



Copper River School District

Basic Financial Statements,
Required Supplementary Information,
Supplementary Information, and Single
Audit Reports
Year Ended June 30, 2016

Copper River School District

Basic Financial Statements, Required Supplementary Information,
Supplementary Information, and Single Audit Reports
Year Ended June 30, 2016

Copper River School District

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Independent Auditor's Report

Members of the School Board
Copper River School District
Glennallen, 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 Copper River School District, 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 Copper River School District as of June 30, 2016, and the respective changes in financial position 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 the management discussion and analysis on pages 6-12, budgetary comparison information on page 42 and the schedules of net pension liability and pension contributions on pages 43-47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The accompanying Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance and the additional supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 accompanying Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance and the additional supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2016 on our consideration of the Copper River 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 *Governmental Auditing Standards* in considering Copper River School District's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
November 15, 2016

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Management's Discussion and Analysis

Copper River School District

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

This section of Copper River School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2016. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Statements

Key financial highlights for 2016 are as follows:

- The assets and deferred outflows of the Copper River School District exceeded its liabilities and deferred inflows at the end of the fiscal year by \$17,049,503 (net position).
- In total, net position decreased \$1,400,216 which represents a 7.6% decrease in net position from 2015. All activities in this district are governmental activities. There were no business activities in 2015 or 2016.
- Total general revenues accounted of \$6,721,967 or 75.8% of all revenues. Program specific revenues in the form of charges for services and grants accounted for \$2,144,939 or 23.8% of total revenues of \$8,866,906.
- The District had \$10,267,122 in expenses. In addition, \$2,144,939 of expenses was offset by program specific charges for services and grants. General revenues (primarily from unrestricted grants, investments, and earnings) of \$6,721,967 were used to provide for these services with the balance provided from net position available from prior years.
- As of the close of the current fiscal year, Copper River School District's governmental funds reported combined ending fund balances of \$2,792,606. A significant portion of this amount is subject to constraints. \$1,033,396 is available in the general fund for spending at the government's discretion. This amount represents the ending unassigned fund balance in the General Fund, which was 10.1% of current year expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Copper River School District's basic financial statements. Copper River School District's basic financial statements are comprised of 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 District's activities.

- *Government-wide financial statements* provide both short-term and long-term information about the District's overall financial status.
- *Fund financial statements* focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

Copper River School District

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

Fund financial statements include the governmental fund statements which tell how basic services, such as, instruction were financed in the short-term as well as what remains for future spending. The fiduciary fund statement provides information about the financial relationship in which the District acts solely as a trustee or agent for the benefit of student groups.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by two sections (1) required supplementary information related to pension disclosure and (2) additional supplementary information on individual fund activity and Schedules of Federal and State Awards.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities, with the difference between the two reported as net position.

The two government-wide statements report the District's *net position* and how they have changed. Net position, the difference between the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the District's financial position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall financial position, you need to consider additional nonfinancial factors such as the condition of school buildings and other facilities.

The government-wide financial statements include all the District's *governmental activities*, which accounts for all of the District's basic services such as instruction, maintenance and operations, and administration. There are no *business-type activities* in Copper River School District.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the district as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and/or by governmental accounting standards.
- The District establishes other funds to control and manage money for a particular purpose or to show that it is properly using certain fund revenues (such as federal grants).

Copper River School District

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

The District has two kinds of funds:

- *Governmental Funds:* Most of the District's basic services are included in governmental funds. Unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as balances of spendable resources left at fiscal year-end. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Copper River School District maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and Distance Learning and Telemedicine Special Revenue Fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* and individual budget to actual statements elsewhere in this report.

- *Fiduciary Funds:* The District is the agent, or *fiduciary*, for assets that belong to others, as is the case with the Student Activities Fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.
- *Other information.* In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Copper River School District's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found in the notes to the financial statements.

The individual major fund statements and combining statements for non-major governmental funds referred to earlier are presented immediately following the required supplementary information on pensions. This includes combining and individual fund statements and schedules.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Copper River School District, assets exceeded liabilities by \$17,049,503 at the close of the most recent fiscal year.

Copper River School District

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

By far the largest portion of the Copper River School District's net position (105%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). This is presented, less any related debt used to acquire those assets that is still outstanding. Copper River School District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. As of fiscal year end there was no district outstanding debt on the District's capital assets.

Financial Analysis of the District as a Whole

The following table provides a summary of the District's net position for 2015 compared to 2016:

<i>June 30,</i>	2015	2016	Percent Change
Condensed Statement of Net Position			
Assets			
Current assets	\$ 2,873,885	\$ 3,208,650	11.6%
Non-current	19,057,804	17,980,703	-5.7%
Total Assets	21,931,689	21,189,353	-3.4%
Deferred Outflows - pension related	276,604	889,936	221.7%
Total Assets and Deferred Outflows	\$ 22,208,293	\$ 22,079,289	-0.6%
Total Inflows - pension related	421,267	106,813	-305.8%
Liabilities			
Current liabilities	\$ 451,036	\$ 416,044	-7.8%
Non-current liabilities	2,886,271	4,506,929	56.2%
Total Liabilities	3,337,307	4,922,973	47.5%
Net Position			
Net investment in capital assets	19,057,804	17,980,703	-5.7%
Restricted	251,342	151,500	-39.7%
Unrestricted	-859,427	(1,082,700)	26.0%
Total Net Position	18,870,986	17,049,503	-9.1%
Total Liabilities, Deferred Inflows and Net Position	\$ 22,208,293	\$ 22,079,289	-0.6%

Total net position decreased by 9.1% due primarily to the increase in net pension liability and depreciation expense related to facilities.

Copper River School District

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

The following table shows the changes in net position for fiscal year 2015 compared to fiscal year 2016.

June 30, Revenues	Change in Net Position	
	2015	2016
Program revenues:		
Charges for services	\$ 34,937	\$ 33,494
Operating grants and contributions	2,708,887	2,111,445
Capital grants and contributions	-	-
General revenues:		
Investment earnings	475	1,195
E-Rate revenue	73,685	77,940
Unrestricted grants	7,438,824	6,557,927
Miscellaneous	45,733	84,905
Total Revenues	10,302,541	8,866,906
Expenses		
Governmental activities:		
Instruction	5,212,510	4,751,299
Special education instruction	787,499	761,398
Special education support services - student	102,750	216,634
Support services - students	639,655	376,607
Support services - instruction	193,893	231,230
School administration	337,960	286,007
School administration support services	232,882	226,285
District administration	270,135	344,590
District administration support services	510,261	515,323
Operations and maintenance of plant	1,371,922	1,425,052
Student activities	124,960	159,035
Student transportation services - to and from school	748,849	760,149
Food service	215,086	164,232
Construction and facilities acquisition	141,233	49,281
Total Expenses	10,889,595	10,267,122
Change In Net Position	\$ (587,054)	\$ (1,400,216)

General revenues accounted for most of the District's total revenues contributing 75.8%, with operating grants contributing 23.8%, and charges for services contributing .4% of the overall District's total revenues. Total revenues decreased by \$1,435,636 and total expenses decreased by \$622,473 in fiscal year 2016 compared to fiscal year 2015.

The decrease in revenue in the current year is primarily the result of the decrease in State of Alaska on-behalf payments for pensions.

Copper River School District

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

Financial Analysis of The District's Funds

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$8,762,121 and expenditures of \$8,392,366. The net change in fund balance was most significant in the District-Wide Technology and Building Improvement Capital project funds, with the District transferring \$550,000 to those funds.

General Fund Budgetary Highlights

The District's budget is prepared according to Alaska law and is based on a modified accrual basis of accounting. The most significant budgeted fund is the General Fund.

The actual revenues were more than anticipated. This is due to the amount for TRS/PERS on behalf of amounts, which were not budgeted.

The actual expenditures were \$145,425 less than budget primarily due to the reduced cost of energy.

During the year, the District adjusted its overall General Fund budget expenditures by \$228,437. The major change in the budget was a decrease to align expenditures with anticipated actual expenditures incurred in, operations & maintenance, instruction, special education and support services.

Capital Assets (Net of Accumulated Depreciation)

By the end of 2016, the District had invested \$41,219,100 in land, buildings, and equipment, all as governmental activities. The following table shows fiscal 2015 compared to 2016:

Capital Assets at June 30, 2016 Net of Accumulated Depreciation

	Governmental Activities		Total Percentage Change
	2015	2016	2015-2016
Land	\$ 780,767	\$ 574,922	-26.36%
Buildings	39,296,282	39,296,282	.00%
Equipment	906,213	914,878	0.96%
Vehicles	338,064	433,018	-28.09%
Totals	41,321,326	41,219,100	-0.25%
Accumulated depreciation	(21,423,537)	(23,238,397)	8.47%
Net	\$ 19,897,789	\$ 17,980,703	-9.63%

Additional information on the District's capital assets can be found in the notes to the financial statements.

Copper River School District

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

Economic Factors and Next Year's Budget and Rates

The members of the School Board, the superintendent, and administrators considered many factors when setting the fiscal year 2016 budget. One of those factors was the anticipated change in student enrollment, the state funding amount per student, and a decrease in Hold Harmless. In large part the State's Foundation Formula for school funding is based on student enrollment. As enrollment drops so will state revenues. The fiscal year 2016 budget was based on an enrollment of 425 students. The fiscal year 2017 budget is currently based on a projected enrollment of 438.75 students. There is no change in enrollment but the decrease in hold harmless funding and additional funding from the state that is outside the funding formula will impact budgeted revenues. Increases in energy costs, employee wages and benefit contributions will impact anticipated budgeted expenditures in those areas.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, parents, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, Kathy Gearhart, Business Manager, Copper River School District, P.O. Box 108 Glennallen, AK 99588, telephone number (907) 822-3234 ext. 225.

Basic Financial Statements

Copper River School District

Statement of Net Position

<i>June 30, 2016</i>	Governmental Activities
Assets	
Cash and investments	\$ 2,600,392
Accounts receivable	254,007
Inventory	79,656
Prepaid expenses	274,595
Capital assets not being depreciated	574,922
Other capital assets, net of accumulated depreciation	17,405,781
Total Assets	21,189,353
Deferred Outflows - pension related	889,936
Total Assets and Deferred Outflows	\$ 22,079,289
Liabilities, Deferred Inflows and Net Position	
Liabilities	
Accounts payable	\$ 17,561
Accrued payroll and related liabilities	398,483
Noncurrent liabilities:	
Due within one year - compensated absences	41,407
Due in more than one year - net pension liability	4,465,522
Total Liabilities	4,922,973
Deferred Inflows - pension related	106,813
Net Position	
Net investment in capital assets	17,980,703
Restricted - donor imposed	151,500
Unrestricted	(1,082,700)
Total Net Position	17,049,503
Total Liabilities, Deferred Inflows and Net Position	\$ 22,079,289

See accompanying notes to basic financial statements.

Copper River School District

Statement of Activities

Year Ended June 30, 2016	Expenses	Program Revenues		Net
		Charges for Services	Operating Grants & Contri- butions	(Expense) Revenue and Changes in Net Position
Governmental Activities				
Instruction	\$ 4,751,299	\$ -	\$ 1,001,240	\$ (3,750,059)
Special education instruction	761,398	-	191,259	(570,139)
Special education support services - students	216,634	-	22,705	(193,929)
Support services - students	376,607	-	25,639	(350,968)
Support services - instruction	231,230	-	6,478	(224,752)
School administration	286,007	-	41,334	(244,673)
School administration support services	226,285	-	9,434	(216,851)
District administration	344,590	-	25,690	(318,900)
District administration support services	515,323	-	9,063	(506,260)
Operations and maintenance of plant	1,425,052	2,275	34,517	(1,388,260)
Student activities	159,035	-	11,484	(147,551)
Student transportation - to and from school	760,149	-	642,825	(117,324)
Food services	164,232	31,219	89,777	(43,236)
Construction and facilities acquisition	49,281	-	-	(49,281)
	\$ 10,267,122	\$ 33,494	\$ 2,111,445	(8,122,183)
General Revenues				
State grants and entitlements				6,123,015
Federal grants and entitlements				434,912
Earnings on investments				1,195
E-rate				77,940
Other				84,905
Total General Revenues				6,721,967
Change in Net Position				(1,400,216)
Net Position, beginning of year				18,449,719
Net Position, end of year				\$ 17,049,503

See accompanying notes to basic financial statements.

Copper River School District

Balance Sheet
Governmental Funds

	Major Funds				Total Govern- mental Funds
	General Fund	District- Wide Technology Upgrade	Building Improvement Fund	Nonmajor Funds	
<i>June 30, 2016</i>					
Assets					
Cash and investments	\$ 1,187,098	\$ 572,016	\$ 429,949	\$ 411,329	\$ 2,600,392
Accounts receivable	8,287	-	-	245,720	254,007
Due from other funds	245,720	-	-	-	245,720
Inventory	56,559	-	-	23,097	79,656
Prepaid items	274,595	-	-	-	274,595
Total Assets	\$ 1,772,259	\$ 572,016	\$ 429,949	\$ 680,146	\$ 3,454,370
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 9,226	\$ -	\$ 8,324	\$ 11	\$ 17,561
Accrued payroll and related liabilities	398,483	-	-	-	398,483
Due to other funds	-	-	-	245,720	245,720
Total Liabilities	407,709	-	8,324	245,731	661,764
Fund Balances					
Nonspendable	331,154	-	-	23,097	354,251
Restricted	-	-	-	91,990	91,990
Assigned	-	572,016	421,625	319,328	1,312,969
Unassigned	1,033,396	-	-	-	1,033,396
Total Fund Balances	1,364,550	572,016	421,625	434,415	2,792,606
Total Liabilities and Fund Balances	\$ 1,772,259	\$ 572,016	\$ 429,949	\$ 680,146	\$ 3,454,370

See accompanying notes to basic financial statements.

Copper River School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2016

Total fund balances of governmental funds	\$ 2,792,606
Total net assets 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.	17,980,703
Certain changes in net pension liabilities are deferred rather than recognized in the current period. These items are amortized over time.	
Deferred outflows for pensions	889,936
Deferred inflows for pensions	<u>(106,813)</u>
	<u>783,123</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 are:	
Compensated absences	(41,407)
Net pension liability	<u>(4,465,522)</u>
	<u>(4,506,929)</u>
Total Net Position of Governmental Activities	<u>\$ 17,049,503</u>

See accompanying notes to basic financial statements.

Copper River School District
Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds

	Major Funds				Total Governmental Funds
	General Fund	District- Wide Technology Upgrade	Building Improvement Fund	Nonmajor Funds	
<i>Year Ended June 30, 2016</i>					
Revenues					
Food services	\$ -	\$ -	\$ -	\$ 31,219	\$ 31,219
Earnings on investments	1,182	-	-	13	1,195
Other local revenues	87,181	-	-	-	87,181
E-rate revenue	77,940	-	-	-	77,940
State sources	6,557,144	-	-	900,989	7,458,133
Federal sources:					
Direct	434,912	-	-	76,588	511,500
Through the State of Alaska	-	-	-	486,069	486,069
Other intermediate agencies	-	-	-	19,728	19,728
Other sources	-	-	-	89,156	89,156
Total Revenues	7,158,359	-	-	1,603,762	8,762,121
Expenditures					
Current:					
Instruction	2,975,890	-	-	583,793	3,559,683
Special education instruction	551,050	-	-	119,811	670,861
Special education support services - students	185,055	-	-	-	185,055
Support services - students	293,136	-	-	-	293,136
Support services - instruction	215,216	-	-	-	215,216
School administration	265,648	-	-	-	265,648
School administration support services	172,273	-	-	-	172,273
District administration	208,114	-	-	-	208,114
District administration support services	413,263	-	-	50,168	463,431
Operations and maintenance of plant	1,171,483	-	-	-	1,171,483
Student activities	95,424	-	-	-	95,424
Student transportation - to and from school	-	-	-	760,149	760,149
Food services	-	-	-	157,831	157,831
Construction and facilities acquisition	-	36,915	137,145	-	174,060
Total Expenditures	6,546,552	36,915	137,145	1,671,752	8,392,364
Excess (Deficiencies) of Revenues over Expenditures	611,807	(36,915)	(137,145)	(67,990)	369,757
Other Financing Sources (Uses)					
Transfers in	-	275,000	275,000	325,000	875,000
Transfers out	(875,000)	-	-	-	(875,000)
Net Other Financing Sources (Uses)	(875,000)	275,000	275,000	325,000	-
Net Change in Fund Balances	(263,193)	238,085	137,855	257,010	369,757
Fund Balances, beginning of year	1,627,743	333,931	283,770	177,405	2,422,849
Fund Balances, end of year	\$ 1,364,550	\$ 572,016	\$ 421,625	\$ 434,415	\$ 2,792,606

See accompanying notes to basic financial statements.

Copper River School District

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	\$ 369,757
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, on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their useful lives. This is the amount by which depreciation (\$996,035), loss on disposal and impairment (\$116,688) and sales proceeds (\$89,157) offset capital outlays (\$124,779)	(1,077,101)
Change related to net pension liability and related accounts can increase or decrease net position. This is the net increase in net position due to changes in net pension liability and related deferred outflows and inflows.	(698,443)
Long-term liabilities reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The net change in long-term liability balances are - compensated absences	<u>5,571</u>
Change in Net Position of Governmental Activities	<u>\$ (1,400,216)</u>

See accompanying notes to basic financial statements.

Copper River School District
Student Activities Agency Fund
Statement of Fiduciary Assets and Liabilities

June 30, 2016

Assets

Cash \$ 213,188

Liabilities

Due to student groups \$ 213,188

See accompanying notes to basic financial statements.

Copper River School District

Notes to Basic Financial Statements June 30, 2016

1. Summary of Significant Accounting Policies

The financial statements of the Copper River School District have been prepared in conformity with accounting principles generally accepted in the United States of America (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.

Reporting Entity

The Legislature of the State of Alaska established the Copper River School District on July 1, 1976. At that time, assets to be used by the District were turned over by direct transfer or by use permits from the State of Alaska. The District is operated under the exclusive oversight management and control of the locally-elected seven-member School Board. The School Board is the level of government which has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the Copper River School District. The District receives funding from state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, since the School Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

The School Board does not exercise oversight responsibility over any other entity. No other entity engages in activities, which benefit the School District, nor do any special financial relationships exist between the District and any other entity. Therefore, the School District does not have any component units, as defined in GASB Statement No. 14 as amended by GASB Statement Nos. 39 and 61, which require inclusion in the combined financial statements.

Basis of Presentation

The basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements include the financial information about the Copper River School District as a whole. These statements include all financial activities of the District. The District does not have any activities that are considered business-type activities.

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 operation 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.

Copper River School District

Notes to Basic Financial Statements

The fund financial statements include activities relating to certain functions or activities segregated in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. The major funds are presented in separate columns. Nonmajor funds are aggregated and presented in a single column.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide financial statements - The government-wide financial statements are prepared using the *economic resources measurement focus* and the *accrual basis* of accounting. All assets and all liabilities associated with the operation of the District are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flow. 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. Current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The District uses funds to maintain its financial records during the fiscal year. A fund is a separate accounting entity. The operations of each fund is accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures. There are three categories of funds: governmental, proprietary and fiduciary. Of these three, the District maintains governmental funds and fiduciary funds.

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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 *District-Wide Technology Upgrade Capital Project Fund* accounts for the capital improvement activities of the District's technology that are not funded by grant sources.

The *Building Improvement Capital Project Fund* accounts for the capital improvement activities of the District's facilities that are not funded by grant sources.

Copper River School District

Notes to Basic Financial Statements

The other governmental 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 (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds are used to account for the acquisition or construction of major capital facilities.

The School District follows the *Uniform Chart of Accounts for School Districts, 2012 Edition* as required by the State of Alaska, Department of Education and Early Development.

Budgets

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

The adopted School Operating Fund budget is 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 authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs. The final revised and approved budget is presented in these financial statements.

Expenditure authority for the School Operating Fund is limited to the total approved budget. There are no specific line item or category limitations.

Annual budgets of the various Special Revenue Funds are prepared in connection with the application for the special programs' funding and are reviewed and approved by the School Board. Expenditure authority for Special Revenue Fund programs is limited to the actual combined revenues and transfers from other funds. No budget for the Student Activity Fund is prepared. Unexpended balances of grants from the state and federal governments for the Special Revenue Funds generally lapse at June 30.

Project budgets are adopted for the various construction funds based on the lives of the construction projects. Expenditure authority is limited to the actual combined revenue and transfers from other funds.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to assign that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the School Operating Fund and Special Revenue Funds. Encumbrances, if any, outstanding at year end are reported as appropriate constraints of fund balance if they meet the definitions and criteria outlined later in these statements.

Copper River School District
Notes to Basic Financial Statements

Cash and Investments

Cash includes amounts in demand deposits. Investments include short-term investments. There are no statutory limitations on the type of investment allowed.

Short-term Interfund Receivables and Payables

These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. These balances represent short-term operating advances and are expected to be repaid within one year.

Inventories

Inventories are valued at cost (first-in, first-out). Inventory in the School Operating Fund consists primarily of fuel oil held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources."

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.

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.

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

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 as unearned revenue.

Compensated Absences

Annual leave is accrued and recorded as an expense in the period earned by employees in the government-wide financial statements. Sick leave does not vest and is recorded as an expense when used. No compensated absence liability is recognized in the fund financial statements and compensated absences are recorded as expenditures when used.

Copper River School District

Notes to Basic Financial Statements

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.

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.

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 balance 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 or ordinances of the school board—the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the school 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.

Copper River School District

Notes to Basic Financial Statements

Assigned fund balance - This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The school board and superintendent have 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.

Net Position

Net position represents the difference between assets and liabilities on the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Internal Activity

During the course of normal operations, the District has numerous transactions between funds, including expenditures and transfers of resources to provide services and construct assets. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. The classification of amounts recorded as subsidies or advances is determined by District management. Generally, the effect of internal activity has been eliminated in the government-wide statement of activities. Allocations of administrative overhead expenses from one function to another, and within one function, are eliminated in the statement of activities so that allocated expenses are reported only by the function to which they were allocated.

Management Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 utilizes a central treasury that is available for use by all funds, with the exception of the Student Activity Agency Fund. Each fund's portion of the central treasury is displayed on the balance sheet as "cash and investments" or included in "due to other funds."

Copper River School District
Notes to Basic Financial Statements

The following is a reconciliation of the District's deposit and investment balances to the financial statements as of June 30, 2016:

	Pooled Cash and Investments	Other	Totals
Deposits, overnight repurchase agreement and money market	\$ 2,508,403	\$ 305,177	\$ 2,813,580
	Government- wide Statement of Net Position	Agency Fund Statement of Assets and Liabilities	Totals
Cash and equivalents	\$ 2,600,392	\$ 213,188	\$ 2,813,580

Custodial credit risk- Custodial credit risk is the risk that in the event of bank or broker failure, the District's deposits and investments may not be returned to it. The District does not have a deposit policy for custodial credit risk, but does seek to mitigate this risk on its deposits through the use of a third-party collateralization agreement.

3. Receivables

All accounts receivable are considered collectible; therefore, no allowance for uncollectible accounts has been provided.

4. Interfund Receivables, Payables, and Transfers

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

Due From Other Funds	
Due to the General Fund from nonmajor funds for short-term advances	\$ 245,720
Transfers	
From the General Fund to nonmajor governmental funds for operating subsidies	\$ 325,000
From the General Fund to the Building Improvement Capital Project Fund for capital acquisition subsidies	275,000
From the General Fund to the District-Wide Technology Upgrade for capital acquisition subsidies	275,000
	\$ 875,000

Copper River School District
Notes to Basic Financial Statements

5. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Governmental Activities				
Assets not being depreciated:				
Land	\$ 780,767	\$ -	\$ (205,845)	\$ 574,922
Assets being depreciated:				
Buildings	39,296,282	-	-	39,296,282
Equipment	906,213	29,825	(21,160)	914,878
Vehicles	338,064	94,954	-	433,018
Total assets being depreciated	40,540,559	124,779	(21,160)	40,644,178
Accumulated depreciation	(22,263,522)	(996,035)	21,160	(23,238,397)
Assets Being Depreciated Net of Accumulated Depreciation	\$ 18,277,037	\$ (871,256)	\$ -	\$ 17,405,781

Capital Assets

Depreciation expense was charged to governmental functions as follows:

Year Ended June 30, 2016

Instruction	\$ 905,667
Operations and maintenance of plant	55,937
Student activities	20,897
Food services	6,401
District administration	7,133
Total Depreciation Allocated to Functions	\$ 996,035

6. Long-term Liabilities

The following schedule shows the changes in the District's long-term liabilities for the year ended June 30, 2016.

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Compensated Absences	\$ 46,978	\$ 103,007	\$ (108,578)	\$ 41,407

Copper River School District

Notes to Basic Financial Statements

7. Fund Balance

Fund balance, reported by major governmental funds and in aggregate for nonmajor governmental funds are subject to the following constraints:

<i>Year Ended June 30, 2016</i>	General Fund	District-Wide Technology Upgrade Capital Project Fund	Building Improvement Fund	Nonmajor Funds	Total Fund Balance
Nonspendable:					
Inventory	\$ 56,559	\$ -	\$ -	\$ 23,097	\$ 79,656
Prepaid items	274,595	-	-	-	274,595
Total nonspendable	331,154	-	-	23,097	354,251
Restricted -					
Kenny Lake School	-	-	-	91,990	91,990
Assigned:					
Food Service	-	-	-	86,381	86,381
Supplies acquisition	-	-	-	4,375	4,375
School upgrade	-	-	421,625	4,350	425,975
Student transportation	-	-	-	204,580	204,580
Equipment replacement	-	572,016	-	19,642	591,658
Total assigned	-	572,016	421,625	319,328	1,312,969
Unassigned	1,033,396	-	-	-	1,033,396
Total Fund Balances	\$ 1,364,550	\$ 572,016	\$ 421,625	\$ 434,415	\$ 2,792,606

8. Restricted Net Position

During fiscal year 2010, the District accepted cash and land from the estate of a District resident for the exclusive benefit of the Kenny Lake primary and secondary schools. Accordingly, the District recognized contribution revenue in the fund and government-wide financial statements for the cash contribution portion, \$26,663, and capital contribution revenue, \$245,521, in the government-wide financial statements for the estimated fair value of the land. The restricted net position at June 30, 2016 totaled \$151,500. In fiscal year 2016, a portion of the land was sold resulting in a loss on the sale of \$86,832. The District used this sale to determine that the remaining parcel was overvalued and recognized an impairment loss of \$29,856.

Copper River School District

Notes to Basic Financial Statements

9. 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.

Each Plan is included in a comprehensive annual financial report 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.

Copper River School District

Notes to Basic Financial Statements

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

Employee Contribution Rates

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

Employer and Other Contribution Rates

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

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages for PERS and 12.56% of eligible wages for TRS, subject to a wage floor, and other termination events. These rates are applied to *all* PERS/TRS participating wages, respectively, including those wages attributable to employees in the defined contribution plans. 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. 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.

Copper River School District
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 11)	8.75%	10.81%	1.56%	58.73%
Total PERS Contribution Rates	22.00%	27.19%	5.19%	96.52%

<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 11)	5.55%	12.93%	5.08 %	70.97%
Total TRS Contribution Rates	12.56%	29.27%	16.71%	137.49%

The District was credited with the following contributions into the pension plans.

<i>PERS</i>	District FY15 Measurement Period	District FY16
Employer contributions (including DBUL)	\$ 112,566	\$ 115,059
Nonemployer contributions (on-behalf)	481,350	42,378
Total Contributions	\$ 593,916	\$ 157,437

In addition, employee contributions to the Plan totaled \$33,617 during the District fiscal year.

<i>TRS</i>	Measurement Period District FY15	District FY16
Employer contributions (including DBUL)	\$ 115,656	\$ 105,462
Nonemployer contributions (on-behalf)	4,816,939	260,124
Total Contributions	\$ 4,932,595	\$ 365,586

In addition, employee contributions to the Plan totaled \$129,385 during the District fiscal year.

Copper River School District

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	\$ 2,521,094	\$ 1,944,428
State's proportionate share of NPL associated with the District	675,343	3,114,044
Total Net Pension Liability	\$ 3,196,437	\$ 5,058,472

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. For PERS the District's proportion of the net pension liability measured at June 30, 2015 for PERS was 0.05198 percent, which was an increase of 0.02287 from its proportion as of the prior measurement date. For TRS the District's proportion was 0.10451 percent, representing an increase of 0.05511 from the prior year.

For the year ended June 30, 2016, the District recognized pension expense of \$795,505 for PERS and \$620,079 for TRS. In addition, the District recognized on-behalf revenue from the State of Alaska in the amounts of \$93,263 and \$403,181 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	\$ 2,939	\$ (3,117)
Changes in assumptions	233,281	-
Net difference between projected and actual earnings on pension plan investments	-	(73,203)
Changes in proportion and differences between District contributions and proportionate share of contributions	433,195	(30,493)
District contributions subsequent to the measurement date	220,521	-
Total Deferred Outflows and Deferred Inflows Related to Pensions	\$ 889,936	\$ (106,813)

Copper River School District

Notes to Basic Financial Statements

The \$220,521 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	\$	522,949
2018		6,261
2019		(53,296)
2020		86,688
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	<p>Amounts for FY14 and FY13 were allocated to employers based on actual contributions made in FY14 and FY13, respectively.</p> <p>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.</p>
Investment Return / Discount Rate	8.00% per year (geometric), compounded annually, net of expenses for pension; and 4.55% for healthcare
Salary Scale	<p>Inflation - 3.12% per year</p> <p>Productivity - 0.50% per year</p> <p>Peace Officer/Firefighter - graded by years of services from 9.66% to 4.92%</p> <p>All others - graded by age and years of service from 8.55% to 4.34%</p>
Total Inflation	Measured by the consumer price index for urban and clerical workers for Anchorage and is assumed to increase 3.12% annually.
Mortality	<p>Pre-termination - Based on the 2010-2013 actual mortality experience</p> <p>Post-termination - 96% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB</p>

Copper River School District

Notes to Basic Financial Statements

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	0.05198%	\$ 3,351,581	\$ 2,521,094	\$ 1,821,910

<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	0.10451%	\$ 2,806,373	\$ 1,944,428	\$ 1,222,130

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.

10. 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/drj>.

Copper River School District

Notes to Basic Financial Statements

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 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 Rate

For the year ended June 30, 2016, the District was required to contribute 5% of covered salary into PERS and 7% of covered salary into TRS.

The District and employee contributions to PERS for pensions for the year ended June 30, 2016 were \$27,578 and \$44,125, respectively. The District and employee contributions for TRS for pensions for the year ended June 30, 2016 were \$50,515 and \$57,731, respectively. District contributions are recognized as pension expense/expenditures when paid.

11. 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.

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Copper River School District

Notes to Basic Financial Statements

Annual Postemployment Healthcare Cost

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

<i>PERS</i> <i>Year Ended June 30,</i>	Annual OPEB Costs	District Contributions	% of Costs Contributed
2016	\$ 18,147	\$ 62,440	100 %
2015	-	91,045	100 %
2014	69,096	96,786	100 %

On-behalf contributions for PERS OPEB were \$18,147, \$0, and \$69,096 for 2016, 2015, and 2014, respectively. Those amounts are not reflected in the OPEB costs in the table above.

<i>TRS</i> <i>Year Ended June 30,</i>	Annual OPEB Costs	District Contributions	% of Costs Contributed
2016	\$ 113,480	\$ 83,535	100 %
2015	977,176	85,543	100 %
2014	331,807	103,933	100 %

On-behalf contributions for TRS OPEB were \$113,480, \$977,176, and \$331,807 for 2016, 2015, and 2014, respectively. Those amounts are not reflected in the OPEB costs in the table above.

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 report for the PERS Plan 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%	-%
Total Contribution Rates	1.90%	2.04%

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.

Copper River School District

Notes to Basic Financial Statements

Annual Postemployment Healthcare Cost

In FY16, the District contributed \$46,530 in DC OPEB costs to PERS and \$39,928 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

12. Risk Management

The District is exposed to a considerable number of risks of loss, including: (a) damage to and loss to property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensations; i.e., employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for general liability, errors and omissions, student accident, employee medical costs and property damage. Worker's compensation is also purchased as required by statute. The District has no coverage for potential losses from environmental damages. Coverage limits and the deductibles on the commercial policies have stayed relatively constant for the last several years.

The District participates in Alaska Public Entity Insurance (APEI) which provides insurance coverage for property damage. APEI is a public entity risk pool organized to share risks among its members. Annual premiums are assessed in a manner consistent with commercial insurance policies and the District treats these premiums similarly. Coverage limits and the deductibles have stayed relatively constant and there have been no supplemental contribution requirements.

The District also participates in the NEA-Alaska Health Trust to administer and process health plan costs for covered employees and their dependents. NEA-Alaska Health Trust is a public entity risk pool which spreads the costs of health insurance across the members in the pool. Annual premiums are assessed by the trust based upon the number of participants in the plan. The District treats these premiums similar to other commercial policies. Coverage limits and the deductibles have stayed relatively constant and there have been no supplemental contribution requirements.

13. Contingencies

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

The District receives a substantial portion of its revenue from state and federal grants. Significant changes in these revenue sources could have a material effect (positive or negative) on the operations of the District.

The District provides services solely to those residents within District boundaries defined by the State of Alaska. Significant change in the local environment or economy could directly affect the District's enrollment. Significant changes in enrollment could have a material effect (positive or negative) on the District's funding and operations.

The District, from time to time, 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 management, any current legal proceedings, commitments or contingent liabilities will not materially affect the financial position of the District.

Copper River School District
Notes to Basic Financial Statements

14. 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 73 - Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 - This statement contains certain clarifications and amendments to GASB 67 and 68 as well as establishing requirements for both defined benefit and defined contribution pensions not within the scope of GASB 68. Effective for fiscal year-end June 30, 2016—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for year-end June 30, 2017, with earlier application encouraged.

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

GASB 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.

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Required Supplementary Information

Copper River School District

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

Year Ended June 30, 2016	Budget		Actual	Variance
	Original	Final		With Final Budget
Revenues				
Earnings on investments	\$ 17,000	\$ 17,000	\$ 1,182	\$ (15,818)
Other local revenues	35,000	35,000	87,181	52,181
E-rate program	75,000	75,000	77,940	2,940
State sources	6,331,249	6,138,901	6,557,144	418,243
Federal sources - direct	400,000	349,151	434,912	85,761
Total Revenues	6,858,249	6,615,052	7,158,359	543,307
Expenditures				
Current:				
Instruction	2,913,800	2,857,622	2,975,890	(118,268)
Special education instruction	606,402	539,801	551,050	(11,249)
Special education support services - students	152,301	153,486	185,055	(31,569)
Support services - students	278,573	290,497	293,136	(2,639)
Support services - instruction	223,011	219,764	215,216	4,548
School administration	277,970	246,448	265,648	(19,200)
School administration support services	194,249	167,769	172,273	(4,504)
District administration	204,935	196,746	208,114	(11,368)
District administration support services	454,445	464,886	413,263	51,623
Operations and maintenance of plant	1,513,864	1,460,218	1,171,483	288,735
Student activities	100,864	94,740	95,424	(684)
Total Expenditures	6,920,414	6,691,977	6,546,552	145,425
Excess of Revenues over Expenditures	(62,165)	(76,925)	611,807	688,732
Other Financing Sources (Uses)				
Transfers out	(43,871)	(44,958)	(875,000)	(830,042)
Net Change in Fund Balance	\$ (106,036)	\$ (121,883)	(263,193)	\$ (141,310)
Fund Balance, beginning of year			<u>1,627,743</u>	
Fund Balance, end of year			<u>\$ 1,364,550</u>	

See accompanying notes to the Required Supplementary Information.

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

<i>Years Ended June 30,</i>	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.02911%	\$ 1,357,679	\$ 1,031,489	\$ 2,389,168	\$ 1,029,219	131.91%	62.37%
2016	0.05198%	\$ 2,521,094	\$ 675,343	\$ 3,196,437	\$ 1,045,981	241.03%	63.96%

See accompanying notes to Required Supplementary Information.

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

<i>Years Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 112,566	\$ 112,566	\$ -	\$ 1,045,981	10.76%
2016	\$ 115,059	\$ 115,059	\$ -	\$ 1,049,600	10.96%

See accompanying notes to Required Supplementary Information.

Copper River School District
Teacher Retirement System (TRS)
Schedule of the District's Information on the Net Pension Liability

<i>Years Ended June 30,</i>	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.04940%	\$ 1,481,614	\$ 7,812,540	\$ 9,294,154	\$ 2,356,339	62.88%	55.70%
2016	0.10451%	\$ 1,944,428	\$ 3,114,044	\$ 5,058,472	\$ 2,250,520	86.40%	73.82%

See accompanying notes to Required Supplementary Information.

Copper River School District
Teacher Retirement System (TRS)
Schedule of the District's Contributions

<i>Years Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 115,656	\$ 115,656	\$ -	\$ 2,250,520	5.14%
2016	\$ 105,462	\$ 105,462	\$ -	\$ 2,217,413	4.76%

See accompanying notes to Required Supplementary Information.

Copper River School District

Notes to Required Supplementary Information

Budgetary Comparison Schedules

The budgetary comparison schedules are presented on the modified accrual basis of accounting.

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.

Schedule of District Contributions - Public Employees Retirement System - PERS

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.

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, 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.

Schedule of District Contributions - Public Employees Retirement System - TRS

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 year's information will be added to the schedules as it becomes available.

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

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

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Supplementary Information

Copper River School District
Nonmajor Governmental Funds
Combining Balance Sheet

<i>June 30, 2016</i>	Special Revenue Funds							
	Nutritional Alaska Foods	Digital Learning	Student Transpor- tation	Food Service	Title VI-B	Title VI-B Preschool Disabled	Title I Basic	Title II-A Teacher Principal Training
Assets								
Cash and investments	\$ 13,137	\$ 4,375	\$ 204,580	\$ 73,255	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	38,886	2,168	61,180	26,985
Inventory	-	-	-	23,097	-	-	-	-
Total Assets	\$ 13,137	\$ 4,375	\$ 204,580	\$ 96,352	\$ 38,886	\$ 2,168	\$ 61,180	\$ 26,985
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 11	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	38,886	2,168	61,180	26,985
Total Liabilities	-	-	-	11	38,886	2,168	61,180	26,985
Fund Balances (Deficit)								
Nonspendable	-	-	-	23,097	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Assigned	13,137	4,375	204,580	73,244	-	-	-	-
Total Fund Balances	13,137	4,375	204,580	96,341	-	-	-	-
Total Liabilities and Fund Balances	\$ 13,137	\$ 4,375	\$ 204,580	\$ 96,352	\$ 38,886	\$ 2,168	\$ 61,180	\$ 26,985

Copper River School District
Nonmajor Governmental Funds
Combining Balance Sheet, continued

	Special Revenue Funds, continued						Capital Project Funds		Totals
	Carl Perkins Basic	Distance Learning	Future Educators	Residential and Virtual School Planning	Indian Education	KL Beneficiary Property	KL Wood Boiler	Equipment Replacement	
<i>June 30, 2016</i>									
Assets									
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,990	\$ 4,350	\$ 19,642	\$ 411,329
Accounts receivable	13,030	37,728	15,168	12,358	38,217	-	-	-	245,720
Inventory	-	-	-	-	-	-	-	-	23,097
Total Assets	\$ 13,030	\$ 37,728	\$ 15,168	\$ 12,358	\$ 38,217	\$ 91,990	\$ 4,350	\$ 19,642	\$ 680,146
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11
Due to other funds	13,030	37,728	15,168	12,358	38,217	-	-	-	245,720
Total Liabilities	13,030	37,728	15,168	12,358	38,217	-	-	-	245,731
Fund Balances (Deficit)									
Nonspendable	-	-	-	-	-	-	-	-	23,097
Restricted	-	-	-	-	-	91,990	-	-	91,990
Assigned	-	-	-	-	-	-	4,350	19,642	319,328
Total Fund Balances	-	-	-	-	-	91,990	4,350	19,642	434,415
Total Liabilities and Fund Balances	\$ 13,030	\$ 37,728	\$ 15,168	\$ 12,358	\$ 38,217	\$ 91,990	\$ 4,350	\$ 19,642	\$ 680,146

Copper River School District
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2016	Special Revenue Funds										
	Staff Development	Nutritional Alaska Foods	Digital Learning	Student Transpor- tation	Food Service	Title VI-B	Title VI-B Preschool Disabled	Title I Basic	Title II-A Teacher Principal Training	Carl Perkins Basic	Distance Learning
Revenues											
Food services	\$ -	\$ -	\$ -	\$ -	\$ 31,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investment	-	-	-	-	-	-	-	-	-	-	-
State sources	1,951	3,111	-	642,825	-	-	-	-	-	-	184,492
Federal sources:											
Direct	-	-	-	-	-	-	-	-	-	-	-
Through the State of Alaska	-	-	-	-	86,666	123,631	5,346	183,605	65,486	19,122	-
Other intermediate agencies	-	-	-	-	-	-	-	-	-	-	-
Other sources	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,951	3,111	-	642,825	117,885	123,631	5,346	183,605	65,486	19,122	184,492
Expenditures											
Instruction	1,951	-	-	-	-	-	-	170,557	60,832	18,264	171,558
Special education instruction	-	-	-	-	-	114,845	4,966	-	-	-	-
District administration support services	-	-	-	-	-	8,786	380	13,048	4,654	858	12,934
Student transportation - to and from school	-	-	-	760,149	-	-	-	-	-	-	-
Food services	-	-	-	-	157,831	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	1,951	-	-	760,149	157,831	123,631	5,346	183,605	65,486	19,122	184,492
Excess of Revenues Over (Under)											
Expenditures	-	3,111	-	(117,324)	(39,946)	-	-	-	-	-	-
Other Financing Sources (Uses)											
Transfers in (out)	-	-	-	225,000	100,000	-	-	-	-	-	-
Net Change in Fund Balances	-	3,111	-	107,676	60,054	-	-	-	-	-	-
Fund Balances, beginning of year	-	10,026	4,375	96,904	36,287	-	-	-	-	-	-
Fund Balances, end of year	\$ -	\$ 13,137	\$ 4,375	\$ 204,580	\$ 96,341	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Copper River School District
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued

<i>Year Ended June 30, 2016</i>	Special Revenue Funds, continued					Capital Project Funds		Totals
	Arts Education New Visions	Future Educators of America	Residential and Virtual School Planning	Indian Education	KL Beneficiary Property	KL Wood Boiler	Equipment Replacement	
Revenues								
Food services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,219
Earnings on investment	-	-	-	-	13	-	-	13
State sources	4,137	-	64,473	-	-	-	-	900,989
Federal sources:								
Direct	-	-	-	76,588	-	-	-	76,588
Through the State of Alaska	2,213	-	-	-	-	-	-	486,069
Other intermediate agencies	-	19,728	-	-	-	-	-	19,728
Other sources	-	-	-	-	89,156	-	-	89,156
Total Revenues	6,350	19,728	64,473	76,588	89,169	-	-	1,603,762
Expenditures								
Instruction	6,350	19,728	58,612	72,941	3,000	-	-	583,793
Special education instruction	-	-	-	-	-	-	-	119,811
District administration support services	-	-	5,861	3,647	-	-	-	50,168
Student transportation - to and from school	-	-	-	-	-	-	-	760,149
Food services	-	-	-	-	-	-	-	157,831
Construction and facilities acquisition	-	-	-	-	-	-	-	-
Total Expenditures	6,350	19,728	64,473	76,588	3,000	-	-	1,671,752
Excess of Revenues Over (Under)								
Expenditures	-	-	-	-	86,169	-	-	(67,990)
Other Financing Sources (Uses)								
Transfers in (out)	-	-	-	-	-	-	-	325,000
Net Change in Fund Balances	-	-	-	-	86,169	-	-	257,010
Fund Balances, beginning of year	-	-	-	-	5,821	4,350	19,642	177,405
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ 91,990	\$ 4,350	\$ 19,642	\$ 434,415

Copper River School District
General (School Operating) 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 Budget
Revenues			
Local sources:			
Earnings on investment	\$ 17,000	\$ 1,182	\$ (15,818)
E-rate program	75,000	77,940	2,940
School facilities rentals	-	32,100	32,100
Other	35,000	55,081	20,081
Total local sources	127,000	166,303	39,303
State sources:			
TRS on behalf	-	373,604	373,604
PERS on behalf	-	60,525	60,525
Foundation program	6,138,901	6,123,015	(15,886)
Total State sources	6,138,901	6,557,144	418,243
Federal sources - direct - impact aid	349,151	434,912	85,761
Total Revenues	6,615,052	7,158,359	543,307
Expenditures			
Instruction:			
Certificated salaries	1,406,503	1,443,797	(37,294)
Non-certificated salaries	148,593	146,264	2,329
Employee benefits	673,556	915,002	(241,446)
Professional and technical services	3,500	7,212	(3,712)
Staff travel	4,000	2,874	1,126
Utility services	9,426	4,208	5,218
Other purchased services	92,730	73,061	19,669
Supplies, materials and media	504,709	365,791	138,918
Other expenditures	7,105	5,250	1,855
Equipment	7,500	12,431	(4,931)
Total instruction	2,857,622	2,975,890	(118,268)

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Budget
Expenditures, continued			
Special education instruction:			
Certificated salaries	\$ 205,630	\$ 206,463	\$ (833)
Non-certificated salaries	113,600	102,339	11,261
Employee benefits	202,048	217,601	(15,553)
Staff travel	6,000	12,507	(6,507)
Student travel	250	-	250
Other expenditures	12,273	12,140	133
Total special education instruction	539,801	551,050	(11,249)
Special education support services - students:			
Certificated salaries	65,346	80,719	(15,373)
Non-certificated salaries	36,349	36,717	(368)
Employee benefits	51,791	65,178	(13,387)
Staff travel	-	2,441	(2,441)
Total special education support services - students	153,486	185,055	(31,569)
Support services - students:			
Certificated salaries	60,674	51,941	8,733
Non-certificated salaries	77,000	87,883	(10,883)
Employee benefits	73,618	89,123	(15,505)
Professional and technical services	1,500	13,960	(12,460)
Staff travel	2,500	3,665	(1,165)
Other purchased services	48,022	18,021	30,001
Supplies, materials and media	18,478	24,838	(6,360)
Equipment	8,705	3,705	5,000
Total support services - students	290,497	293,136	(2,639)
Support services - instruction:			
Certificated salaries	9,000	17,289	(8,289)
Non-certificated salaries	42,194	24,131	18,063
Employee benefits	35,792	29,106	6,686
Professional and technical services	16,300	10,037	6,263
Staff travel	19,308	10,370	8,938
Utility services	85,670	120,392	(34,722)
Other purchased services	1,200	150	1,050
Supplies, materials and media	9,800	2,741	7,059
Other expenditures	500	1,000	(500)
Total support services - instruction	219,764	215,216	4,548

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Budget
Expenditures, continued			
School administration:			
Certificated salaries	\$ 178,173	\$ 177,394	\$ 779
Employee benefits	65,570	87,279	(21,709)
Staff travel	350	975	(625)
Other expenses	2,355	-	2,355
Total school administration	246,448	265,648	(19,200)
School administration support services:			
Non-certificated salaries	85,165	90,015	(4,850)
Employee benefits	79,574	81,768	(2,194)
Utility services	-	490	(490)
Supplies, materials and media	3,030	-	3,030
Total school administration support services	167,769	172,273	(4,504)
District administration:			
Certificated salaries	109,255	110,255	(1,000)
Non-certificated salaries	6,300	6,300	-
Employee benefits	35,773	50,891	(15,118)
Staff travel	28,318	23,047	5,271
Supplies, materials and media	6,400	6,472	(72)
Other expenditures	10,700	10,969	(269)
Equipment	-	180	(180)
Total district administration	196,746	208,114	(11,368)
District administration support services:			
Non-certificated salaries	186,638	189,749	(3,111)
Employee benefits	95,990	95,702	288
Professional and technical services	93,300	50,212	43,088
Staff travel	5,000	5,307	(307)
Utility services	43,000	32,500	10,500
Other purchased services	25,554	20,011	5,543
Insurance and bonding premiums	30,000	30,540	(540)
Supplies, materials and media	14,904	27,156	(12,252)
Other expenditures	10,500	12,253	(1,753)
Indirect cost recovery	(40,000)	(50,167)	10,167
Total district administration support services	464,886	413,263	51,623

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

<i>Year Ended June 30, 2016</i>	Final Budget	Actual	Variance with Budget
Expenditures, continued			
Operations and maintenance of plant:			
Non-certificated salaries	\$ 298,708	\$ 329,520	\$ (30,812)
Employee benefits	164,062	226,847	(62,785)
Professional and technical services	14,000	4,122	9,878
Staff travel	3,000	288	2,712
Utility services	44,550	40,827	3,723
Energy	686,154	405,525	280,629
Other purchased services	63,500	35,997	27,503
Insurance and bonding premiums	110,000	72,089	37,911
Supplies, materials and media	71,244	45,264	25,980
Other expenditures	5,000	4,055	945
Equipment	-	6,949	(6,949)
Total operations and maintenance of plant	1,460,218	1,171,483	288,735
Student activities:			
Certificated salaries	54,300	18,900	35,400
Non-certificated salaries	-	30,742	(30,742)
Employee benefits	7,578	10,284	(2,706)
Staff travel	-	1,806	(1,806)
Student travel	32,862	31,427	1,435
Other expenditures	-	2,265	(2,265)
Total student activities	94,740	95,424	(684)
Total Expenditures	6,691,977	6,546,552	145,425
Excess of Revenues Over Expenditures	(76,925)	611,807	688,732
Other Financing Uses			
Transfers out	(44,958)	(875,000)	(830,042)
Net Change in Fund Balances	\$ (121,883)	(263,193)	\$ (141,310)
Fund Balance, beginning of year		1,627,743	
Fund Balance, end of year		\$ 1,364,550	

Copper River School District
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 Budget
Revenues			
From state sources	\$ 10,000	\$ 1,951	\$ (8,049)
Expenditures			
Instruction staff travel	10,000	1,369	8,631
District administration staff travel	-	582	(582)
Total Expenditures	10,000	1,951	8,049
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Copper River School District
Nutritional Alaska Foods 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 Budget
Revenues			
From state sources	\$ 2,674	\$ 3,111	\$ 437
Expenditures			
Food services - supplies, materials and media	12,700	-	12,700
Net Change in Fund Balance	<u>\$ (10,026)</u>	3,111	<u>\$ 13,137</u>
Fund Balance, beginning of year		<u>10,026</u>	
Fund Balance, end of year		<u>\$ 13,137</u>	

Copper River School District
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 Budget
Revenues			
From state sources	\$ 642,825	\$ 642,825	\$ -
Expenditures			
Student transportation student travel	739,729	760,149	(20,420)
Excess of Revenues Over (Under) Expenditures	(96,904)	(117,324)	(20,420)
Other Financing Sources			
Transfers in	-	225,000	225,000
Net Change in Fund Balance	<u>\$ (96,904)</u>	107,676	<u>\$ 204,580</u>
Fund Balance, beginning of year		<u>96,904</u>	
Fund Balance, end of year		<u>\$ 204,580</u>	

Copper River School District
Food Service 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 Budget
Revenues			
Food services	\$ 33,000	\$ 31,219	\$ (1,781)
Federal sources - through the State of Alaska	90,000	86,666	(3,334)
Total Revenues	123,000	117,885	(5,115)
Expenditures			
Food services:			
Non-certificated salaries	50,000	47,224	2,776
Employee benefits	37,000	36,523	477
Staff travel	2,700	1,191	1,509
Utility services	100	-	100
Supplies, materials and media	77,558	72,680	4,878
Other expenditures	600	213	387
Total Expenditures	167,958	157,831	10,127
Excess of Revenues Over (Under) Expenditures	(44,958)	(39,946)	5,012
Other Financing Sources			
Transfers in	44,958	100,000	55,042
Net Change in Fund Balance	<u>\$ -</u>	60,054	<u>\$ 60,054</u>
Fund Balance, beginning of year		<u>36,287</u>	
Fund Balance, end of year		<u>\$ 96,341</u>	

Copper River School District
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 Budget
Revenues			
From federal sources - through the State of Alaska	\$ 147,376	\$ 123,631	\$ (23,745)
Expenditures			
Special education instruction:			
Certificated salaries	8,928	11,752	(2,824)
Non-certificated salaries	15,676	11,652	4,024
Employee benefits	30,600	18,552	12,048
Professional and technical services	80,498	70,489	10,009
Other purchased services	1,200	2,400	(1,200)
Total special education instruction	136,902	114,845	22,057
District administration support services - indirect costs	10,474	8,786	1,688
Total Expenditures	147,376	123,631	23,745
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Copper River School District
Title VI-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 Budget
Revenues			
From federal sources - through the State of Alaska	\$ 5,974	\$ 5,346	\$ (628)
Expenditures			
Special education instruction - professional and technical services	5,549	4,966	583
District administration support services - indirect costs	425	380	45
Total Expenditures	5,974	5,346	628
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Copper River School District
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 Budget
Revenues			
From federal sources - through the State of Alaska	\$ 183,395	\$ 183,605	\$ 210
Expenditures			
Instruction:			
Certificated salaries	63,707	63,369	338
Non-certificated salaries	35,578	36,317	(739)
Employee benefits	66,945	70,871	(3,926)
Staff travel	2,382	-	2,382
Supplies, materials and media	1,000	-	1,000
Other	750	-	750
Total instruction	170,362	170,557	(195)
District administration support services - indirect costs	13,033	13,048	(15)
Total Expenditures	183,395	183,605	(210)
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Copper River School District

Title II-A Teacher Principal Training & Recruitment 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 Budget
Revenues			
From federal sources - through the State of Alaska	\$ 65,871	\$ 65,486	\$ (385)
Expenditures			
Instruction:			
Certificated salaries	43,488	43,488	-
Employee benefits	17,702	17,344	358
Total instruction	61,190	60,832	358
District administration support services - indirect costs	4,681	4,654	27
Total Expenditures	65,871	65,486	385
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Copper River School District
Carl Perkins 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 Budget
Revenues			
From federal sources - through the State of Alaska	\$ 20,000	\$ 19,122	\$ (878)
Expenditures			
Instruction:			
Certificated salaries	790	749	41
Noncertificated salaries	440	-	440
Employee benefits	250	141	109
Professional and technical services	3,764	-	3,764
Staff travel	2,885	135	2,750
Other purchased services	2,147	147	2,000
Supplies, materials and media	8,772	15,992	(7,220)
Equipment	-	1,100	(1,100)
Total instruction	19,048	18,264	784
District administration support services - indirect costs	952	858	94
Total Expenditures	20,000	19,122	878
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Copper River School District
Distance Learning 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 Budget
Revenues			
State sources	\$ 346,118	\$ 184,492	\$ (161,626)
Expenditures			
Instruction:			
Certificated salaries	111,210	61,360	49,850
Non-certificated salaries	35,000	500	34,500
Employee benefits	40,406	19,494	20,912
Professional and technical services	20,000	-	20,000
Staff travel	30,000	23,923	6,077
Student travel	2,500	-	2,500
Supplies, materials and media	76,661	63,237	13,424
Other purchased services	500	-	500
Other expenditures	600	560	40
Equipment	5,000	2,484	2,516
Total instruction	321,877	171,558	150,319
District administration support services - indirect costs	24,241	12,934	11,307
Total Expenditures	346,118	184,492	161,626
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Copper River School District
Arts Education New Visions Special Revenue Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance

<i>Year Ended June 30, 2016</i>	Actual
Revenues	
From federal sources - through the State of Alaska	\$ 2,213
State sources	4,137
Total Revenues	6,350
Expenditures	
Instruction:	
Non-certificated salaries	1,000
Total employee benefits	90
Professional and technical services	1,666
Staff travel	1,633
Supplies, materials and media	761
Other expenditures	1,200
Total Expenditures	6,350
Net Change in Fund Balance	-
Fund Balance, beginning of year	-
Fund Balance, end of year	\$ -

Copper River School District
Future Educators of America Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

<i>Year Ended June 30, 2016</i>	Actual
Revenues	
From federal sources - through other intermediate agencies	\$ 19,728
Expenditures	
Instruction:	
Certificated salaries	2,200
Non-certificated salaries	1,300
Employee benefits	975
Staff travel	5,847
Student travel	9,343
Supplies, materials and media	63
Other expenditures	-
Total Expenditures	19,728
Net Change in Fund Balance	-
Fund Balance, beginning of year	-
Fund Balance, end of year	\$ -

Copper River School District
Residential & Virtual School Planning 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 Budget
Revenues			
State sources	\$ 85,489	\$ 64,473	\$ (21,016)
Expenditures			
Instruction:			
Certificated salaries	44,031	27,105	16,926
Employee benefits	14,785	8,232	6,553
Professional and technical services	20,000	20,000	-
Supplies, materials and media	124	3,275	(3,151)
Total instruction	78,940	58,612	20,328
District administration support services - indirect costs	6,549	5,861	688
Total Expenditures	85,489	64,473	21,016
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Copper River School District
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 Budget
Revenues			
From federal sources - direct	\$ 78,558	\$ 76,588	\$ (1,970)
Expenditures			
Instruction:			
Non-certificated salaries	38,960	47,780	(8,820)
Employee benefits	37,224	25,161	12,063
Total instruction	76,184	72,941	3,243
District administration support services - indirect costs	2,374	3,647	(1,273)
Total Expenditures	78,558	76,588	1,970
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Copper River School District
Kenny Lake Beneficiary Property Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

Year Ended June 30, 2016

Revenues	
Earnings on investments	\$ 13
Other sources	89,156
Total Revenues	89,169
Expenditures	
Instruction other expenditures	3,000
Net Change in Fund Balance	86,169
Fund Balance, beginning of year	5,821
Fund Balance, end of year	\$ 91,990

Copper River School District
District-Wide Technology Upgrade Capital Project Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

Year Ended June 30, 2016

Revenues	\$ -
Expenditures- Construction and Facilities Acquisition	
Supplies, material and media	2,028
Equipment	34,887
Total Expenditures	36,915
Excess of Revenues Under Expenditures	(36,915)
Other financing sources - transfers in	275,000
Net Change in Fund Balance	238,085
Fund Balance, beginning of year	333,931
Fund Balance, end of year	\$ 572,016

Copper River School District
KL Wood Boiler Capital Project Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

Year Ended June 30, 2016

Revenues	\$ -
Expenditures	-
Excess of Revenues Under Expenditures	-
Other Financing Uses	
Transfers out	-
Net Change in Fund Balance	-
Fund Balance, beginning of year	4,350
Fund Balance, end of year	\$ 4,350

Copper River School District
Equipment Replacement Capital Project Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

Year Ended June 30, 2016

Revenues	\$ -
Expenditures	-
Excess of Revenues Under Expenditures	-
Other Financing Uses	
Transfers out	-
Net Change in Fund Balance	-
Fund Balance, beginning of year	19,642
Fund Balance, end of year	\$ 19,642

Copper River School District
Building Improvement Capital Project Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

Year Ended June 30, 2016

Revenues	\$ -
Expenditures- Construction and Facilities Acquisition	
Non-certified salaries	6,239
Employee benefits	524
Professional and technical services	13,313
Other purchased services	5,592
Supplies, material and media	14,217
Equipment	97,260
Total Expenditures	137,145
Excess of Revenues Under Expenditures	(137,145)
Other financing sources - transfers in	275,000
Net Change in Fund Balance	137,855
Fund Balance, beginning of year	283,770
Fund Balance, end of year	\$ 421,625

Copper River School District
Student Activity Agency Fund -
Statement of Changes in Assets and Liabilities

<i>Year Ended June 30, 2016</i>	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2015
Assets				
Cash	\$ 219,915	\$ 127,736	\$ 134,463	\$ 213,188
Liabilities				
Due to student groups:				
Slana - students	\$ 2,371	\$ 1,810	\$ 2,543	\$ 1,638
GES: other	19,930	9,467	7,839	21,558
GES: travel	-	-	-	-
Glennallen basketball boosters	18,809	-	18,809	-
GHS: other	48,231	45,787	40,617	53,401
GHS: travel	26,610	26,172	22,352	30,430
Kenny Lake: other	93,541	29,748	30,670	92,619
Kenny Lake: travel	10,161	9,804	7,385	12,580
Upstream Learning Fund	262	4,948	4,248	962
Total Liabilities	\$ 219,915	\$ 127,736	\$ 134,463	\$ 213,188

Copper River School District
Statement of Compliance - AS 14.17.505
Year Ended June 30, 2016

Total fund balance - School Operating Fund	\$ 1,364,550
less exemptions per 4 AAC 09.160(a):	
Encumbrances	265
Inventory	56,559
Prepaid items	274,595
Federal impact aid received	382,384
	<hr/>
Fund Balance Subject to 10% Limitation	\$ 650,747
	<hr/>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	650,747		=	<u>9.94%</u>
Current year expenditures	<hr/>			<hr/>
	6,546,552			

Copper River School District
Schedule of Revenues, Expenditures and Changes in Fund Balances -
General Fund - 5 Year Comparison

Year Ended June 30,	2016		2015		2014		2013		2012	
Revenues										
Local sources	\$ 166,303	2.32%	\$ 124,266	0.94%	\$ 46,636	0.58%	\$ 99,074	1.17%	\$ 67,342	0.80%
State of Alaska	6,557,144	91.60%	12,679,616	95.65%	7,577,907	94.74%	7,923,943	93.33%	7,911,228	94.44%
Federal sources	434,912	6.08%	452,299	3.41%	373,863	4.67%	466,954	5.50%	398,494	4.76%
Total Revenues	7,158,359	100.00%	13,256,181	100.00%	7,998,406	100.00%	8,489,971	100.00%	8,377,064	100.00%
Expenditures										
Instruction	2,975,890	45.46%	6,502,653	51.44%	3,116,696	40.90%	3,227,927	39.39%	3,289,339	40.25%
Special education instruction	551,050	8.42%	1,090,247	8.62%	693,547	9.10%	800,033	9.76%	836,317	10.23%
Special education support services - students	185,055	2.83%	162,297	1.28%	92,120	1.21%	145,269	1.77%	170,501	2.09%
Support services - students	293,136	4.48%	1,139,992	9.02%	543,402	7.13%	574,802	7.01%	444,003	5.43%
Support services - instruction	215,216	3.29%	206,527	1.63%	217,272	2.85%	247,841	3.02%	190,027	2.33%
School administration	265,648	4.06%	671,456	5.31%	436,740	5.73%	471,298	5.75%	471,756	5.77%
Total instructional expenditures	4,485,995	68.52%	9,773,172	77.31%	5,099,777	66.92%	5,467,170	66.71%	5,401,943	66.10%
School administration support services	172,273	2.63%	272,553	2.16%	223,410	2.93%	205,569	2.51%	237,699	2.91%
District administration	208,114	3.18%	482,540	3.82%	234,789	3.08%	222,355	2.71%	212,527	2.60%
District administration support services	413,263	6.31%	527,218	4.17%	423,684	5.56%	524,258	6.40%	479,019	5.86%
Operations and maintenance of plant	1,171,483	17.89%	1,427,018	11.29%	1,513,722	19.86%	1,643,492	20.05%	1,712,028	20.95%
Student activities	95,424	1.46%	159,405	1.26%	125,154	1.64%	132,582	1.62%	129,011	1.58%
Total Expenditures	6,546,552	100.00%	12,641,906	100.00%	7,620,536	100.00%	8,195,426	100.00%	8,172,227	100.00%
Excess of Revenues Over Expenditures	611,807		614,275		377,870		294,545		204,837	
Other Financing Uses										
Transfers out	(875,000)		(475,000)		(350,000)		(73,001)		(384,632)	
Total Expenditures and Other Uses	7,421,552		13,116,906		7,970,536		8,268,427		8,556,859	
Net Change in Fund Balance	(263,193)		139,275		27,870		221,544		(179,795)	
Fund Balance, beginning of year	1,627,743		1,488,468		1,460,598		1,239,054		1,418,849	
Fund Balance, end of year	\$ 1,364,550		\$ 1,627,743		\$ 1,488,468		\$ 1,460,598		\$ 1,239,054	

Copper River School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Grant Title	Grant Number	Catalog of Federal Domestic Assistance Number	Total Grant Award	Expen- ditures
U.S. Department of Agriculture				
Passed through the State of Alaska, Department of Education and Early Development:				
Child Nutrition Cluster:				
USDA Commodities	N/A	10.555	\$ 5,056	\$ 5,056
National School Lunch Program	MA 1601201	10.555	81,610	<u>81,610</u>
Total U.S Department of Agriculture				<u>86,666</u>
National Endowment for the Arts				
Passed through the Alaska Council on the Arts:				
New Visions Grant	15-6100-2001	45.025	2,213	<u>2,213</u>
U.S Department of Education				
Direct programs:				
Federal Impact Aid	S041B-2016-0139	84.041	434,912	434,912
Indian Education Act	S060A140324	84.060A	78,558	<u>76,588</u>
Total direct programs				<u>511,500</u>
Passed through the State of Alaska, Department of Education and Early Development:				
Title I-A, Basic	IP 16.CRSD.01	84.010A	183,684	183,605
Title II-A Teacher & Principal Training & Recruitment	IP 16.CRSD.01	84.367A	65,871	65,486
Carl Perkins Vocational Ed Secondary	EK 16.CRSD.01	84.048A	20,000	19,122

Copper River School District
Schedule of Expenditures of Federal Awards, continued
Year Ended June 30, 2016

Federal Grant Title	Grant Number	Catalog of Federal Domestic Assistance Number	Total Grant Award	Expen- ditures
U.S Department of Education, continued				
Passed through the State of Alaska, Department of Education and Early Development, continued:				
Special Education Cluster:				
Title VI-B Regular	SE 16.CRSD.01	84.027A	\$ 147,385	\$ 123,631
Title VI-B Preschool Disabled	SE 16.CRSD.01	84.173A	5,974	<u>5,346</u>
Total Special Education Cluster				<u>128,977</u>
Total Passed through the State of Alaska, Department of Education and Early Development				<u>397,190</u>
Passed through the University of Alaska Fairbanks - Future Educators of America	UAF 16-0046	84.048	30,675	<u>19,728</u>
Total U.S Department of Education				<u>928,418</u>
Total Expenditures of Federal Awards				<u>\$ 1,017,297</u>

Copper River School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2016

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Copper River 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 Copper River School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Copper River School District.

2. Summary of Significant Accounting Policies

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

3. Indirect Cost Rate

Copper River School District has elected not to use the 10-percent de minimis indirect rate allowed under the Uniform Guidance.

Copper River School District
Schedule of State Financial Assistance
Year Ended June 30, 2016

Name of Award	Grant Number	Total Grant Award	State Share of Expenditures
Department of Education and Early Development			
Major programs:			
Foundation	FY 16	\$ 6,123,015	\$ 6,123,015
Pupil Transportation	FY 16	642,825	642,825
Digital Teaching Initiative	DT 16.CRSD.01	217,351	184,492
Nonmajor program:			
New Visions Grant	16-NV003	4,137	4,137
Total Department of Education and Early Development			6,954,469
Department of Administration			
Major program - TRS On-behalf	FY 16	373,604	373,604
Nonmajor - PERS On-behalf	FY 16	60,525	60,525
Total Department of Administration			434,129
Department of Commerce, Community, and Economic Development			
Nonmajor programs:			
Residential and Virtual School Planning	15-DC-369	275,000	64,473
Nutritional AK foods	15-NAFS-355	31,751	3,111
Total Department of Commerce, Community, and Economic Development			67,584
Total State Financial Assistance			\$ 7,456,182

Note 1: Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state grant activity of Copper River 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 the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Copper River School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Copper River School District.

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Single Audit Section



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

Members of the School Board
Copper River School District
Glennallen, 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 Copper River School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Copper River School District's basic financial statements, and have issued our report thereon dated November 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Copper River 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 Copper River School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Copper River 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 Copper River School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

BDO USA, LLP

Anchorage, Alaska
November 15, 2016



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3601 C Street, Suite 600
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Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Members of the School Board
Copper River School District
Glennallen, Alaska

Report on Compliance for Each Major Federal Program

We have audited Copper River 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 Copper River School District's major federal programs for the year ended June 30, 2016. Copper River 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 each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Copper River School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 Copper River 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 Copper River School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Copper River 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 Copper River 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 Copper River 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 Copper River 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 describe in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

BDO USA, LLP

Anchorage, Alaska
November 15, 2016



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

Members of the School Board
Copper River School District
Glennallen, Alaska

Report on Compliance for Each Major State Program

We have audited Copper River 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 Copper River School District's major state programs for the year ended June 30, 2016. Copper River 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 Copper River 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 Copper River 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 Copper River School District's compliance.

Opinion on Each Major State Program

In our opinion, Copper River 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 Copper River 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 Copper River 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 Copper River 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.

BDO USA, LLP

Anchorage, Alaska
November 15, 2016

Copper River School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:
 Material weakness(es) identified? yes X no
 Significant deficiency(ies) identified? yes X (none reported)

Noncompliance material to financial statements noted? yes X no

Federal Financial Assistance

Internal control over major federal 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 federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
84.041	Impact Aid	Department of Education

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

Auditee qualified as low-risk auditee? X yes No

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: \$ 100,000

Copper River School District

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2016

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

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a)) that are required to be reported.

Section IV - State Award Findings and Questioned Costs

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