



Copper River School District

Basic Financial Statements,
Required Supplementary Information,
Supplementary Information, and Single
Audit Reports
Year Ended June 30, 2017

Copper River School District

Basic Financial Statements, Required Supplementary Information,
Supplementary Information, and Single Audit Reports
Year Ended June 30, 2017

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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Copper River School District as of June 30, 2017, 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Copper River School District's basic financial statements. The accompanying combining and individual fund financial statements and schedules, Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Schedule of State Financial Assistance as required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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The accompanying Schedule of Expenditures of Federal Awards, the Schedule of State Financial Assistance, and combining and individual fund financial statements and the schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards, the Schedule of State Financial Assistance, and combining and individual fund financial statements and the schedules listed in the table of contents are 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 17, 2017 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 *Government Auditing Standards* in considering Copper River School District's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
November 17, 2017

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Management's Discussion and Analysis

Copper River School District

Management's Discussion and Analysis

Year Ended June 30, 2017

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, 2017. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Statements

Key financial highlights for 2017 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 \$15,954,941 (net position).
- In total, net position decreased \$1,094,562 which represents a 6.4% decrease in net position from 2016. All activities in this district are governmental activities. There were no business activities in 2016 or 2017.
- Total general revenues accounted for \$7,649,381 or 79.9% of all revenues. Program specific revenues in the form of charges for services and grants accounted for \$1,924,316 or 19.8% of total revenues of \$9,573,697.
- The District had \$10,668,259 in expenses. In addition, \$1,895,451 of expenses was offset by program specific charges for services and grants. General revenues (primarily from unrestricted grants, investments, and earnings) of \$7,649,381 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 \$3,218,236. A significant portion of this amount is subject to constraints. \$932,118 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 8.7% 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, 2017

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, 2017

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 \$15,954,941 at the close of the most recent fiscal year.

Copper River School District

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

By far the largest portion of the Copper River School District's net position 80% 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 2016 compared to 2017:

Condensed Statement of Net Position

<i>June 30,</i>	2016	2017	Percent Change
Assets			
Current assets	\$ 3,208,650	\$ 3,674,104	14.5%
Non-current	17,980,703	17,256,344	-4.0%
Total Assets	21,189,353	20,930,448	1.2%
Deferred Outflows - pension related	889,936	\$1,134,400	27.5%
Total Assets and Deferred Outflows	\$ 22,079,289	\$ 22,064,848	-0.1%
Total Inflows - pension related	106,813	296,352	177.4%
Liabilities			
Current liabilities	\$ 416,044	\$ 455,868	9.6%
Non-current liabilities	4,506,929	5,357,687	18.9%
Total Liabilities	4,922,973	5,813,555	18.1%
Net Position			
Net investment in capital assets	17,980,703	17,256,344	-4.0%
Restricted	151,500	151,527	0%
Unrestricted	(1,082,700)	(1,452,930)	34.2%
Total Net Position	17,049,503	15,954,941	-6.4%
Total Liabilities, Deferred Inflows and Net Position	\$ 22,079,289	\$ 21,768,496	-.9%

Total net position decreased by 6.4% 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, 2017

The following table shows the changes in net position for fiscal year 2016 compared to fiscal year 2017.

June 30, Revenues	Change in Net Position	
	2016	2017
Program revenues:		
Charges for services	\$ 33,494	\$ 28,865
Operating grants and contributions	2,111,445	1,895,451
Capital grants and contributions	-	-
General revenues:		
Investment earnings	1,195	4,900
E-Rate revenue	77,940	115,386
Unrestricted grants	6,557,927	7,445,618
Miscellaneous	84,905	83,477
Total Revenues	\$ 8,866,906	\$ 9,573,697
Expenses		
Governmental activities:		
Instruction	\$ 4,751,299	\$ 5,291,860
Special education instruction	761,398	962,415
Special education support services - student	216,634	207,972
Support services - students	376,607	210,280
Support services - instruction	231,230	218,461
School administration	286,007	358,205
School administration support services	226,285	212,124
District administration	344,590	252,912
District administration support services	515,323	479,702
Operations and maintenance of plant	1,425,052	1,416,095
Student activities	159,035	125,451
Student transportation services - to and from school	760,149	722,474
Food service	164,232	193,696
Construction and facilities acquisition	49,281	16,612
Total Expenses	10,267,122	10,668,259
Change In Net Position	\$ (1,400,216)	\$ (1,094,562)

General revenues accounted for most of the District's total revenues contributing 79.9%, with operating grants contributing 19.8%, and charges for services contributing .4% of the overall District's total revenues. Total revenues increased by \$706,791 and total expenses increased by \$401,137 in fiscal year 2017 compared to fiscal year 2016.

The increase in revenue in the current year is primarily the result of an increase in Impact Aide revenue and an unexpected increase in student enrollment.

Copper River School District

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

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 \$9,230,289 and expenditures of \$8,804,659. The net change in fund balance was most significant in the District-Wide Technology and Building Improvement Capital project funds, with the District transferring \$686,100 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 \$329,496 less than budget primarily due to the reduced cost of energy and an unanticipated decrease in classified wages.

During the year, the District adjusted its overall General Fund budget expenditures by \$88,380. 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 2017, the District had invested \$41,445,828 in land, buildings, and equipment, all as governmental activities. The following table shows fiscal 2016 compared to 2017:

Capital Assets at June 30, 2017 Net of Accumulated Depreciation

	Governmental Activities		Total Percentage Change
	2016	2017	2016-2017
Land	\$ 574,922	574,922	0%
Buildings	39,296,282	39,296,282	0%
Equipment	914,878	1,141,606	24.78%
Vehicles	433,018	433,018	0%
Totals	41,219,100	41,445,828	.55%
Accumulated depreciation	(23,238,397)	(24,189,484)	12.91%
Net	\$ 17,980,703	\$ 17,256,344	-12.83%

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, 2017

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 2017 budget. One of those factors was the anticipated change in student enrollment and the state funding amount per student. 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 2017 budget was based on an enrollment of 439.55 students. The fiscal year 2018 budget is currently based on a projected enrollment of 426.8 students. The decrease in enrollment will reflect a decrease in state funding. 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, 2017</i>	Governmental Activities
Assets and Deferred Outflows of Resources	
Cash and investments	\$ 2,904,434
Accounts receivable	416,377
Inventory	58,755
Prepaid expenses	294,538
Capital assets not being depreciated	574,922
Other capital assets, net of accumulated depreciation	16,681,422
Total Assets	20,930,448
Deferred Outflows of Resources - pension related	1,134,400
Total Assets and Deferred Outflows of Resources	\$ 22,064,848
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	\$ 30,791
Accrued payroll and related liabilities	425,077
Noncurrent liabilities:	
Due within one year - compensated absences	38,628
Due in more than one year - net pension liability	5,319,059
Total Liabilities	5,813,555
Deferred Inflows of Resources- pension related	296,352
Net Position	
Net investment in capital assets	17,256,344
Restricted - donor imposed	151,527
Unrestricted	(1,452,930)
Total Net Position	15,954,941
Total Liabilities, Deferred Inflows and Net Position	\$ 22,064,848

See accompanying notes to basic financial statements.

Copper River School District

Statement of Activities

Year Ended June 30, 2017	Expenses	Program Revenues		Net
		Charges for Services	Operating Grants & Contri- butions	(Expense) Revenue and Changes in Net Position
Governmental Activities				
Instruction	\$ 5,291,860	\$ -	\$ 1,066,187	\$ (4,225,673)
Special education instruction	962,415	-	161,320	(801,095)
Special education support services - students	207,972	-	-	(207,972)
Support services - students	210,280	-	-	(210,280)
Support services - instruction	218,461	-	-	(218,461)
School administration	358,205	-	-	(358,205)
School administration support services	212,124	-	-	(212,124)
District administration	252,912	-	-	(252,912)
District administration support services	479,702	-	-	(479,702)
Operations and maintenance of plant	1,416,095	-	-	(1,416,095)
Student activities	125,451	-	-	(125,451)
Student transportation - to and from school	722,474	-	590,456	(132,018)
Food services	193,696	28,865	77,488	(87,343)
Construction and facilities acquisition	16,612	-	-	(16,612)
	\$ 10,668,259	\$ 28,865	\$ 1,895,451	(8,743,943)

General Revenues

State grants and entitlements	7,054,964
Federal grants and entitlements	390,654
Earnings on investments	4,900
E-rate	115,386
Other	83,477

Total General Revenues	7,649,381
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Change in Net Position	(1,094,562)
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Net Position, beginning of year	17,049,503
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Net Position, end of year	\$ 15,954,941
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See accompanying notes to basic financial statements.

Copper River School District

Balance Sheet
Governmental Funds

	Major Funds						Total Govern- mental Funds
	General Fund	Special Revenue Fund	Capital Project Funds			Nonmajor Funds	
		Distance Learning	Technology Upgrade	Building Improvement			
<i>June 30, 2017</i>							
Assets							
Cash and investments	\$ 971,609	\$ -	\$ 762,280	\$ 703,513	\$ 467,032	\$ 2,904,434	
Accounts receivable	24,643	224,445	-	-	167,289	416,377	
Due from other funds	374,474	-	-	-	-	374,474	
Inventory	47,899	-	-	-	10,856	58,755	
Prepaid items	294,538	-	-	-	-	294,538	
Total Assets	\$ 1,713,163	\$ 224,445	\$ 762,280	\$ 703,513	\$ 645,177	\$ 4,048,578	
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 13,531	\$ 14,202	\$ -	\$ -	\$ 3,058	\$ 30,791	
Accrued payroll and related liabilities	425,077	-	-	-	-	425,077	
Due to other funds	-	210,243	-	-	164,231	374,474	
Total Liabilities	438,608	224,445	-	-	167,289	830,342	
Fund Balances							
Nonspendable	342,437	-	-	-	10,856	353,293	
Restricted	-	-	-	-	92,017	92,017	
Assigned	-	-	762,280	703,513	375,015	1,840,808	
Unassigned	932,118	-	-	-	-	932,118	
Total Fund Balances	1,274,555	-	762,280	703,513	477,888	3,218,236	
Total Liabilities and Fund Balances	\$ 1,713,163	\$ 224,445	\$ 762,280	\$ 703,513	\$ 645,177	\$ 4,048,578	

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, 2017

Total fund balances of governmental funds	\$ 3,218,236
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.	17,256,344
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	1,134,400
Deferred inflows for pensions	(296,352)
	838,048
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	(38,628)
Net pension liability	(5,319,059)
	(5,357,687)
Total Net Position of Governmental Activities	\$ 15,954,941

See accompanying notes to basic financial statements.

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

Year Ended June 30, 2017	Major Funds					Nonmajor Funds	Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Project Funds		Building Improvement		
		Distance Learning	Technology Upgrade	District-Wide			
Revenues							
Food services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,865	\$ 28,865
Earnings on investments	4,873	-	-	-	-	27	4,900
Other local revenues	83,477	-	-	-	-	-	83,477
E-rate revenue	115,386	-	-	-	-	-	115,386
State sources	6,711,556	322,412	-	-	-	603,672	7,637,640
Federal sources:							
Direct	390,654	-	-	-	-	482,247	872,901
Through the State of Alaska	-	-	-	-	-	473,573	473,573
Other intermediate agencies	-	-	-	-	-	13,547	13,547
Total Revenues	7,305,946	322,412	-	-	-	1,601,931	9,230,289
Expenditures							
Current:							
Instruction	2,667,167	300,643	-	-	-	857,222	3,825,032
Special education instruction	660,927	-	-	-	-	149,926	810,853
Special education support services - students	169,857	-	-	-	-	-	169,857
Support services - students	210,280	-	-	-	-	-	210,280
Support services - instruction	178,330	-	-	-	-	-	178,330
School administration	281,276	-	-	-	-	-	281,276
School administration support services	185,019	-	-	-	-	-	185,019
District administration	202,065	-	-	-	-	-	202,065
District administration support services	379,842	21,769	-	-	-	31,947	433,558
Operations and maintenance of plant	1,308,548	-	-	-	-	-	1,308,548
Student activities	92,530	-	-	-	-	-	92,530
Student transportation - to and from school	-	-	-	-	-	722,474	722,474
Food services	-	-	-	-	-	170,889	170,889
Construction and facilities acquisition	-	-	95,836	118,112	-	-	213,948
Total Expenditures	6,335,841	322,412	95,836	118,112	-	1,932,458	8,804,659
Excess (Deficiencies) of Revenues over Expenditures	970,105	-	(95,836)	(118,112)	-	(330,527)	425,630
Other Financing Sources (Uses)							
Transfers in	-	-	286,100	400,000	-	374,000	1,060,100
Transfers out	(1,060,100)	-	-	-	-	-	(1,060,100)
Net Other Financing Sources (Uses)	(1,060,100)	-	286,100	400,000	-	374,000	-
Net Change in Fund Balances	(89,995)	-	190,264	281,888	-	43,473	425,630
Fund Balances, beginning of year	1,364,550	-	572,016	421,625	-	434,415	2,792,606
Fund Balances, end of year	\$ 1,274,555	\$ -	\$ 762,280	\$ 703,513	\$ -	\$ 477,888	\$ 3,218,236

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, 2017

Net change in fund balances - total governmental funds	\$	425,630
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 (\$975,683), offset capital outlays (\$251,324)		(724,359)
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.		(798,612)
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		2,779
Change in Net Position of Governmental Activities	\$	(1,094,562)

See accompanying notes to basic financial statements.

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

June 30, 2017

Assets

Cash \$ 215,141

Liabilities

Due to student groups \$ 215,141

See accompanying notes to basic financial statements.

Copper River School District

Notes to Basic Financial Statements June 30, 2017

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 *Distance Learning Special Revenue Fund* accounts for the activity related to this State of Alaska grant for the development of a distance education curriculum. This fund does not have a legally adopted budget, therefore no budgetary required supplementary information has been included.

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, 2017:

	Pooled Cash and Investments	Other	Totals
Deposits, overnight repurchase agreement and money market	\$ 2,812,416	\$ 307,159	\$ 3,119,575

	Statement of Net Position	Agency Fund Statement of Assets and Liabilities	Totals
Cash and equivalents	\$ 2,904,434	\$ 215,141	\$ 3,119,575

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, 2017, follows:

Due From Other Funds

Due to the General Fund from the District Learning Special Revenue Fund for short-term advances	\$	210,243
Due to the General Fund from nonmajor funds for short-term advances		164,231
	\$	374,424

Transfers

From the General Fund to nonmajor governmental funds for operating subsidies	\$	374,000
From the General Fund to the Building Improvement Capital Project Fund for capital acquisition subsidies		400,000
From the General Fund to the District-Wide Technology Upgrade Capital Project Fund for capital acquisition subsidies		286,100
	\$	1,060,100

Copper River School District
Notes to Basic Financial Statements

5. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Governmental Activities				
Assets not being depreciated:				
Land	\$ 574,922	\$ -	\$ -	\$ 574,922
Assets being depreciated:				
Buildings	39,296,282	-	-	39,296,282
Equipment	914,878	251,324	(24,596)	1,141,606
Vehicles	433,018	-	-	433,018
Total assets being depreciated	40,644,178	251,324	(24,596)	40,870,906
Accumulated depreciation	(23,238,397)	(975,683)	24,596	(24,189,484)
Assets Being Depreciated Net of Accumulated Depreciation	\$ 17,405,781	\$ (724,359)	\$ -	\$ 16,681,422

Capital Assets

Depreciation expense was charged to governmental functions as follows:

Year Ended June 30, 2017

Instruction	\$ 915,660
Operations and maintenance of plant	18,271
Student activities	26,824
Food services	6,779
District administration	8,149
Total Depreciation Allocated to Functions	\$ 975,683

6. Long-term Liabilities

The following schedule shows the changes in the District's long-term liabilities for the year ended June 30, 2017.

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Compensated Absences	\$ 41,407	\$ 83,152	\$ 85,931	\$ 38,628

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, 2017</i>	General Fund	District-Wide Technology Upgrade Capital Project Fund	Building Improvement Capital Project Fund	Nonmajor Funds	Total Fund Balance
Nonspendable:					
Inventory	\$ 47,899	\$ -	\$ -	10,856	\$ 58,755
Prepaid items	294,538	-	-	-	294,538
Total nonspendable	342,437	-	-	10,856	353,293
Restricted -					
Kenny Lake School	-	-	-	92,017	92,017
Assigned:					
Food Service	-	-	-	134,086	134,086
Supplies acquisition	-	-	-	4,375	4,375
School upgrade	-	-	703,513	4,350	707,863
Student transportation	-	-	-	212,562	212,562
Equipment replacement	-	762,280	-	19,642	781,922
Total assigned	-	762,280	703,513	375,015	1,840,808
Unassigned	932,118	-	-	-	932,118
Total Fund Balances	\$ 1,274,535	\$ 762,280	\$ 703,513	\$ 477,888	\$ 3,218,236

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. The restricted net position at June 30, 2017 totaled \$151,527, \$92,017 held in cash and \$59,510 in land.

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

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

Copper River School District

Notes to Basic Financial Statements

Contribution rates for the year ended June 30, 2017 were determined in the June 30, 2014 actuarial valuation.

<i>PERS</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	14.96%	20.34%	4.14%	24.49%
Postemployment healthcare (see Note 11)	7.04%	5.80%	-%	56.64%
Total PERS Contribution Rates	22.00%	26.14%	4.14%	81.13%

<i>TRS</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	7.58%	22.40%	15.46%	37.86%
Postemployment healthcare (see Note 11)	4.98%	5.62%	-%	64.72%
Total TRS Contribution Rates	12.56%	28.02%	15.46%	102.58%

In 2017, the District was credited with the following contributions into the pension plans.

<i>PERS</i>	District FY16 Measurement Period		District FY17	
Employer contributions (including DBUL)	\$	115,059	\$	106,303
Nonemployer contributions (on-behalf)		42,378		48,453
Total Contributions	\$	157,437	\$	154,756

In addition, employee contributions to the Plan totaled \$30,925 during the District fiscal year.

<i>TRS</i>	Measurement Period District FY16		District FY17	
Employer contributions (including DBUL)	\$	105,462	\$	94,598
Nonemployer contributions (on-behalf)		260,124		61,346
Total Contributions	\$	365,586	\$	155,944

In addition, employee contributions to the Plan totaled \$102,893 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, 2017, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability associated with the District were as follows:

	PERS	TRS
District's proportionate share of NPL	\$ 2,401,859	\$ 2,917,200
State's proportionate share of NPL associated with the District	304,828	3,461,236
Total Net Pension Liability	\$ 2,706,687	\$ 6,378,436

The net pension liabilities were measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability for each Plan was determined by an actuarial valuation as of that date. The District's proportion of the net pension liabilities were based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating entities, actuarially determined. For PERS the District's proportion of the net pension liability measured at June 30, 2016 for PERS was .04297 percent, which was a decrease of .00901 from its proportion as of the prior measurement date. For TRS the District's proportion was .12776 percent, representing an increase of .02325 from the prior year.

For the year ended June 30, 2017, the District recognized pension expense of \$482,018 for PERS and \$970,701 for TRS. In addition, the District recognized on-behalf revenue from the State of Alaska in the amounts of \$41,091 and \$412,116 for PERS and TRS, respectively. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 221	\$ (64,383)
Changes in assumptions	20,621	-
Net difference between projected and actual earnings on pension plan investments	681,851	-
Changes in proportion and differences between District contributions and proportionate share of contributions	230,806	(231,969)
District contributions subsequent to the measurement date	200,901	-
Total Deferred Outflows and Deferred Inflows of Resources Related to Pensions	\$ 1,134,400	\$ (296,352)

Copper River School District

Notes to Basic Financial Statements

The \$200,091 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2018	\$	85,871
2019		111,745
2020		264,565
2021		174,966
2022		-
Thereafter		-

Actuarial Assumptions

The total pension liability for the measurement period ended June 30, 2016 (District fiscal year 2017) was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2016. The actuarial assumptions used in the June 30, 2015 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

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

Copper River School District

Notes to Basic Financial Statements

Long-term Expected Rate of Return

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

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

Discount Rate

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

Discount Rate Sensitivity

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

<i>PERS</i>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net pension liability	.04297%	\$ 3,093,472	\$ 2,401,859	\$ 1,818,514

<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	.12776%	\$ 3,975,046	\$ 2,917,200	\$ 2,030,288

Copper River School District

Notes to Basic Financial Statements

Pension Plan Fiduciary Net Position

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

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/drb>.

Contributions to the DC plans consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the District contribute at 22%. Actual remittances to the TRS system require that the District contribute 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, 2017, 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, 2017 were \$30,572 and \$48,915, respectively. The District and employee contributions for TRS for pensions for the year ended June 30, 2017 were \$51,893 and \$59,306, 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.

Copper River School District

Notes to Basic Financial Statements

Employer Contribution Rates

The District is required to contribute 8.75% of covered payroll into the PERS OPEB plan and 5.55% of covered payroll into the TRS OPEB plan.

Employees do not contribute to the DB OPEB plans.

Annual Postemployment Healthcare Cost

Actual contributions 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
2017	\$ 50,026	\$ 50,026	100 %
2016	62,440	62,440	100 %
2015	91,045	91,045	100 %

On-behalf contributions for PERS OPEB were \$0, \$18,147, and \$0 for 2017, 2016, and 2015, respectively. Those amounts are not reflected in the OPEB costs in the table above.

<i>TRS</i> <i>Year Ended June 30,</i>	Annual OPEB Costs	District Contributions	% of Costs Contributed
2017	\$ 62,150	\$ 62,150	100 %
2016	83,535	83,535	100 %
2015	85,543	85,543	100 %

On-behalf contributions for TRS OPEB were \$0, \$113,480, and \$977,176 for 2017, 2016, and 2015, 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, 2017:

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

Copper River School District

Notes to Basic Financial Statements

In addition, PERS and TRS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers* in the plan”. At July 1, 2016, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,049 per year for each full-time employee, and \$1.31 per hour for part-time employees for both PERS and TRS.

Annual Postemployment Healthcare Cost

In FY17, the District contributed \$49,712 in DC OPEB costs to PERS and \$36,133 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.

Copper River School District

Notes to Basic Financial Statements

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.

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

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

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

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

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

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

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

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Required Supplementary Information

Copper River School District

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

Year Ended June 30, 2017	Budget		Actual	Variance
	Original	Final		With Final Budget
Revenues				
Earnings on investments	\$ 17,000	\$ 17,000	\$ 4,873	\$ (12,127)
Other local revenues	35,000	35,000	83,477	48,477
E-rate program	75,000	75,000	115,386	40,386
State sources	6,224,382	6,136,002	6,711,556	575,554
Federal sources - direct	341,732	341,732	390,654	48,922
Total Revenues	6,693,114	6,604,734	7,305,946	701,212
Expenditures				
Current:				
Instruction	2,439,406	2,555,399	2,667,167	(111,768)
Special education instruction	693,476	796,560	660,927	135,633
Special education support services - students	165,717	164,321	169,857	(5,536)
Support services - students	289,112	379,826	210,280	169,546
Support services - instruction	194,092	204,057	178,330	25,727
School administration	257,512	252,236	281,276	(29,040)
School administration support services	181,563	196,341	185,019	11,322
District administration	199,930	202,612	202,065	547
District administration support services	406,654	423,814	379,842	43,972
Operations and maintenance of plant	1,413,802	1,395,431	1,308,548	86,883
Student activities	94,740	94,740	92,530	2,210
Total Expenditures	6,336,004	6,665,337	6,335,841	329,496
Excess of Revenues Over (Under) Expenditures	357,110	(60,603)	970,105	1,030,708
Other Financing Uses				
Transfers out	(29,345)	(41,677)	(1,060,100)	(1,018,423)
Net Change in Fund Balance	\$ 327,765	\$ (102,280)	(89,995)	\$ 12,285
Fund Balance, beginning of year			1,364,550	
Fund Balance, end of year			<u>\$ 1,274,555</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%
2017	0.04297%	\$ 2,401,859	\$ 304,828	\$ 2,706,687	\$ 1,049,600	228.84%	59.55%

*GASB requires ten years of information be presented. However, until a full 10-year trend is compiled, the Entity will present information for those years for which information is available.

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%
2017	\$ 106,303	\$ 106,303	\$ -	\$ 1,069,590	9.94%

*GASB requires ten years of information be presented. However, until a full 10-year trend is compiled, the Entity will present information for those years for which information is available.

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%
2017	0.12776%	\$ 2,917,200	\$ 3,461,236	\$ 6,378,436	\$ 2,217,413	131.56%	68.40%

*GASB requires ten years of information be presented. However, until a full 10-year trend is compiled, the Entity will present information for those years for which information is available.

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%
2017	\$ 94,598	\$ 94,598	\$ -	\$ 1,930,833	4.90%

*GASB requires ten years of information be presented. However, until a full 10-year trend is compiled, the Entity will present information for those years for which information is available.

See accompanying notes to Required Supplementary Information.

Copper River School District

Notes to Required Supplementary Information

Budgetary Comparison Schedule

The budgetary comparison schedule is 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, 2017, the plan measurement date is June 30, 2016.

Schedule of District Contributions - Public Employees Retirement System - PERS

This table reports the District's pension contributions to PERS during fiscal year 2017. These contributions are reported as a deferred outflow on the June 30, 2017 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, 2017, the plan measurement date is June 30, 2016.

Schedule of District Contributions - Public Employees Retirement System - TRS

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

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

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

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

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Supplementary Information

Copper River School District
Nonmajor Governmental Funds
Combining Balance Sheet

<i>June 30, 2017</i>	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
Assets									
Cash and investments	\$ -	\$ 11,613	\$ 4,375	\$ 212,562	\$ 122,473	\$ -	\$ -	\$ -	\$ -
Accounts receivable	632	-	-	-	-	53,478	583	46,239	25,149
Inventory	-	-	-	-	10,856	-	-	-	-
Total Assets	\$ 632	\$ 11,613	\$ 4,375	\$ 212,562	\$ 133,329	\$ 53,478	\$ 583	\$ 46,239	\$ 25,149
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	632	-	-	-	-	53,478	583	46,239	25,149
Total Liabilities	632	-	-	-	-	53,478	583	46,239	25,149
Fund Balances (Deficit)									
Nonspendable	-	-	-	-	10,856	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Assigned	-	11,613	4,375	212,562	122,473	-	-	-	-
Total Fund Balances	-	11,613	4,375	212,562	133,329	-	-	-	-
Total Liabilities and Fund Balances	\$ 632	\$ 11,613	\$ 4,375	\$ 212,562	\$ 133,329	\$ 53,478	\$ 583	\$ 46,239	\$ 25,149

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

	Special Revenue Funds, continued							Totals
	Carl Perkins Basic	Future Educators	Residential and Virtual School Planning	Indian Education	KL Beneficiary Property	Capital Project Funds		
<i>June 30, 2017</i>						KL Wood Boiler	Equipment Replacement	
Assets								
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 92,017	\$ 4,350	\$ 19,642	\$ 467,032
Accounts receivable	3,111	10,360	5,720	22,017	-	-	-	167,289
Inventory	-	-	-	-	-	-	-	10,856
Total Assets	\$ 3,111	\$ 10,360	\$ 5,720	\$ 22,017	\$ 92,017	\$ 4,350	\$ 19,642	\$ 645,177
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ 3,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,058
Due to other funds	3,111	7,302	5,720	22,017	-	-	-	164,231
Total Liabilities	3,111	10,360	5,720	22,017	-	-	-	167,289
Fund Balances (Deficit)								
Nonspendable	-	-	-	-	-	-	-	10,856
Restricted	-	-	-	-	92,017	-	-	92,017
Assigned	-	-	-	-	-	4,350	19,642	375,015
Total Fund Balances	-	-	-	-	92,017	4,350	19,642	477,888
Total Liabilities and Fund Balances	\$ 3,111	\$ 10,360	\$ 5,720	\$ 22,017	\$ 92,017	\$ 4,350	\$ 19,642	\$ 645,177

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

Year Ended June 30, 2017	Special Revenue Funds									
	Staff Development	Nutritional Alaska Foods	Digital Learning	Student Transportation	Food Service	Title VI-B	Title VI-B Preschool Disabled	Title I-A Basic	Title II-A Teacher Principal Training Recruitment	Carl Perkins Basic
Revenues										
Food services	\$ -	\$ -	\$ -	\$ -	\$ 28,865	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investment	-	-	-	-	-	-	-	-	-	-
State sources	632	-	-	590,456	-	-	-	-	-	-
Federal sources:										
Direct	-	-	-	-	-	-	-	-	-	-
Through the State of Alaska	-	-	-	-	77,488	155,158	6,162	158,340	62,136	13,039
Other intermediate agencies	-	-	-	-	-	-	-	-	-	-
Total Revenues	632	-	-	590,456	106,353	155,158	6,162	158,340	62,136	13,039
Expenditures										
Instruction	632	-	-	-	-	-	-	147,156	57,938	12,418
Special education instruction	-	-	-	-	-	144,199	5,727	-	-	-
District administration support services	-	-	-	-	-	10,959	435	11,184	4,198	621
Student transportation - to and from school	-	-	-	722,474	-	-	-	-	-	-
Food services	-	1,524	-	-	169,365	-	-	-	-	-
Total Expenditures	632	1,524	-	722,474	169,365	155,158	6,162	158,340	62,136	13,039
Excess of Revenues Over (Under)										
Expenditures	-	(1,524)	-	(132,018)	(63,012)	-	-	-	-	-
Other Financing Sources (Uses)										
Transfers in (out)	-	-	-	140,000	100,000	-	-	-	-	-
Net Change in Fund Balances	-	(1,524)	-	7,982	36,988	-	-	-	-	-
Fund Balances, beginning of year	-	13,137	4,375	204,580	96,341	-	-	-	-	-
Fund Balances, end of year	\$ -	\$ 11,613	\$ 4,375	\$ 212,562	\$ 133,329	\$ -	\$ -	\$ -	\$ -	\$ -

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

Year Ended June 30, 2017	Special Revenue Funds, continued								Capital Project Funds		Totals
	Arts Education New Visions	Future Educators of America	Residential and Virtual School Planning	Indian Education	Rural Utility Service	KL Beneficiary Property	KL Wood Boiler	Equipment Replacement			
Revenues											
Food services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,865	
Earnings on investment	-	-	-	-	-	27	-	-	-	27	
State sources	1,250	-	11,334	-	-	-	-	-	-	603,672	
Federal sources:											
Direct	-	-	-	73,929	408,318	-	-	-	-	482,247	
Through the State of Alaska	1,250	-	-	-	-	-	-	-	-	473,573	
Other intermediate agencies	-	13,547	-	-	-	-	-	-	-	13,547	
Total Revenues	2,500	13,547	11,334	73,929	408,318	27	-	-	-	1,601,931	
Expenditures											
Instruction	2,500	13,547	10,304	70,409	542,318	-	-	-	-	857,222	
Special education instruction	-	-	-	-	-	-	-	-	-	149,926	
District administration support services	-	-	1,030	3,520	-	-	-	-	-	31,947	
Student transportation - to and from school	-	-	-	-	-	-	-	-	-	722,474	
Food services	-	-	-	-	-	-	-	-	-	170,889	
Total Expenditures	2,500	13,547	11,334	73,929	542,318	-	-	-	-	1,932,458	
Excess of Revenues Over (Under)											
Expenditures	-	-	-	-	(134,000)	27	-	-	-	(330,527)	
Other Financing Sources (Uses)											
Transfers in (out)	-	-	-	-	134,000	-	-	-	-	374,000	
Net Change in Fund Balances	-	-	-	-	-	27	-	-	-	43,473	
Fund Balances, beginning of year	-	-	-	-	-	91,990	4,350	19,642	-	434,415	
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,017	\$ 4,350	\$ 19,642	\$ -	\$ 477,888	

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, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
Local sources:			
Earnings on investment	\$ 17,000	\$ 4,873	\$ (12,127)
E-rate program	75,000	115,386	40,386
School facilities rentals	-	32,101	32,101
Other	35,000	51,376	16,376
Total local sources	127,000	203,736	76,736
State sources:			
TRS on behalf	-	291,386	291,386
PERS on behalf	-	48,453	48,453
Other state revenue	-	1,941	1,941
Foundation program	6,136,002	6,369,776	233,774
Total State sources	6,136,002	6,711,556	575,554
Federal sources - direct - impact aid	341,732	390,654	48,922
Total Revenues	6,604,734	7,305,946	701,212
Expenditures			
Instruction:			
Certificated salaries	1,207,149	1,164,506	42,643
Non-certificated salaries	131,576	232,225	(100,649)
Employee benefits	641,249	874,523	(233,274)
Professional and technical services	3,500	825	2,675
Staff travel	4,450	156	4,294
Utility services	7,846	4,907	2,939
Other purchased services	82,950	74,557	8,393
Supplies, materials and media	463,739	311,181	152,558
Other expenditures	5,440	4,287	1,153
Equipment	7,500	-	7,500
Total instruction	2,555,399	2,667,167	(111,768)

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, 2017</i>	Final Budget	Actual	Variance with Budget
Expenditures, continued			
Special education instruction:			
Certificated salaries	\$ 199,245	\$ 228,348	\$ (29,103)
Non-certificated salaries	232,986	123,117	109,869
Employee benefits	346,636	282,371	64,265
Staff travel	6,000	7,576	(1,576)
Student travel	250	-	250
Other Purchased Services	115	1,392	(1,277)
Other expenditures	11,328	18,123	(6,795)
Total special education instruction	796,560	660,927	135,633
Special education support services - students:			
Certificated salaries	65,715	65,715	-
Non-certificated salaries	36,349	33,941	2,408
Employee benefits	59,257	70,201	(10,944)
Staff travel	3,000	-	3,000
Total special education support services - students	164,321	169,857	(5,536)
Support services - students:			
Certificated salaries	108,640	40,339	68,301
Non-certificated salaries	93,000	61,754	31,246
Employee benefits	110,910	62,240	48,670
Professional and technical services	1,500	2,406	(906)
Staff travel	2,797	1,514	1,283
Other purchased services	48,979	18,278	30,701
Supplies, materials and media	9,000	19,343	(10,343)
Equipment	5,000	4,406	594
Total support services - students	379,826	210,280	169,546
Support services - instruction:			
Certificated salaries	9,000	522	8,478
Non-certificated salaries	23,300	16,347	6,953
Employee benefits	20,004	25,557	(5,553)
Professional and technical services	16,300	1,513	14,787
Staff travel	19,308	3,920	15,388
Utility services	103,485	122,577	(19,092)
Other purchased services	1,200	-	1,200
Supplies, materials and media	10,960	6,894	4,066
Other expenditures	500	1,000	(500)
Total support services - instruction	204,057	178,330	25,727

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, 2017</i>	Final Budget	Actual	Variance with Budget
Expenditures, continued			
School administration:			
Certificated salaries	\$ 177,440	\$ 182,307	\$ (4,867)
Employee benefits	73,296	98,901	(25,605)
Staff travel	200	68	132
Other expenses	1,300	-	1,300
Total school administration	252,236	281,276	(29,040)
School administration support services:			
Non-certificated salaries	93,210	93,350	(140)
Employee benefits	98,767	88,454	10,313
Supplies, materials and media	4,364	3,215	1,149
Total school administration support services	196,341	185,019	11,322
District administration:			
Certificated salaries	109,255	101,187	8,068
Non-certificated salaries	6,300	6,850	(550)
Employee benefits	39,525	53,017	(13,492)
Staff travel	30,096	25,553	4,543
Supplies, materials and media	6,736	4,954	1,782
Other expenditures	10,700	10,504	196
Total district administration	202,612	202,065	547
District administration support services:			
Non-certificated salaries	152,547	154,699	(2,152)
Employee benefits	82,499	101,227	(18,728)
Professional and technical services	97,000	72,186	24,814
Staff travel	5,000	8,462	(3,462)
Utility services	40,000	37,848	2,152
Other purchased services	29,154	19,470	9,684
Insurance and bonding premiums	25,000	5,665	19,335
Supplies, materials and media	21,514	21,384	130
Other expenditures	11,100	12,618	(1,518)
Indirect cost recovery	(40,000)	(53,717)	13,717
Total district administration support services	423,814	379,842	43,972

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, 2017</i>	Final Budget	Actual	Variance with Budget
Expenditures, continued			
Operations and maintenance of plant:			
Non-certificated salaries	\$ 257,294	\$ 293,596	\$ (36,302)
Employee benefits	196,604	231,079	(34,475)
Professional and technical services	8,000	6,083	1,917
Staff travel	2,000	1,140	860
Utility services	40,500	41,083	(583)
Energy	642,280	544,049	98,231
Other purchased services	71,285	53,525	17,760
Insurance and bonding premiums	110,000	89,342	20,658
Supplies, materials and media	62,468	33,943	28,525
Other expenditures	5,000	7,708	(2,708)
Equipment	-	7,000	(7,000)
Total operations and maintenance of plant	1,395,431	1,308,548	86,883
Student activities:			
Certificated salaries	54,300	14,450	39,850
Non-certificated salaries	-	40,650	(40,650)
Employee benefits	7,578	10,807	(3,229)
Staff travel	-	359	(359)
Student travel	32,862	23,899	8,963
Other expenditures	-	2,365	(2,365)
Total student activities	94,740	92,530	2,210
Total Expenditures	6,665,337	6,335,841	329,496
Excess of Revenues Over (Under) Expenditures	(60,603)	970,105	1,030,708
Other Financing Uses			
Transfers out	(41,677)	(1,060,100)	(1,018,423)
Net Change in Fund Balances	\$ (102,280)	(89,995)	\$ 12,285
Fund Balance, beginning of year		<u>1,364,550</u>	
Fund Balance, end of year		<u>\$ 1,274,555</u>	

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, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
State sources	\$ 632	\$ 632	\$ -
Expenditures			
Instruction - staff travel	632	632	-
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

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, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
State sources	\$ -	\$ -	\$ -
Expenditures			
Food services - supplies, materials and media	13,137	1,524	11,613
Net Change in Fund Balance	<u>\$ (13,137)</u>	(1,524)	<u>\$ 11,613</u>
Fund Balance, beginning of year		<u>13,137</u>	
Fund Balance, end of year		<u>\$ 11,613</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, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
State sources	\$ 590,456	\$ 590,456	\$ -
Expenditures			
Student transportation student travel	795,036	722,474	72,562
Excess of Revenues Under Expenditures	(204,580)	(132,018)	72,562
Other Financing Sources			
Transfers in	204,580	140,000	(64,580)
Net Change in Fund Balance	\$ -	7,982	\$ 7,982
Fund Balance, beginning of year		204,580	
Fund Balance, end of year		\$ 212,562	

Copper River School District
Food Service Special Revenue Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance

<i>Year Ended June 30, 2017</i>	Actual
Revenues	
Food services	\$ 28,865
Federal sources - through the State of Alaska	77,488
Total Revenues	106,353
Expenditures	
Food services:	
Non-certificated salaries	53,718
Employee benefits	42,722
Other Purchased Services	409
Supplies, materials and media	72,349
Other expenditures	167
Total Expenditures	169,365
Excess of Revenues Under Expenditures	(63,012)
Other Financing Sources	
Transfers in	100,000
Net Change in Fund Balance	36,988
Fund Balance, beginning of year	<u>96,341</u>
Fund Balance, end of year	<u>\$ 133,329</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, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
Federal sources - through the State of Alaska	\$ 155,330	\$ 155,158	\$ (172)
Expenditures			
Special education instruction:			
Certificated salaries	40,283	40,283	-
Non-certificated salaries	11,394	11,394	-
Employee benefits	23,372	23,531	(159)
Professional and technical services	66,604	66,604	-
Staff travel	1,889	1,889	-
Other purchased services	817	498	319
Total special education instruction	144,359	144,199	160
District administration support services - indirect costs	10,971	10,959	12
Total Expenditures	155,330	155,158	172
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, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
Federal sources - through the State of Alaska	\$ 6,868	\$ 6,162	\$ (706)
Expenditures			
Special education instruction:			
Certificated salaries	600	600	-
Employee benefits	120	120	-
Professional and technical services	3,896	3,239	657
Staff travel	1,767	1,768	(1)
Total special education instruction	6,383	5,727	656
District administration support services - indirect costs	485	435	50
Total Expenditures	6,868	6,162	706
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, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
Federal sources - through the State of Alaska	\$ 165,107	\$ 158,340	\$ (6,767)
Expenditures			
Instruction:			
Certificated salaries	38,790	40,057	(1,267)
Non-certificated salaries	37,090	40,347	(3,257)
Employee benefits	76,529	66,752	9,777
Supplies, materials and media	1,036	-	1,036
Total instruction	153,445	147,156	6,289
District administration support services - indirect costs	11,662	11,184	478
Total Expenditures	165,107	158,340	6,767
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, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
Federal sources - through the State of Alaska	\$ 62,136	\$ 62,136	\$ -
Expenditures			
Instruction:			
Certificated salaries	39,038	39,351	(313)
Employee benefits	18,709	18,587	122
Total instruction	57,747	57,938	(191)
District administration support services - indirect costs	4,389	4,198	191
Total Expenditures	62,136	62,136	-
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, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
Federal sources - through the State of Alaska	\$ 18,000	\$ 13,039	\$ (4,961)
Expenditures			
Instruction:			
Certificated salaries	1,975	1,539	436
Non-certificated salaries	220	-	220
Employee benefits	375	236	139
Professional and technical services	1,440	1,120	320
Staff travel	695	762	(67)
Student travel	500	-	500
Supplies, materials and media	8,761	8,761	-
Equipment	3,336	-	3,336
Total instruction	17,302	12,418	4,884
District administration support services - indirect costs	698	621	77
Total Expenditures	18,000	13,039	4,961
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, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
State sources	\$ 378,977	\$ 322,412	\$ (56,565)
Expenditures			
Instruction:			
Certificated salaries	9,750	9,750	-
Non-certificated salaries	38,064	38,064	-
Employee benefits	27,748	27,748	-
Staff travel	35,883	35,883	-
Supplies, materials and media	195,587	188,100	7,487
Other expenditures	-	1,098	(1,098)
Equipment	48,610	-	48,610
Total instruction	355,642	300,643	54,999
District administration support services - indirect costs	23,335	21,769	1,566
Total Expenditures	378,977	322,412	56,565
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, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
Federal sources - through the State of Alaska	\$ 1,250	\$ 1,250	\$ -
State sources	1,250	1,250	-
Total Revenues	2,500	2,500	-
Expenditures			
Instruction:			
Staff travel	1,000	1,000	-
Other expenditures	1,500	1,500	-
Total Expenditures	2,500	2,500	-
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, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
Federal sources - through other intermediate agencies	\$ 14,351	\$ 13,547	\$ (804)
Expenditures			
Instruction:			
Certificated salaries	600	600	-
Non-certificated salaries	4,000	4,000	-
Employee benefits	761	761	-
Staff travel	1,500	1,476	24
Student travel	2,500	2,441	59
Supplies, materials and media	4,270	4,269	1
Other expenditures	1,320	-	1,320
Total Expenditures	14,351	13,547	600
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, 2017</i>	Budget	Prior Years	Actual Current Year	Total	Variance with Budget
Revenues					
State sources	\$ 275,000	\$ 253,984	\$ 11,334	\$ 265,318	\$ (9,682)
Expenditures					
Instruction:					
Certificated salaries	5,000	28,278	2,187	30,465	(25,465)
Employee benefits	495	8,343	346	8,689	(8,194)
Professional and technical services	175,000	173,377	-	173,377	1,623
Staff travel	10,000	5,761	-	5,761	4,239
Supplies, materials and media	57,005	15,136	7,771	22,907	34,098
Total instruction	247,500	230,895	10,304	241,199	6,301
District administration support services - indirect costs	27,500	23,089	1,030	24,119	3,381
Total Expenditures	275,000	253,984	11,334	265,318	9,682
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, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
Federal sources - direct	\$ 74,393	\$ 73,929	\$ (464)
Expenditures			
Instruction:			
Non-certificated salaries	44,535	36,134	8,401
Employee benefits	26,138	34,275	(8,137)
Total instruction	70,673	70,409	264
District administration support services - indirect costs	3,720	3,520	200
Total Expenditures	74,393	73,929	464
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Copper River School District
Rural Utility Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2017</i>	Final Budget	Actual	Variance with Budget
Revenues			
Federal sources - direct	\$ 408,318	\$ 408,318	\$ -
Expenditures			
Instruction - equipment	542,318	542,318	-
Excess of Revenues Under Expenditures	(134,000)	(134,000)	-
Other Financing Sources			
Transfers in	134,000	134,000	-
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

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

Year Ended June 30, 2017

Revenues

Earnings on investments	\$ 27
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Total Revenues	27
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Expenditures

Instruction-other expenditures	-
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Net Change in Fund Balance	27
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Fund Balance, beginning of year	91,990
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Fund Balance, end of year	\$ 92,017
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Copper River School District
District-Wide Technology Upgrade Capital Project Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

Year Ended June 30, 2017

Revenues	\$ -
Expenditures- Construction and Facilities Acquisition	
Professional and technical services	9,338
Supplies, material and media	22,574
Equipment	63,924
Total Expenditures	95,836
Excess of Revenues Under Expenditures	(95,836)
Other Financing Sources - transfers in	286,100
Net Change in Fund Balance	190,264
Fund Balance, beginning of year	572,016
Fund Balance, end of year	\$ 762,280

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

Year Ended June 30, 2017

Revenues	\$ -
Expenditures - Construction and Facilities Acquisition	
Non-certified salaries	9,637
Employee benefits	998
Professional and technical services	20,345
Other purchased services	397
Supplies, material and media	18,855
Equipment	67,880
Total Expenditures	118,112
Excess of Revenues Under Expenditures	(118,112)
Other Financing Sources - transfers in	400,000
Net Change in Fund Balance	281,888
Fund Balance, beginning of year	421,625
Fund Balance, end of year	\$ 703,513

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

<i>Year Ended June 30, 2017</i>	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Assets				
Cash	\$ 213,188	\$ 153,235	\$ 151,282	\$ 215,141
Liabilities				
Due to student groups:				
Slana - students	\$ 1,638	\$ 7,841	\$ 8,228	\$ 1,251
GES: other	21,558	11,157	9,357	23,358
GES: travel	-	81	81	-
GHS: other	53,401	89,071	82,788	59,684
GHS: travel	30,430	4,248	12,614	22,064
Kenny Lake: other	92,619	31,504	29,718	94,405
Kenny Lake: travel	12,580	7,783	7,033	13,330
Upstream Learning Fund	962	1,550	1,463	1,049
Total Liabilities	\$ 213,188	\$ 153,235	\$ 151,282	\$ 215,141

Copper River School District
Statement of Compliance - AS 14.17.505
Year Ended June 30, 2017

Total fund balance - School Operating Fund	\$ 1,274,555	
less exemptions per 4 AAC 09.160(a):		
Inventory	47,899	
Prepaid items	294,538	
Federal impact aid received	299,762	
Fund Balance Subject to 10% Limitation	\$ 632,356	
Nonexempt fund balance as a percentage of current year expenditures:		
<u>Fund balance subject to limitation</u>	632,356	=
Current year expenditures	6,335,841	<u>9.98%</u>

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

<i>Year Ended June 30,</i>	2017		2016		2015		2014		2013						
Revenues															
Local sources	\$	203,736	2.79%	\$	166,303	2.32%	\$	124,266	0.94%	\$	46,636	0.58%	\$	99,074	1.17%
State of Alaska		6,711,556	91.86%		6,557,144	91.60%		12,679,616	95.65%		7,577,907	94.74%		7,923,943	93.33%
Federal sources		390,654	5.35%		434,912	6.08%		452,299	3.41%		373,863	4.67%		466,954	5.50%
Total Revenues		7,305,946	100.00%		7,158,359	100.00%		13,256,181	100.00%		7,998,406	100.00%		8,489,971	100.00%
Expenditures															
Instruction		2,667,167	42.10%		2,975,890	45.46%		6,502,653	51.44%		3,116,696	40.90%		3,227,927	39.39%
Special education instruction		660,927	10.43%		551,050	8.42%		1,090,247	8.62%		693,547	9.10%		800,033	9.76%
Special education support services - students		169,857	2.68%		185,055	2.83%		162,297	1.28%		92,120	1.21%		145,269	1.77%
Support services - students		210,280	3.32%		293,136	4.48%		1,139,992	9.02%		543,402	7.13%		574,802	7.01%
Support services - instruction		178,330	2.81%		215,216	3.29%		206,527	1.63%		217,272	2.85%		247,841	3.02%
School administration		281,276	4.44%		265,648	4.06%		671,456	5.31%		436,740	5.73%		471,298	5.75%
Total instructional expenditures		4,167,837	65.78%		4,485,995	68.52%		9,773,172	77.31%		5,099,777	66.92%		5,467,170	66.71%
School administration support services		185,019	2.92%		172,273	2.63%		272,553	2.16%		223,410	2.93%		205,569	2.51%
District administration		202,065	3.19%		208,114	3.18%		482,540	3.82%		234,789	3.08%		222,355	2.71%
District administration support services		379,842	6.00%		413,263	6.31%		527,218	4.17%		423,684	5.56%		524,258	6.40%
Operations and maintenance of plant		1,308,548	20.65%		1,171,483	17.89%		1,427,018	11.29%		1,513,722	19.86%		1,643,492	20.05%
Student activities		92,530	1.46%		95,424	1.46%		159,405	1.26%		125,154	1.64%		132,582	1.62%
Total Expenditures		6,335,841	100.00%		6,546,552	100.00%		12,641,906	100.00%		7,620,536	100.00%		8,195,426	100.00%
Excess of Revenues Over Expenditures		970,105			611,807			614,275			377,870			294,545	
Other Financing Uses															
Transfers out		(1,060,100)			(875,000)			(475,000)			(350,000)			(73,001)	
Total Expenditures and Other Uses		7,395,941			7,421,552			13,116,906			7,970,536			8,268,427	
Net Change in Fund Balance		(89,995)			(263,193)			139,275			27,870			221,544	
Fund Balance, beginning of year		1,364,550			1,627,743			1,488,468			1,460,598			1,239,054	
Fund Balance, end of year	\$	1,274,555		\$	1,364,550		\$	1,627,743		\$	1,488,468		\$	1,460,598	

Copper River School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

Federal Grantor/Pass Through Grantor Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Total Grant Award	Passed Through to Subrecipients	Total Federal Expen- ditures
U.S. Department of Agriculture					
Passed through the State of Alaska, Department of Education and Early Development:					
Child Nutrition Cluster:					
USDA Commodities	10.555	N/A	\$ 7,311	\$ -	\$ 7,311
National School Lunch Program	10.555	MA 1701201	70,177	-	70,177
Total Child Nutrition Cluster				-	77,488
Distance Learning and Telemedicine Loans and Grants	10.855	AK 0738-B-16	408,318	-	408,318
Total U.S Department of Agriculture				-	485,806
National Endowment for the Arts					
Passed through the Alaska Council on the Arts:					
New Visions Grant	45.025	17-NV003	1,250	-	1,250
U.S Department of Education					
Direct programs:					
Impact Aid	84.041	S041B-2017-0139	390,654	-	390,654
Indian Education Act	84.060A	S060A150324	74,393	-	73,929
Total direct programs				-	464,583
Passed through the State of Alaska, Department of Education and Early Development:					
Title I-A, Basic	84.010A	IP 17.CRSD.01	165,107	-	158,340
Title II-A Teacher & Principal Training & Recruitment	84.367A	IP 17.CRSD.01	62,136	-	62,136
Carl Perkins Vocational Ed Secondary	84.048A	EK 17.CRSD.01	18,000	-	13,039

Copper River School District
Schedule of Expenditures of Federal Awards, continued
Year Ended June 30, 2017

Federal Grant Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Total Grant Award	Passed Through to Subrecipients	Total Federal 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	84.027A	SE 17.CRSD.01	\$ 155,330	\$ -	\$ 155,158
Title VI-B Preschool Disabled	84.173A	SE 17.CRSD.01	6,868	-	6,162
Total Special Education Cluster				-	161,320
Total Passed through the State of Alaska, Department of Education and Early Development				-	394,835
Passed through the University of Alaska Fairbanks - Future Educators of America	84.356	UAF 17-0046	14,351	-	13,547
Total U.S Department of Education				-	872,965
Total Expenditures of Federal Awards				\$ -	\$ 1,360,021

Copper River School District

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

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, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of 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 modified basis of accounting. Such expenditures are recognized following the cost principles contained accrual 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, 2017

Name of Award	Grant Number	Total Grant Award	State Share of Expenditures
Department of Education and Early Development			
Major programs:			
Foundation	FY 17	\$ 6,369,776	\$ 6,369,776
Pupil Transportation	FY 17	590,456	590,456
Digital Teaching Initiative	DT 17.CRSD.01	378,977	322,412
Nonmajor program:			
Safe Children's Act	SC 17.CRSD.01	1,941	1,941
New Visions Grant	17-NV003	1,250	1,250
Total Department of Education and Early Development			7,285,835
Department of Administration			
Major program - TRS On-behalf	FY 17	291,386	291,386
Nonmajor - PERS On-behalf	FY 17	48,453	48,453
Total Department of Administration			339,839
Department of Commerce, Community, and Economic Development			
Nonmajor programs:			
Residential and Virtual School Planning	15-DC-369	275,000	11,334
Nutritional AK foods	15-NAFS-355	31,751	1,524
Total Department of Commerce, Community, and Economic Development			12,858
Total State Financial Assistance			\$ 7,638,532

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, 2017. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of 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.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

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, 2017, 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 17, 2017.

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 17, 2017



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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, 2017. 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 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, 2017.

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 17, 2017



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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, 2017. 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, 2017.

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 17, 2017

Copper River School District

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

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? yes X no
 Significant deficiency(ies) identified? yes X (none reported)

Noncompliance material to financial statements noted? yes X no

Federal Awards

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, 2017

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.