year				
	2006-07	2007-08	2008-09	2009-10	2010-11
Instruction	\$ 73,582,426	\$ 93,735,528	\$ 93,467,023	\$ 94,597,540	\$ 100,802,148
Special education instruction	20,231,689	25,015,559	29,173,380	31,323,282	34,289,387
Special education support svc. - students	7,190,877	10,050,221	10,627,965	11,843,123	12,557,209
Support services - students	6,081,659	7,629,676	7,715,821	7,661,246	9,195,799
Support services - instruction	7,366,001	10,440,581	10,115,314	9,715,076	13,803,008
School administration	5,433,824	7,140,082	7,399,050	7,067,298	8,668,554
School administration support services	6,227,850	7,231,522	7,851,254	8,551,391	8,687,576
District administration	827,700	1,346,179	1,414,000	1,639,174	2,126,610
District administration support services	6,245,949	7,752,816	8,160,509	8,974,745	11,305,014
Operations and maintenance of plant	15,946,695	17,898,525	19,635,802	21,069,009	20,609,278
Student activities	1,889,120	2,839,572	2,942,581	2,853,439	3,617,914
Student transportation service	10,194,656	10,417,496	11,116,394	11,860,783	12,491,970
Adult and continuing education instruction		9,464	12,217		
Community services				166,234	112,312
Food services	4,795,331	5,442,385	5,519,214	5,605,591	5,920,471
Capital outlay			54,507	51,860	197,645
	<u>\$ 166,013,777</u>	<u>\$ 206,949,606</u>	<u>\$ 215,205,031</u>	<u>\$ 222,979,791</u>	<u>\$ 244,384,895</u>

	Fiscal Year				
	2011-12	2012-13	2013-14	2014-15	2015-16
Instruction	\$ 103,499,291	\$ 111,582,158	\$ 116,008,960	\$ 240,362,437	\$ 108,132,268
Special education instruction	34,909,793	37,968,642	39,595,992	72,343,485	39,130,728
Special education support svc. - students	13,404,443	14,356,252	14,977,473	31,087,214	16,183,342
Support services - students	9,276,323	10,118,303	10,296,301	21,320,389	9,853,439
Support services - instruction	11,622,599	12,869,796	11,881,290	26,037,639	13,534,368
School administration	8,658,489	9,241,119	9,727,761	23,633,598	9,911,971
School administration support services	8,409,581	9,335,527	10,349,865	12,078,209	10,699,171
District administration	2,153,297	2,495,089	2,341,882	3,942,710	2,322,675
District administration support services	11,277,610	11,108,804	9,808,134	12,527,440	15,122,521
Operations and maintenance of plant	24,274,025	23,049,191	24,054,428	26,728,663	26,129,500
Student activities	3,817,013	4,127,607	4,289,527	7,299,072	3,534,412
Student transportation service	14,037,739	14,971,166	14,628,406	15,287,959	17,051,828
Adult and continuing education instruction					
Community services	71,929	28,425	24,700	25,746	20,854
Food services	5,923,944	6,134,367	6,310,791	6,513,662	6,801,723
Capital outlay	3,217,541	2,684,128	7,056,205	5,908,069	9,041,458
Total expenditures	<u>\$ 254,553,617</u>	<u>\$ 270,070,574</u>	<u>\$ 281,351,715</u>	<u>\$ 505,096,292</u>	<u>\$ 287,470,258</u>

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 6

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

	Fiscal Year				
	2006-07	2007-08	2008-09	2009-10	2010-11
Excess (deficiency) of revenues over expenditures	\$ 2,353,646	\$ 2,620,840	\$ (2,118,726)	\$ 1,486,241	\$ 6,877,119
Other financing sources (uses):					
Issuance of capital leases					
Transfers in	1,136,344	1,058,843	819,355	920,072	7,797,196
Transfers out	(570,059)	(1,058,843)	(1,503,166)	(1,211,124)	(8,088,914)
Total other financing sources (uses)	566,285	-	(683,811)	(291,052)	(291,718)
Net change in fund balances	\$ 2,919,931	\$ 2,620,840	\$ (2,802,537)	\$ 1,195,189	\$ 6,585,401

	Fiscal Year				
	2011-12	2012-13	2013-14	2014-15	2015-16
Excess (deficiency) of revenues over expenditures	\$ 2,734,136	\$ 1,801,236	\$ 4,378,736	\$ 5,558,294	\$ (4,098,129)
Other financing sources (uses):					
Issuance of capital leases					
Transfers in	6,956,916	1,306,620	3,391,608	3,692,367	2,646,100
Transfers out	(7,123,916)	(1,306,620)	(3,224,608)	(3,692,367)	(2,646,100)
Total other financing sources (uses)	(167,000)	-	167,000	-	-
Net change in fund balances	\$ 2,567,136	\$ 1,801,236	\$ 4,545,736	\$ 5,558,294	\$ (4,098,129)

**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

<b>Fiscal Year of Assessed Value</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Tax Exempt Property</b>	<b>Total Taxable Assessed Value</b>
2006	6,736,865,300	53,688,025	1,115,573,100	5,674,980,225
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

	<b>Less:</b>		
	<b>Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Percentage of Actual Value</b>
2006	10.880	6,049,408,756	93.81%
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%

**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, 2015. 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	2015			2006		
	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	\$ 103,713,900	1	1.15%	\$ 101,269,340	1	1.78%
Enstar Natural Gas	44,611,600	2	0.50	40,706,900	2	0.72
Alaska Hotel Properties, Inc.	41,325,600	3	0.46	25,545,000	5	0.45
Fred Meyer Stores, Inc.	42,200,411	4	0.47	38,177,443	3	0.67
Wal-Mart Stores, Inc.	30,851,912	5	0.34	19,228,896	7	0.34
GCI Cable/Alaska Wireless	25,613,500	6	0.28			
Cook Inlet Region, Inc.	27,707,800	7	0.31	16,295,300	10	0.29
Global Finance & Investments						
S.A/Gary Lundgren	24,880,400	8	0.28			
DBC, LLC/Target	21,801,555	9	0.24			
Lowe's HIW Inc.	16,314,864	10	0.18	23,676,099	6	0.42
Alaska Pipeline Co.				29,580,000	4	0.52
Cottonwood Creek Mall LLC				17,034,000	9	0.30
Wasilla LLC/Pioneer Square LLC				17,258,900	8	0.30
	<u>\$ 379,021,542</u>		<u>4.21%</u>	<u>\$ 328,771,878</u>		<u>5.79%</u>

**Note:** Includes real and personal property

**Source:**

Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2015.  
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
2006	10.880	0.380	3.00	0.30	3.00	2.40	3.00	1.00	8.50
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	-

Fiscal Year	Overlapping Rates								
	Service Area Number								
	9	14	15	16	17	19	20	21	23
2006	1.75	1.50	3.80	1.50	2.75	2.00	2.72	2.65	3.50
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

**Note:** Fire Service Area (FSA), Road Service Areas (RSA), and Service Areas (SA) are identified by service area numbers.

The Borough Direct Rate represents a single component which is the Areawide Mill Levy Rate.

\* 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, 2015. 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
2006	1.70	1.25	2.50	3.00	2.00	2.67	3.40	2.75
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

Fiscal Year	Overlapping Rates								
	Service Area Number								
	33*	34*	35	69	130	131	132	135	136*
2006	2.00	1.50	1.00	5.00	1.50	3.00	0.70	-	3.50
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

**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
2006	79,509,819	5,354,913	74,154,906	71,450,048	96.35%
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%

Fiscal Year	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Levy
2006	2,640,497	74,090,545	99.91%
2007	3,989,860	81,642,803	99.81%
2008	3,541,492	91,169,031	99.78%
2009	3,814,208	100,132,253	99.70%
2010	3,177,483	100,287,150	99.55%
2011	2,778,133	101,733,131	99.29%
2012	2,976,378	104,858,235	98.81%
2013	2,040,722	104,362,339	98.39%
2014	1,340,702	107,450,410	97.69%
2015	-	108,285,996	96.91%

**Source:** Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2015. 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 <sup>a</sup>		Percentage of Students Eligible for Free or Reduced-Price Meals <sup>c</sup>
		Breakfast	Lunch	
2006-07	1,632,405	1.50	2.75	36.7%
2007-08	1,551,587	1.50	2.75	36.9%
2008-09	1,555,972	Free <sup>b</sup>	2.75	36.9%
2009-10	1,449,019	Free <sup>b</sup>	2.75	37.7%
2010-11	1,340,169	Free <sup>b</sup>	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	38.9%
2014-15	1,108,593	1.60	2.95	41.0%
2015-16	1,039,643	1.60	2.95	40.4%

**Note:**

<sup>a</sup> The cost of full-price meals are for elementary.

<sup>b</sup> Breakfast free to all students.

<sup>c</sup> 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  
Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Government Activities					
	General Obligation Bonds	Certificates of Participation	Notes Payable	Unamortized Bond Premium	Capital Leases	
2006	140,350,000	3,895,000	-	4,224,537	68,748	
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	-	

Fiscal Year	Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes Payable	Unamortized Bond Premium			
2006	9,150,000	-	170,932	157,859,217	6.85	2,132
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

**Source:**

Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. 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  
Computation of Direct and Overlapping Debt  
As of 6/30/2015

Governmental Unit	Debt Outstanding	Percentage Applicable to this Governmental Unit	Share of Direct and Overlapping Debt
Education Debt	\$ 305,070,000	100%	\$ 305,070,000
Certificates of Participations-Public Safety Building	8,640,000	100%	8,640,000
Certificates of Participations-Animal Care Facility	3,555,000	100%	3,555,000
Notes Payable-AK Clean Water Fund Loans	292,721	100%	292,721
Parks & Recreation	1,725,000	100%	1,725,000
Transportation	29,125,000		29,125,000
Total	<u>\$ 348,407,721</u>		<u>\$ 348,407,721</u>
Unamortized bond premiums	\$ 33,411,389	100%	\$ 33,411,389
Total	<u>\$ 381,819,110</u>		<u>\$ 381,819,110</u>
Cities within the Borough, (Palmer and Wasilla) General Obligation Bonds as of June 30, 2014			
Palmer Ice Rink	860,000	100%	860,000
Wasilla Road Improvement	1,540,000	100%	1,540,000
Total	<u>\$ 2,400,000</u>		<u>\$ 2,400,000</u>
Net Direct and Overlapping Debt			<u>\$ 384,219,110</u>

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

**Source:** Matanuska-Susitna Borough Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. 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	(thousands of	Capita	Enrollment	Rate
		dollars)	Income		
2006	74,041	2,304,566	31,126	15,438	7.5%
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%

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.

Source: Bureau of Economic Analysis, US Department of Commerce, Regional

**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	2015		2006	
	Employees	Rank	Employees	Rank
Trade, Transportation, and Utilities	4,764	1	4,103	1
Education and Health Services	4,058	2	2,811	2
Local Government	3,278	3	2,506	3
Leisure and Hospitality	2,654	4	2,236	4
Construction	1,884	5	1,767	5
State Government	1,523	6	1,006	6
Professional and Business Services	1,279	7	935	7
Financial Activities	768	8	711	9
Other Services	741	9	583	8
Information	472	10	555	10
Federal Government	204	11	219	12
Manufacturing	428	12	217	11
Natural Resources and Mining	174	13	115	13
Unclassified Employers	58	14	35	14
<b>Total</b>	<b>22,285</b>		<b>17,799</b>	

**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, 2015. 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 Division

**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			
		2006-07	2007-08	2008-09	2009-10
Personnel by Department					
a	Alternative Learning System	70.84	83.68	78.43	52.44
	Board / Superintendent	9.50	11.00	10.75	9.75
	Business Services	31.00	36.00	33.75	37.25
	Charter Schools	41.83	41.61	43.24	58.60
	District-wide	13.80	12.80	11.75	11.00
	Education & Instruction	6.00	11.50	22.50	27.75
b	Elementary	539.59	592.19	448.19	438.93
	Federal Programs	1.20	1.20	20.35	22.09
	Information Technology	26.00	28.00	30.00	30.00
	Middle Schools	265.25	271.75	204.90	193.25
b	Operations Maint. & Custodial	35.50	39.50	45.50	144.90
	Senior High School & JR/SR	311.85	306.10	237.80	251.60
b	Student Support Services	74.55	76.55	413.80	419.77
	Vocational Education	13.00	41.00	48.00	23.75
Total Personnel		<u>1,439.91</u>	<u>1,552.88</u>	<u>1,648.96</u>	<u>1,721.08</u>
Personnel by Employee Type					
	Board / Superintendent (s)	8.00	8.00	8.00	8.00
	Management - Certified	5.85	6.85	7.00	7.00
	Management - Classified	15.50	14.50	17.75	17.75
	Certificated Staff	1,039.90	1,109.17	1,155.90	1,112.29
	Classified Staff	<u>370.66</u>	<u>414.36</u>	<u>460.31</u>	<u>576.04</u>
Total Personnel		<u>1,439.91</u>	<u>1,552.88</u>	<u>1,648.96</u>	<u>1,721.08</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					
2010-11	2011-12 c	2012-13	2013-14	2014-15	2015-16
46.70	80.05	84.83	65.83	82.42	110.98
9.75	10.75	10.75	11.75	11.88	11.88
28.50	36.00	35.00	36.75	33.75	34.50
92.13	102.56	113.75	159.47	173.73	161.22
0.00	0.00	0.50	0.49	0.49	1.49
19.30	16.24	22.79	15.25	17.43	17.92
359.09	636.50	653.99	680.25	689.75	736.27
19.00	6.50	6.10	16.10	15.10	16.60
27.00	26.00	28.00	26.68	26.68	29.18
169.00	272.50	273.54	279.18	273.13	266.05
129.85	47.25	45.75	43.25	44.25	43.38
209.10	322.43	325.58	349.56	343.47	367.03
380.80	85.47	86.97	100.42	106.36	122.35
33.50	44.00	38.75	13.50	16.00	12.49
<u>1,523.72</u>	<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>
8.00	8.00	8.00	8.00	8.00	8.00
7.00	6.00	7.00	63.85	65.65	64.90
19.00	31.50	31.75	31.50	32.99	33.00
993.36	1,113.00	1,130.97	1,107.73	1,133.17	1,170.50
496.36	527.75	548.58	587.40	594.61	654.94
<u>1,523.72</u>	<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>

**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

Table 17

**Teacher Salary Information**

Last Ten School Years

School	Entry Level	Maximum Teacher	Average Teacher	Percent of Teachers at Maximum on
Year	Salary <sup>a</sup>	Salary <sup>b</sup>	Salary <sup>c</sup>	Column(s) <sup>d</sup>
2006-07	38,273	70,185	54,344	37%
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%

**Notes:**

- <sup>a</sup> Entry level salary represents a teacher with a bachelor degree and no experience.
- <sup>b</sup> Maximum salary represents a teacher with a masters degree, plus forty-five additional credits, and at least 13 years of teaching experience.
- <sup>c</sup> Average teacher salary is based on a scattergram of contracted certificated salaries for that school year.
- <sup>d</sup> 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 Seven Fiscal Years

	FISCAL YEAR						
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	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
002 Su-Valley JR/SR High	61.49	60.45	45.31	51.92	57.14	49.35	46.50
003 Wasilla High	34.74	36.45	24.56	34.36	32.51	39.06	32.45
005 Colony High	22.00	22.95	20.29	20.54	22.10	26.56	22.51
006 Burchell High School	76.43	73.94	25.86	68.25	58.72	56.82	100.00
007 Houston High	49.67	54.70	50.47	54.17	41.63	59.73	48.04
008 Mid Valley Jr/Sr High School	60.00	0.00	0.00	0.00	0.00	0.00	0.00
010 Palmer Middle	38.50	39.18	46.76	44.07	29.70	42.20	37.93
011 Wasilla Middle	45.66	44.98	40.60	44.20	42.82	50.07	44.83
012 Colony Middle	26.36	28.44	34.63	28.28	29.13	31.28	25.44
013 Teeland Middle	32.78	35.53	32.97	33.71	35.46	37.36	35.62
014 Houston Middle	61.96	65.42	52.32	54.05	50.13	62.94	58.33
030 Big Lake Elementary	65.75	64.62	50.80	65.39	60.22	48.12	84.49
031 Glacier View School	36.84	42.86	42.40	38.10	19.71	44.44	48.57
032 Iditarod Elementary	53.28	55.08	54.82	62.32	58.06	62.95	54.08
033 Sherrod Elementary	41.46	36.94	43.21	36.40	38.65	45.34	38.53
034 Swanson Elementary	40.29	36.79	41.86	42.28	43.64	46.71	39.74
035 Talkeetna Elementary	52.69	44.90	50.62	41.94	39.64	54.29	51.91
036 Trapper Creek Elementary	88.89	86.21	70.94	77.78	66.67	66.67	86.96
038 Willow Elementary	61.79	59.12	48.08	59.69	48.80	49.24	49.66
039 Snowshoe Elementary	37.14	36.63	42.52	36.19	33.75	48.17	49.54
041 Butte Elementary	48.00	50.65	49.19	51.59	37.76	48.37	48.85
042 Sutton Elementary	67.14	71.19	67.49	68.29	48.85	58.11	75.00
043 Cottonwood Creek Elementary	33.64	31.12	38.66	30.32	34.34	36.90	28.44
044 Tanaina Elementary	46.46	50.12	48.39	54.19	49.01	48.73	50.10
045 Pioneer Peak Elementary	25.71	27.53	37.38	26.56	39.08	29.60	30.39
046 Larson Elementary	36.80	41.99	40.06	37.44	44.17	40.21	39.51
047 Finger Lake Elementary	33.14	38.81	37.49	39.66	37.27	39.38	33.24
048 Goosebay Elementary	46.71	50.31	42.30	44.56	56.10	48.43	42.99
050 Shaw Elementary	44.91	46.00	50.03	41.24	29.17	47.14	40.70
051 Meadow Lakes Elementary	54.72	55.23	48.52	50.00	27.44	55.33	49.89
052 Knik Elementary	46.25	49.38	52.81	46.91	59.45	52.26	42.05
053 Machetanz Elementary	34.15	27.09	32.55	21.62	48.47	21.23	19.21
071 Valley Pathways School	43.41	48.39	12.57	40.91	41.81	52.38	46.40
073 Mat-Su Career & Tech High School	30.00	31.23	21.71	27.40	42.16	26.63	22.88
077 Mat-Su Day School	0.00	0.00	0.00	0.00	0.00	0.00	34.48
080 Joe Redington JR/SR High	0.00	0.00	0.00	0.00	0.00	0.00	48.12
Average of All Sites	37.74%	38.56%	38.19%	39.50%	39.98%	40.02%	40.42%

**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.

- <sup>a</sup> 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:**

Information taken from Food Services Cybersoft Software. Even though the data was available for only six years, we felt it prudent to present the information for the reasons stated above and for future reference.



**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

Table 19  
Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	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
2006-07	15,847	166,013,777	10,476	0.97%	19,818,103	-
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

- 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. FY06-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:** Enrollment and average class size information is taken from the MSBSD 20 Year Enrollment History in Budget Department archives through FY15. 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 <sup>b</sup>			Percentage of Students Eligible for Free or Reduced-Price Meals <sup>c</sup>
		Elementary Schools	Middle Schools	Senior High Schools	
1,251	16.17%	23.5	23.0	24.0	36.7%
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	41.0%
2,009	-86.89%	25.0	27.1	26.3	40.4%

**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
2006-07	23.5	21.2	21.2	1,537	1,527	1,511
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	1,536	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	1,421	1,478

**Source:** Results of the American College Test (ACT) are comprised of all grade level students who tested that year. Scores reflect average composite score.  
The composite score is the average of the four individual required test scores.  
Alaska and National SAT scores was provided by The College Board online at  
[http://www.act.org/content/dam/act/unsecured/documents/CCCR\\_National\\_2016.pdf](http://www.act.org/content/dam/act/unsecured/documents/CCCR_National_2016.pdf)  
<https://research.collegeboard.org/programs/sat/data/cb-seniors-2016>

**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

Table 21

**Enrollment by School**

For the Fiscal Year ended June 30, 2016

	Per DEED Report	
	Average Daily Membership	Official Enrollment Count
<b>Elementary Schools</b>		
Beryozava	22	22
Big Lake	449	449
Butte	278	278
Cottonwood Creek	505	505
Finger Lake	315	315
Fred & Sara Machetanz Elementary	462	462
Glacier View	31	31
Goose Bay	484	483
Knik	495	495
Iditarod	348	347
John Shaw Elementary	425	425
Larson	390	390
Meadow Lakes	433	433
Pioneer Peak	424	423
Sherrod	442	442
Snowshoe	418	418
Sutton	55	55
Swanson	426	426
Talkeetna	105	105
Tanaina	463	462
Trapper Creek	22	22
Willow	134	134
<b>Secondary Schools</b>		
Alaska Middle College School	89	89
Burchell Alternative High School	313	311
Colony High School	1,117	1,117
Colony Middle School	726	726
Houston High School	391	391
Houston Middle School	307	307
Joe Redington JR/SR High School	459	459
Mat-Su Career & Tech High School	540	540
Palmer High School	772	772
Palmer Middle School	609	609
Su-Valley High School	188	188
Teeland Middle School	747	747
Valley Pathways Alternative	204	204
Wasilla High School	1,067	1,067
Wasilla Middle School	525	525
<b>Charter Schools</b>		
Academy Charter	241	241
American Charter	174	174
Birchtree Charter	391	391
Fronteras Charter	249	248
Midnight Sun Family Learning Center	189	189
Twindly Bridge Charter	395	394
<b>Other Schools</b>		
Correspondence Study School	1,563	1,561
Headstart	-	-
Mat-Su Day School	76	76
Mat-Su Youth Facility	15	15
<b>Total</b>	<b>18,473</b>	<b>18,465</b>

**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	8
2006-07	108	1,129	1,180	1,137	1,131	1,159	1,153	<b>6,997</b>	1,249	1,306	1,221
2007-08	70	1,131	1,197	1,223	1,155	1,172	1,182	<b>7,130</b>	1,216	1,284	1,303
2008-09	119	1,175	1,192	1,250	1,262	1,197	1,196	<b>7,391</b>	1,222	1,254	1,327
2009-10	91	1,294	1,206	1,217	1,255	1,292	1,234	<b>7,590</b>	1,209	1,260	1,255
2010-11	110	1,187	1,328	1,217	1,267	1,258	1,318	<b>7,686</b>	1,318	1,268	1,309
2011-12	119	1,413	1,305	1,327	1,257	1,270	1,294	<b>7,984</b>	1,357	1,292	1,273
2012-13	116	1,334	1,405	1,350	1,351	1,239	1293.33	<b>8,087</b>	1,304	1,382	1,292
2013-14	113	1,323	1,383	1,430	1,374	1,358	1,261	<b>8,242</b>	1,298	1,297	1,379
2014-15	94	1,348	1,380	1,417	1,458	1,410	1,408	<b>8,516</b>	1,267	1,335	1,320
2015-16	108	1,489	1,386	1,389	1,490	1,508	1,447	<b>8,816</b>	1,451	1,314	1,392
<b>Projected Enrollment</b>											
2016-17	106	1,436	1,543	1,374	1,433	1,535	1,557	<b>8,984</b>	1,493	1,429	1,363

**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

Total JR	9	10	11	12	Total SR	Grand Total	Change	Percentage Change
3,776	1,425	1,321	1,211	1,117	5,074	15,847	410	2.7%
3,803	1,282	1,311	1,562	1,027	5,182	16,115	269	1.7%
3,803	1,336	1,260	1,546	1,135	5,277	16,481	367	2.3%
3,724	1,360	1,342	1,524	1,112	5,339	16,663	183	1.2%
3,895	1,329	1,320	1,602	1,133	5,383	16,965	302	1.9%
3,923	1,289	1,335	1,357	1,450	5,431	17,338	374	2.3%
3,978	1,281	1,262	1,277	1,363	5,183	17,247	(89)	-0.5%
3,975	1,299	1,274	1,272	1,414	5,260	17,477	230	1.4%
3,922	1,386	1,312	1,269	1,353	5,319	17,757	281	1.6%
4,158	1,383	1,416	1,315	1,378	5,491	18,465	707	4.1%
4,285	1,349	1,398	1,429	1,374	5,550	18,819	354	1.9%

**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

Table 23  
School Building Information  
Last Ten Fiscal Years

<u>Type of School</u>	<u>Fiscal Year</u>									
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<b>Elementary</b>										
<b>Beryozava</b>										
<sup>a</sup> 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	16	19	21	20	20	22	17	19	22
<b>Big Lake Elementary</b>										
Square Feet	57,240	57,240	57,240	57,240	57,240	57,240	57,240	57,240	57,240	58,200
Capacity	502	502	502	502	502	502	502	502	502	511
Enrollment	359	362	402	369	391	412	417	429	468	449
<b>Butte Elementary</b>										
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	285	305	312	312	300	297	284	287	305	278
<b>Cottonwood Creek Elementary</b>										
Square Feet	49,550	49,550	49,550	51,470	51,470	51,470	49,550	49,550	49,550	49,550
Capacity	435	435	435	451	451	451	435	435	435	435
Enrollment	484	474	486	405	406	373	429	446	467	505
<b>Finger Lake Elementary</b>										
Square Feet	53,457	53,457	53,457	54,417	54,417	54,417	53,457	53,457	53,457	54,417
Capacity	469	469	469	477	477	477	469	469	469	477
Enrollment	430	392	423	344	318	306	294	296	263	315
<b>Glacier View School</b>										
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	49	44	43	36	42	38	43	39	28	31
<b>Goose Bay Elementary</b>										
Square Feet	53,457	53,457	53,457	54,417	54,417	54,417	53,457	53,457	53,457	53,457
Capacity	444	444	444	465	465	465	465	465	465	465
Enrollment	608	395	423	432	469	464	469	480	465	483
<b>Iditarod Elementary</b>										
Square Feet	45,902	45,902	45,902	62,598	62,598	62,598	45,902	45,902	45,902	51,347
Capacity	403	403	403	549	549	549	403	403	403	450
Enrollment	424	437	458	362	340	354	364	337	312	347
<b>Knik Elementary</b>										
Square Feet	School	51,533	51,533	55,338	55,338	55,338	51,533	51,533	51,533	53,378
Capacity	Opened	452	452	485	485	485	452	452	452	468
Enrollment	7.1.07	384	395	405	408	400	403	439	459	495
<b>Larson Elementary</b>										
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	373	380	290	344	357	391	385	385	378	390
<b>Machetan Elementary</b>										
Square Feet			School	53,519	53,519	53,519	52,000	52,000	52,000	54,479
Capacity			Opened	469	469	469	456	456	456	478
Enrollment			7.1.09	308	348	452	405	407	423	462
<b>Meadow Lakes Elementary</b>										
Square Feet	54,378	54,378	54,378	56,298	56,298	56,298	54,378	54,378	54,378	54,378
Capacity	477	477	477	494	494	494	477	477	477	477
Enrollment	407	376	424	460	452	410	400	412	440	433
<b>Pioneer Peak Elementary</b>										
Square Feet	48,944	48,944	48,944	49,550	49,550	49,550	48,944	48,944	48,944	50,510
Capacity	429	429	429	435	435	435	429	429	429	443
Enrollment	425	426	411	376	336	353	360	398	389	423
<b>Shaw Elementary</b>										
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	319	358	383	364	380	366	418	393	406	425

**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

Table 23  
School Building Information  
Last Ten Fiscal Years

	Fiscal Year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Sherrod Elementary</b>										
Square Feet	54,700	54,700	54,700	54,378	54,378	54,378	54,700	54,700	54,700	54,378
Capacity	480	480	480	477	477	477	480	480	480	477
Enrollment	416	402	407	424	457	448	452	439	455	442
<b>Snowshoe Elementary</b>										
Square Feet	49,550	49,550	49,550	50,510	50,510	50,510	49,550	49,550	49,550	50,510
Capacity	435	435	435	443	443	443	435	435	435	443
Enrollment	484	383	378	372	387	380	380	382	399	418
<b>Sutton Elementary</b>										
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	79	62	66	72	61	58	42	38	51	55
<b>Swanson Elementary</b>										
Square Feet	51,335	51,335	51,335	51,095	51,095	51,095	51,335	51,335	51,335	51,335
Capacity	450	450	450	448	448	448	450	450	450	450
Enrollment	446	451	430	440	439	455	443	426	420	426
<b>Talkeetna Elementary</b>										
Square Feet	28,125	28,125	28,125	28,595	28,595	28,595	28,125	28,125	28,125	28,595
Capacity	247	247	247	251	251	251	247	247	247	251
Enrollment	96	98	96	90	111	92	76	89	88	105
<b>Tanaina Elementary</b>										
Square Feet	53,457	53,457	53,457	53,457	53,457	53,457	53,457	53,457	53,457	56,337
Capacity	469	469	469	469	469	469	469	469	469	494
Enrollment	398	371	332	401	402	395	408	426	453	462
<b>Trapper Creek Elementary</b>										
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	23	19	21	23	22	35	35	31	32	22
<b>Willow Elementary</b>										
Square Feet	33,797	33,797	33,797	33,797	33,797	33,797	33,797	33,797	33,797	34,757
Capacity	296	296	296	296	296	296	296	296	296	305
Enrollment	142	124	119	129	131	135	124	114	136	134
<b>Middle School</b>										
<b>Colony Middle School</b>										
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	701	721	665	646	627	633	636	651	665	726
<b>Houston Middle School</b>										
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	352	353	341	323	343	403	372	390	327	307
<b>Palmer Middle School</b>										
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	643	667	632	597	569	634	602	641	590	609
<b>Teeland Middle School</b>										
Square Feet	135,000	135,000	135,000	134,539	134,539	134,539	135,000	135,000	135,000	135,403
Capacity	818	818	818	815	815	815	818	818	818	821
Enrollment	606	670	698	724	716	675	713	697	724	747
<b>Wasilla Middle School</b>										
Square Feet	124,809	124,809	124,809	136,518	136,518	136,518	124,809	124,809	124,809	131,718
Capacity	756	756	756	827	827	827	756	756	756	798
Enrollment	837	800	799	809	838	824	826	798	719	525
<b>Secondary</b>										
<b>Colony High School</b>										
Square Feet	194,000	194,000	194,000	194,960	194,960	194,960	194,000	194,000	194,000	194,960
Capacity	1,176	1,176	1,176	1,182	1,182	1,182	1,176	1,176	1,176	1,182
Enrollment	1,168	1,152	1,189	1,238	1,188	1,178	1,094	1,102	1,120	1,117
<b>Houston High School</b>										
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	443	430	414	404	387	409	389	376	387	391



**MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT**

Table 23  
School Building Information  
Last Ten Fiscal Years

	Fiscal Year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Joe Redington Sr Jr/Sr High School</b>										
Square Feet									School	107,306
Capacity									Opened	650
Enrollment									7.1.15	459
<b>Mat-Su Career &amp; Technical High School</b>										
Square Feet	School	75,400	75,400	81,025	81,025	81,025	75,400	75,400	75,400	114,085
Capacity	Opened	457	457	491	491	491	457	457	457	691
Enrollment	7.1.07	258	346	406	416	423	436	423	457	540
<b>Palmer High School</b>										
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	965	893	899	794	763	797	764	785	762	772
<b>Su-Valley Jr/Sr High School</b>										
Square Feet	48,910	7,680	7,680	50,578	50,578	50,578	50,578	50,578	50,578	50,578
Capacity	296	47	47	307	307	307	307	307	307	307
Enrollment	194	176	180	164	190	174	164	165	177	188
<b>Wasilla High School</b>										
Square Feet	200,326	200,326	200,326	211,246	211,246	211,246	200,326	200,326	200,326	200,326
Capacity	1,214	1,214	1,214	1,280	1,280	1,280	1,214	1,214	1,214	1,214
Enrollment	1,325	1,212	1,253	1,276	1,235	1,279	1,236	1,202	1,159	1,067
<b>Burchell Alternative High School</b>										
Square Feet	33,794	33,794	33,794	37,482	37,482	37,482	33,794	33,794	33,794	38,282
Capacity	205	205	205	227	227	227	205	205	205	232
Enrollment	258	217	221	228	277	259	180	265	287	311
<b>Valley Pathways Alternative High School</b>										
Square Feet	6,629	6,629	6,629	11,520	11,520	11,520	11,520	47,792	47,792	47,792
Capacity	40	40	40	70	70	70	70	290	290	290
Enrollment	209	209	206	203	215	180	162	170	196	204
<b>Charter Schools</b>										
<b>Academy Charter</b>										
Square Feet	20,734	20,734	20,734	28,414	28,414	28,414	33,880	50,934	50,934	50,934
Capacity	126	126	126	172	172	172	205	309	309	309
Enrollment	228	227	229	227	231	231	237	236	234	241
<b>American Charter (Formerly MV)</b>										
<sup>a</sup> Square Feet	9,000	9,000	9,000	6,400	6,400	6,400	6,400	6,400	6,400	6,400
Capacity	55	55	55	39	39	39	39	39	39	39
Enrollment	200	208	194	193	198	212	188	191	188	174
<b>Birchtree Charter</b>										
<sup>a</sup> Square Feet				School	21,000	31,400	35,000	35,000	35,000	43,000
Capacity				Opened	127	190	212	212	212	261
Enrollment				7.01.10	219	289	308	329	364	391
<b>Fronteras Charter</b>										
Square Feet		School	14,663	17,250	17,250	17,250	17,250	17,250	17,250	31,000
Capacity		Opened	89	105	105	105	105	105	105	188
Enrollment		7.1.08	187	203	221	214	220	231	247	248
<b>Midnight Sun Family Learning Center</b>										
<sup>a</sup> Square Feet	19,216	19,216	19,216	17,956	17,956	17,956	19,216	19,216	19,216	22,816
Capacity	116	116	116	109	109	109	116	116	116	138
Enrollment	163	164	165	163	165	164	167	164	192	189
<b>Twindly Bridge Charter</b>										
Square Feet	4,000	7,294	7,294	7,294	7,294	7,294	7,294	7,294	7,294	7,294
Capacity	24	44	44	44	44	44	44	44	44	44
Enrollment	224	281	290	279	308	298	292	262	317	394
<b>Other MSBSD Schools</b>										
<b>Alaska Middle College School</b>										
<sup>a</sup> Square Feet						School				
Capacity						Opened	100	100	100	100
Enrollment						7.1.12	37	82	93	89

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT

Table 23  
School Building Information  
Last Ten Fiscal Years

	Fiscal Year									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Mat-Su Day School										
Square Feet	School	2,880	2,880	4,800	4,800	4,800	4,800	21,500	21,500	23,300
Capacity	Opened	17	17	29	29	29	29	130	130	141
Enrollment	7,107	19	38	41	51	57	65	77	68	76
Mat-Su Central School (Formerly Correspondence Study School)										
<sup>a</sup> Square Feet	7,200	7,200	7,200	8,118	18,421	18,421	18,500	18,500	18,500	18,500
Capacity	44	44	44	49	112	112	112	112	112	112
Enrollment	1,044	1,182	1,193	1,243	1,220	1,359	1,490	1,512	1,614	1,561
Mat-Su Youth Facility										
<sup>a</sup> 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	15	5	5	9	11	15	15	15	15
<b>TOTAL ENROLLMENT</b>	<b>15,847</b>	<b>16,115</b>	<b>16,481</b>	<b>16,663</b>	<b>16,965</b>	<b>17,338</b>	<b>17,247</b>	<b>17,477</b>	<b>17,757</b>	<b>18,465</b>

Notes:

<sup>a</sup> Indicates a use of facility not owned by MSBSD.

Source: School District Operations & Maintenance Department.



**MATANUSKA  
SUSITNA**  
BOROUGH SCHOOL  
DISTRICT

*We prepare all students for success*



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

3601 C Street, Suite 600  
Anchorage, AK 99503

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Matanuska-Susitna Borough School District, a component unit of the Matanuska-Susitna Borough, Alaska, as of and for the year ended June 30, 2016, 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 December 8, 2016.

### **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  
December 8, 2016



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

3601 C Street, Suite 600  
Anchorage, AK 99503

## **Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by 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, 2016. 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 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, 2016.

### **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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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, 2016, 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 December 8, 2016, 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  
December 8, 2016



# Matanuska-Susitna Borough School District

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass Through Identifying Number	Total Grant Award	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>					
Child Nutrition Cluster:					
Passed through the State of Alaska, Department of Education and Early Development - National School Breakfast Program	10.553	03301	\$1,097,758	\$ -	\$ 1,097,758
National School Lunch Program					
Passed through the State of Alaska, Department of Education and Early Development:					
National School Lunch Program	10.555	03301	3,477,005	-	3,477,005
Donated Produce	10.555	n/a	292,217	-	292,217
Direct - Donated Produce	10.555		190,284	-	190,284
Total CFDA 10.555 National School Lunch Program					3,959,506
Total Child Nutrition Cluster					5,057,264
Passed through the State of Alaska, Department of Education and Early Development -					
Fresh Fruit & Vegetable Program	10.582	FF.16.MSSD.01	22,059	-	19,638
Fresh Fruit & Vegetable Program	10.582	FF.16.MSSD.02	80,393	-	73,189
Total CFDA 10.582 Fresh Fruit & Vegetable Program					92,827
Child and Adult Care Food Program	10.558	03301	103,328	-	103,328
Total U.S. Department of Agriculture					5,253,419
<b>U.S. Department of Education</b>					
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 16.MSSD.01	725,710	-	662,164
Title I-A Basic	84.010	IP 16.MSSD.01	3,407,033	-	3,124,485
Title I-A School Improvement	84.010	PF 16.MSSD.01	14,216	-	14,190
Title I-A School Improvement	84.010	PF 16.MSSD.02	25,000	-	6,503
Total for CFDA 84.010 Title I Grants to Local Educational Agencies					3,807,342

*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, 2016**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass Through Identifying Number	Total Grant Award	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Education, continued</b>					
Passed through the State of Alaska,					
Department of Education and Early Development, continued:					
Migrant Education State Grant Program:					
Title I-C Migrant Education Parent Advisory Council	84.011	MP 16.MSSD.01	\$ 5,000	\$ -	\$ 2,114
Title I-C Migrant Education	84.011	IP 16.MSSD.01	303,424	-	265,383
Title I-C Consolidated Administration	84.011	IP 16.MSSD.01	151,159	-	137,923
Migrant Education Book	84.011	MB 16.MSSD.01	6,188	-	5,983
Total for CFDA 84.011 Migrant Education State Grant Program					411,403
Delinquent Children and Youth Program:					
Neglected and Delinquent Children and Youth - Title I-D	84.013	IP 16.MSSD.01	24,952	-	23,702
Special Education Cluster (IDEA):					
Special Education Grants to States:					
IDEA Part B Title VI-B	84.027	SE 16.MSSD.01	4,911,893	-	4,219,505
CEIS - IDEA Part B Title VI-B	84.027	SE 16.MSSD.01	274,938	-	237,448
Total for CFDA 84.027 Special Education Grants to States					4,456,953
Special Education Preschool Grants	84.173	SE 16.MSSD.01	96,050	-	84,229
Total Special Education Cluster (IDEA)					4,541,182
Career and Technical Education - Carl Perkins Basic	84.048	EK 16.MSSD.01	442,928	-	422,620
Education for Homeless Children and Youth - McKinney-Vento Homeless	84.196	FR 16.MSSD.01	48,089	-	43,297
Twenty-First Century Community Learning Centers - Alaska	84.287	AC 16.MSSD.01	585,877	-	561,021
Math and Science Partnership	84.366	PM 16.MSSD.01	413,520	-	252,862
Improving Teacher Quality State Grants:					
Title II-A Teacher & Principal Training and Recruitment	84.367	IP 16.MSSD.01	931,853	-	795,709
Title II-A Consolidated Administration	84.367	IP 16.MSSD.01	372,770	-	340,129
Total for CFDA 84.367 Improving Teacher Quality State Grants					1,135,838

*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, 2016**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass Through Identifying Number	Total Grant Award	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Education, continued</b>					
Alaska Native Education Program:					
Direct programs:					
Enanuaq Program	84.356		\$ 55,237	\$ -	\$ 26,539
Passed through Knik Tribal Council, Duch'deldih Partnership	84.356	KTF19947	550,000	-	<u>2,918</u>
Total for CFDA 84.356 Alaska Native Education Program					<u>29,457</u>
Direct programs:					
Indian Education	84.060		568,003	-	<u>554,474</u>
Passed through the University of Alaska - Fairbanks, Investing in Innovation - UAF Urban Growth	84.411	U411B110072	1,395,772	-	<u>256,294</u>
English Language Acquisition State Grants:					
Passed through the State of Alaska, Department of Education and Early Development:					
Title III-A English Language Acquisition	84.365	IP 16.MSSD.01	52,306	-	51,435
Title III-A English Language Acquisition, Immigrant	84.365	LA 16.MSSD.01	15,000	-	<u>14,624</u>
Total for CFDA 84.365 Alaska Native Education Program					<u>66,059</u>
<b>Total U.S. Department of Education</b>					<u>12,105,551</u>
<b>U.S. Department of Health and Human Services</b>					
Passed through the State of Alaska, Department of Education and Early Development -					
Project Aware	93.243	AW 16.MSSD.01	106,161	-	53,578
Project Aware	93.243	AW 16.MSSD.02	374,914	-	<u>370,431</u>
Total for CFDA 93.243 Project Aware					<u>424,009</u>
<b>Total Expenditures of Federal Awards</b>					<u>\$ 17,782,979</u>

*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, 2016

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### *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, 2016. 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.



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

3601 C Street, Suite 600  
Anchorage, AK 99503

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

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

**Report on Compliance for Each Major State Program**

We have audited Matanuska-Susitna Borough School District's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of Matanuska-Susitna Borough School District's major state programs for the year ended June 30, 2016. 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, 2016.

### **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, 2016, 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 December 8, 2016, 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  
December 8, 2016

# Matanuska-Susitna Borough School District

## Schedule of State Financial Assistance

Year Ended June 30, 2016

Name of Award	Grant Number	Total Grant Award	State Share of Expenditures
<b>Department of Education and Early Development</b>			
Major programs:			
Public School Funding	FY 16	\$ 164,091,360	\$ 164,091,360
Student Transportation	FY 16	16,591,987	16,591,987
Alaska Pre K Program	PK 16.MSSD.01	452,887	439,662
Total major programs			181,123,009
Nonmajor programs:			
Youth in Detention	EY 16.MSSD.01	63,181	28,196
Alternative Schools	BH 16.MSSD.01	62,264	57,978
Suicide Awareness, Prevention and Postvention	SP 16.MSSD.01	26,000	24,275
Early Literacy K-3	LE 15.033.01	42,416	42,416
Passed through the University of Alaska - Fairbanks - ANSEP Digital Plan	EN0550337	500,000	251,695
Total nonmajor programs			404,560
Total Department of Education and Early Development			181,527,569
<b>Department of Labor and Workforce Development</b>			
Nonmajor programs:			
Mat-Su Construction Academy	MCA2015-2016	79,590	78,158
Total Department of Labor and Workforce Development			78,158
<b>Department of Administration</b>			
Major programs:			
PERS on behalf	FY 16	1,875,047	1,875,047
TRS on behalf	FY 16	16,045,044	16,045,044
Total Department of Administration			17,920,091
<b>Department of Health and Social Services</b>			
Nonmajor programs:			
Passed through Alaska Family Services - K-12 Tobacco Prevention	16AFS-MSBSD	111,928	108,027
<b>Department of Commerce, Community, and Economic Development</b>			
Nonmajor programs:			
Nutritional Alaska Foods for Schools	14-NAFS-033	233,305	85,231
Library and Media Upgrade	15-DC-433	21,150	10,731
Library and Technology Upgrade	15-DC-434	45,000	1,325
National Math and Science Initiative	15-DC-435	500,000	75,883
Total Department of Commerce, Community, and Economic Development			173,170
Total State Financial Assistance			\$ 199,807,015

*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, 2016

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### *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, 2016. The information in this Schedule is presented in accordance with the requirements of *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 as following, *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, 2016

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report 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 programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
93.243	Project Aware	U.S. Dept. of Health and Human Services
84.010	Title I, Part A Cluster -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, 2016**

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***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

<b>Section II - Financial Statement Findings Required to be Reported in Accordance with <i>Government Auditing Standards</i></b>
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There were no findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards.

<b>Section III - Federal Award Findings and Questioned Costs</b>
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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.

<b>Section IV - State Award Findings and Questioned Costs</b>
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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.