

KASHUNAMIUT SCHOOL DISTRICT

Basic Financial Statements, Required Supplementary
Information, Additional Supplementary Information
and Compliance Reports

Year Ended June 30, 2019

KASHUNAMIUT SCHOOL DISTRICT

Basic Financial Statements, Required Supplementary
Information, Additional Supplementary Information
and Compliance Reports

Year Ended June 30, 2019

KASHUNAMIUT SCHOOL DISTRICT

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Independent Auditor's Report

Members of the School Board
Kashunamiut School District
Chevak, 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 Kashunamiut School District (the District), as of and for the year ended June 30, 2019, 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 Kashunamiut School District as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the School Operating Fund, and the Title IA Basic Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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. Our opinion on the basic financial statements is not affected by the missing information.

Accounting principles generally accepted in the United States of America require that the Schedules of the District's Proportionate Share of the Net Pension/OPEB Liabilities and Contributions for the Public Employees' Retirement System and the Teachers' Retirement System on pages 42-49 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 District's basic financial statements. The information listed in the table of contents as "Additional Supplementary Information", which includes the Major Governmental Funds: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual; Other Governmental Funds: Combining Balance Sheet; Combining Statement of Revenues, Expenditures and Changes in Fund Balances; Schedule of Revenues Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Funds, Permanent Fund, and Capital Projects Funds; Schedule of Changes in Amounts Due Student Organizations - Student Activity Agency Fund, the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of State Financial Assistance, as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The “Additional Supplementary Information” as listed above, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the “Additional Supplementary Information” is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2019, on our consideration of the Kashunamiut 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 the effectiveness of the Kashunamiut School District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kashunamiut School District’s internal control over financial reporting and compliance.



Anchorage, Alaska
November 9, 2019

KASHUNAMIUT SCHOOL DISTRICT

Statement of Net Position

June 30, 2019

	<u>Governmental Activities</u>
<u>Assets and Deferred Outflows of Resources</u>	
Current assets:	
Cash and cash equivalents	\$ 2,248,329
Accounts receivable	426,964
Inventory	220,912
Prepaid items	138,964
Due from student groups	55,493
Total current assets	<u>3,090,662</u>
Long-term assets:	
Capital assets	33,610,861
Accumulated depreciation	<u>(11,220,954)</u>
Total long-term assets	<u>22,389,907</u>
Deferred outflows of resources -	
Pension/OPEB deferrals	<u>631,372</u>
Total assets and deferred outflows of resources	<u>26,111,941</u>
<u>Liabilities, Deferred Inflows of Resources</u>	
Current liabilities:	
Accounts payable	48,382
Unearned revenue	136,808
Total current liabilities	<u>185,190</u>
Long term liabilities -	
Net pension/OPEB liability	<u>5,207,283</u>
Deferred inflows of resources -	
Pension/OPEB deferrals	<u>563,209</u>
Total liabilities and deferred inflows of resources	<u>5,955,682</u>
<u>Net Position</u>	
Net investment in capital assets	22,389,907
Restricted -	
Scholarships	33,213
Unrestricted	<u>(2,266,861)</u>
Total net position	<u>\$ 20,156,259</u>

The notes to the financial statements are an integral part of this statement.

KASHUNAMIUT SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		Total Governmental Activities
Governmental activities:					
Instruction	\$ 4,337,263	-	1,560,220	-	(2,777,043)
Special education instruction	436,520	-	16,468	-	(420,052)
Special education support services - students	440	-	-	-	(440)
Support services - students	43,535	-	829	-	(42,706)
Support services - instruction	975,817	-	32,136	-	(943,681)
School administration	282,458	-	21,568	-	(260,890)
School administration support services	125,840	-	3,384	-	(122,456)
District administration	538,764	-	26,751	-	(512,013)
District administration support services	527,836	-	103,177	-	(424,659)
Operations and maintenance of plant	1,546,307	107,782	20,263	35,438	(1,382,824)
Student activities	387,619	-	10,381	-	(377,238)
Student transportation services	1,014	-	1,590	-	576
Community services	279,650	-	52,553	-	(227,097)
Food services	537,990	11,375	400,076	-	(126,539)
Total governmental activities	\$ 10,021,053	119,157	2,249,396	35,438	(7,617,062)
General revenues:					
Unrestricted investment and interest earnings					633
E-rate					494,639
Grants not restricted to specific programs					6,732,757
Other					304,365
Total general revenues					7,532,394
Change in net position					(84,668)
Net position, beginning of year					20,240,927
Net position - ending					\$ 20,156,259

The notes to the financial statements are an integral part of this statement.

KASHUNAMIUT SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2019

	School Operating Fund	Title IA Basic	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 2,178,134	-	70,195	2,248,329
Accounts receivable	1,775	238,640	186,549	426,964
Due from other funds	501,931	-	327,941	829,872
Due from student groups	55,493	-	-	55,493
Inventory	220,912	-	-	220,912
Prepaid items	120,339	-	18,625	138,964
Total assets	<u>3,078,584</u>	<u>238,640</u>	<u>603,310</u>	<u>3,920,534</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	48,230	-	152	48,382
Due to other funds	327,941	238,640	263,291	829,872
Unearned revenue	-	-	136,808	136,808
Total liabilities	<u>376,171</u>	<u>238,640</u>	<u>400,251</u>	<u>1,015,062</u>
Fund balances:				
Nonspendable	341,251	-	11,936	353,187
Restricted - scholarships	-	-	33,213	33,213
Assigned	-	-	189,894	189,894
Unassigned	2,361,162	-	(31,984)	2,329,178
Total fund balances	<u>2,702,413</u>	<u>-</u>	<u>203,059</u>	<u>2,905,472</u>
Total liabilities and fund balances	<u>\$ 3,078,584</u>	<u>238,640</u>	<u>603,310</u>	<u>3,920,534</u>

The notes to the financial statements are an integral part of this statement.

KASHUNAMIUT SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

June 30, 2019

Total fund balance - governmental funds		\$ 2,905,472
Amounts reported for governmental activities in the statement of net position are different because:		
Proportionate share of the collective net pension/OPEB liability:		
PERS	(3,120,095)	
TRS	(2,087,188)	
	<u> </u>	(5,207,283)
Deferred inflows and outflows of resources are the results of timing differences in the actuarial report.		
Pension/OPEB related assets in the current fiscal year are presented as deferred outflows of resources:		
PERS	383,482	
TRS	247,890	
	<u> </u>	631,372
Pension/OPEB related liabilities in the current fiscal year are presented as a change in deferred inflows of resources.		
PERS	(370,158)	
TRS	(193,051)	
	<u> </u>	(563,209)
Capital assets used in governmental activities are not financial resources and are not reported in the funds.		<u>22,389,907</u>
Net position of governmental activities		<u>\$ 20,156,259</u>

The notes to the financial statements are an intergral part of this statement.

KASHUNAMIUT SCHOOL DISTRICT

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

Year Ended June 30, 2019

	School Operating Fund	Title IA Basic	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Charges for services	\$ 82,989	-	119,157	202,146
Other	496,363	-	220,285	716,648
Intergovernmental:				
State of Alaska	3,572,058	-	108,998	3,681,056
Federal sources	3,586,112	792,591	1,123,281	5,501,984
Total revenues	<u>7,737,522</u>	<u>792,591</u>	<u>1,571,721</u>	<u>10,101,834</u>
Expenditures:				
Current:				
Instruction	2,749,692	730,028	681,705	4,161,425
Special education instruction	510,241	-	842	511,083
Special education support services - students	440	-	-	440
Support services - students	52,197	-	-	52,197
Support services - instruction	1,012,496	-	19,101	1,031,597
School administration	318,285	-	-	318,285
School administration support services	161,193	-	-	161,193
District administration	623,741	-	-	623,741
District administration support services	474,877	62,563	40,202	577,642
Operations and maintenance of plant	1,204,257	-	476,483	1,680,740
Student activities	411,133	-	7,419	418,552
Student transportation services	-	-	1,014	1,014
Community services	-	-	267,017	267,017
Food services	-	-	528,646	528,646
Total expenditures	<u>7,518,552</u>	<u>792,591</u>	<u>2,022,429</u>	<u>10,333,572</u>
Excess (deficiency) of revenues over expenditures	<u>218,970</u>	<u>-</u>	<u>(450,708)</u>	<u>(231,738)</u>
Other financing sources (uses):				
Transfers in	-	-	426,564	426,564
Transfers out	(426,564)	-	-	(426,564)
Net other financing sources (uses)	<u>(426,564)</u>	<u>-</u>	<u>426,564</u>	<u>-</u>
Net change in fund balances	(207,594)	-	(24,144)	(231,738)
Fund balances, beginning of year	<u>2,910,007</u>	<u>-</u>	<u>227,203</u>	<u>3,137,210</u>
Fund balances, end of year	<u>\$ 2,702,413</u>	<u>-</u>	<u>203,059</u>	<u>2,905,472</u>

The notes to the financial statements are an integral part of this statement.

KASHUNAMIUT 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, 2019

Net change in fund balance - total government funds \$ (231,738)

Amounts reported for *governmental activities* in the statement of activities are different because:

Some expenses 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.

Net change in unfunded net pension/OPEB liability:

PERS	194,214	
TRS	<u>(57,131)</u>	137,083

Changes in deferred inflows and outflows of resources are the result of timing differences in the actuarial report and adjustments to reflect employer and non-employer contributions based on the measurement date of the liability.

PERS	352,896	
TRS	<u>265,394</u>	618,290

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

This is the amount by which depreciation outlays exceeded capital in the current period:

Capital outlay	74,888	
Depreciation expense	<u>(679,102)</u>	<u>(604,214)</u>

Governmental funds only report revenue from the sale of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each sale. The net effect of transactions involving capital assets is to decrease net position.

Cost of assets disposed	(30,666)	
Accumulated depreciation of assets disposed	<u>26,577</u>	<u>(4,089)</u>

Change in net position of governmental activities \$ (84,668)

The notes to the financial statements are an integral part of this statement.

KASHUNAMIUT SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Original and Final Budget and Actual - School Operating Fund

Year Ended June 30, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Local sources:	\$			
Earnings on investment	268	268	633	365
E-rate	699,717	699,717	494,639	(205,078)
Other	25,000	25,000	1,091	(23,909)
Charges for services - rental	-	-	82,989	82,989
Intergovernmental:				
State of Alaska	4,361,174	3,492,077	3,572,058	79,981
Federal sources	3,246,212	3,078,131	3,586,112	507,981
Total revenues	<u>8,332,371</u>	<u>7,295,193</u>	<u>7,737,522</u>	<u>442,329</u>
Expenditures:				
Current:				
Instruction	2,987,364	2,713,202	2,749,692	(36,490)
Special education instruction	551,810	559,960	510,241	49,719
Special education support services - students	82,881	5,000	440	4,560
Support services - students	106,122	43,811	52,197	(8,386)
Support services - instruction	1,258,367	1,147,959	1,012,496	135,463
School administration	271,188	313,430	318,285	(4,855)
School administration support services	183,261	186,237	161,193	25,044
District administration	420,548	436,100	623,741	(187,641)
District administration support services	436,069	488,993	474,877	14,116
Operations and maintenance of plant	1,258,761	1,261,461	1,204,257	57,204
Student activities	176,000	217,600	411,133	(193,533)
Total expenditures	<u>7,732,371</u>	<u>7,373,753</u>	<u>7,518,552</u>	<u>(144,799)</u>
Excess (deficiency) of revenues over expenditures	<u>600,000</u>	<u>(78,560)</u>	<u>218,970</u>	<u>297,530</u>
Other financing sources (uses):				
Transfers out	<u>(600,000)</u>	<u>-</u>	<u>(426,564)</u>	<u>(426,564)</u>
Net change in fund balance	<u>\$ -</u>	<u>(78,560)</u>	<u>(207,594)</u>	<u>(129,034)</u>
Fund balance, beginning of year			<u>2,910,007</u>	
Fund balance, end of year			<u>\$ 2,702,413</u>	

The notes to the financial statements are an integral part of this statement.

KASHUNAMIUT SCHOOL DISTRICT

Title IA Basic Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance -
Original and Final Budget and Actual

Year Ended June 30, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 806,260	806,260	792,591	(13,669)
Expenditures:				
Current:				
Instruction	742,618	742,618	730,028	12,590
District administration support services	63,642	63,642	62,563	1,079
Total expenditures	806,260	806,260	792,591	13,669
Excess of revenues over expenditures	\$ -	-	-	-
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

The notes to the financial statements are an integral part of this statement.

KASHUNAMIUT SCHOOL DISTRICT

Statement of Fiduciary Assets and Liabilities - Student Activity Agency Fund

June 30, 2019

<u>Assets</u>	
Due from student groups	\$ <u>55,493</u>
<u>Liabilities</u>	
Due to school operating fund	\$ <u>55,493</u>

The notes to the financial statements are an integral part of this statement.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements

June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Kashunamiut School District (District) operates a public school system under an elected school board, as permitted by Alaska State Statutes 14.14.060 and 29.35.160. The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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 District does not have any component units.

B. Government-wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not presently have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

The Government-Wide Financial Statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

The District reports the following major governmental fund based on the required quantitative criteria:

The *School Operating Fund* is the District's primary operating fund. Major revenue sources include the local government's contribution to education, the State of Alaska Public School Foundation Program and other state and federal revenues. Expenditures are authorized in the annual budget and are made for such activities as student instruction, support services, administration, operations and maintenance of plant, and student activities.

The *Title IA Basic Special Revenue Fund* accounts for the District's Federal Title I funding.

Additionally the District reports the following fund types:

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 *Permanent Fund* is used to account for a scholarship endowment-type fund in which the original principal is not available for spending.

The *Student Activity Agency Fund* is a fiduciary fund. This fund is custodial in nature (assets equal liabilities) and does not involve measurement or results of operations. This agency fund accounts for pupil activities for the assets held by the District as an agent for various student and school related organizations.

The District follows the Uniform Chart of Accounts for School Districts as required by the State of Alaska, Department of Education and Early Development. This manual sets guidelines for financial reporting and requirements for basic accounting systems, which are uniform throughout Alaska.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

As a general rule the effect of inter-fund activity has been eliminated from the Governmental-Wide Financial Statements.

When both restricted and unrestricted resources are available for use for governmental activities, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Summarized below are the major sources of revenue and the applicable revenue recognition policies:

Intergovernmental revenue – State of Alaska foundation, tuition, and federal aid for the school lunch program are all recorded in the year to which they relate, including accrual at year end of final payments due within approximately two months after year end.

State of Alaska and federal government cost reimbursable grants and contracts are recorded to the extent of allowable expenditures incurred in that period.

Federal impact aid funds are recorded in the year to which the entitlement is received, including accrual at year end of final payments due within approximately two months after year end.

The United States Department of Agriculture provides commodities and supplies to the School District. These commodities are recorded as revenue and expenditures as utilized.

Local revenue – Interest earnings associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available if received within 60 days of year end. Proceeds from the sale of lunches and other miscellaneous revenues are recognized in the year received.

Estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Indirect Costs – The State of Alaska, Department of Education and Early Development annually establishes an approved indirect rate for each School District based on audited financial statements. The rate is based on expenditures recorded per requirements in the Uniform Chart of Accounts for School Districts and as such there is no indirect cost pool. Indirect costs and indirect cost recovery is recorded in the District Administration Support Services function.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District maintains all bank accounts in the School Operating Fund except for separate accounts maintained for the permanent fund. Accounts recorded in the School Operating Fund are available for use by all funds except the permanent fund.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Cash and cash equivalents include cash on-hand and demand deposits. The School District requires all deposits to be insured or collateralized. The District holds no investments and as such has no investment policy. There are no statutory limitations on the type of investments allowed.

2. Short-term Interfund Receivables and Payables

In the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" on the balance sheet of the fund financial statements and are eliminated in the preparation of the Government-Wide Financial Statements.

Receivables are comprised of amounts due from the federal government, State of Alaska, and other local sources.

No receivables are deemed uncollectible and no allowance for uncollectible accounts has been established.

3. Inventory and Prepaid Items

The consumption method is used to account for the inventories of teaching and maintenance supplies, food inventories and fuel. These inventories are valued at the lower of cost or market, which approximates fair value, using the first-in first-out (FIFO) method. Reported inventories are equally offset by a portion of fund balance classified as nonspendable in the fund financial statements, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Payments made to vendors for services that are applicable to future accounting periods are recorded as prepaid items. The prepaid items recorded in governmental fund types do not reflect current available resources and thus, are classified as Nonspendable fund balance (to the extent available) in the fund financial statements.

4. Capital Assets

Capital assets, which consist of equipment and vehicles, are reported in the Government-Wide Financial Statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when the original cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. The School District uses the straight-line depreciation method over the following estimated useful lives:

Furniture and equipment	3 - 7 years
Buildings	40 years

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

5. *Deferred Inflows and Deferred Outflows of Resources*

Deferred inflows of resources are the acquisition of fund balance / net position by the District that are applicable to a future reporting period. Deferred outflows of resources are the consumption of fund balance / net position by the District that are applicable to a future reporting period.

6. *Unearned Revenues*

Unearned revenues arise when resources are received before the School District has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when there is a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

7. *Compensated Absences*

It is the District's policy to permit employees to accumulate earned but unused personal annual leave. Personal/annual leave is subject to certain restrictions and maximum accumulations. All employees are paid for any accumulated personal/annual leave upon use or at termination. Sick leave, which may accumulate indefinitely, is charged to expenditures when used. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as expenditures in the fund financial statements.

8. *Fair Value of Financial Instruments*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) receivables, net, (3) certain other current assets, (4) accounts payable, and (5) other current liabilities. The carrying amounts reported in the Balance Sheet and Statement of Net Position for the above financial instruments closely approximates their fair value due to the short-term nature of these assets and liabilities.

9. *Pensions/Other Post-Employment Benefits (OPEB)*

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB and pension/OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) and additions to/from PERS and TRS's fiduciary net position have been determined on the same basis as they are reported by PERS and 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.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

10. Net Position

Government-wide net position is divided into three components:

- Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position – consists of assets that are restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net position is reported in this category.

11. Fund Balance

In the Fund Financial Statements, fund balance includes five classifications as follows:

Nonspendable Fund Balance – amounts that are legally or contractually required to be maintained intact (such as the corpus of an endowment fund) or amounts that are not in a spendable form (such as inventory, prepaid expenses, supplies, long-term receivables). Such constraint is binding until the legal or contractual requirement is repealed or the amounts become spendable.

Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation. Such constraint is binding unless modified or rescinded by external body, laws, or regulation.

Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the School District Board. Commitments may be changed or lifted by the Board taking the same formal action that imposed the constraint originally.

Assigned Fund Balance – amounts intended to be used by the School District for specific purposes: intent can be expressed by the Board or by the Superintendent or designee. Such constraint is binding unless modified or eliminated by the Board or Superintendent. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed.

Unassigned Fund Balance – the residual classification for the General Fund and includes amounts not contained in the other classifications and available for any purpose. Positive unassigned amounts will be reported only in the General Fund. If another governmental fund, other than the General Fund, has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The order of spending, regarding the restricted and unrestricted fund balance when an expenditure is incurred for which both restricted and unrestricted fund balance is available should first reduce restricted fund balance and then unrestricted fund balance. The order of spending regarding unrestricted fund balance is that committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Compliance with the provisions of the Fund Balance Classification Policy are reviewed as part of the annual budget adoption process. The Superintendent reports to the Board as close to the end of the year as possible the anticipated year-end fund balance or deficit. The Board takes appropriate action to commit or assign, or otherwise allocate prior year fund balances as a part of the budget planning process.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

While appropriations lapse at the end of the fiscal year, the succeeding year's budget specifically provides for the reappropriation of year-end encumbrances which have been approved in the fiscal year to which they relate.

Budgets for the various Special Revenue Funds are prepared on a modified accrual basis of accounting in connection with the application for the special program's funding and are reviewed and approved by the School Board. Expenditure authority for Special Revenue Fund programs is limited to actual combined revenues and transfers from other funds. Unexpended balances of grants from State and federal governments for Special Revenue Funds lapse at June 30 with the exception of certain federal programs which lapse at various month ends of July, August, and September.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year end are reported as assigned fund balances since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Project budgets are adopted for the various Capital Project Funds based on the lives of the construction projects. Because an annual budget for these funds is not adopted, the Capital Project Funds do not have a presentation of budget to actual expenditures. Expenditure authority is limited to the actual combined revenues, transfers from other funds, and available fund balance within the fund.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

B. Expenditures in Excess of Appropriations

The following functions had expenditures in excess of appropriations in the School Operating Fund:

	Budgeted Amounts	Actual Amounts	Variance
Instruction	\$ 2,713,202	2,749,692	(36,490)
Support services - students	43,811	52,197	(8,386)
School administration	313,430	318,285	(4,855)
District administration	436,100	623,741	(187,641)
Student activities	217,600	411,133	(193,533)

The following Special Revenue Funds had expenditures in excess of appropriations.

	Budgeted Amounts	Actual Amounts	Variance
Johnson O'Malley	\$ 63,140	68,630	(5,490)

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents

The District maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is reported on the balance sheet or Statement of Net Position as "Cash and cash equivalents" or amounts "due to/from other funds." The District's bank accounts are insured by the Federal Depository Insurance Corporation (FDIC) to a maximum of \$250,000 per financial institution.

Custodial Credit Risk – Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits will not be returned to the School District. The School District limits its custodial credit risk in its deposit by requiring all deposits to be fully insured or collateralized.

B. Receivables

Receivables as of year end for the District's individual major funds and other governmental funds are as follows:

		School Operating Fund	Title IA Basic Special Revenue Fund	Other Governmental Funds	Total
Grants	\$	-	236,640	186,549	425,189
Miscellaneous		1,775	-	-	1,775
Total	\$	1,775	236,640	186,549	426,964

Management has determined that all receivables are collectible; therefore, no allowance for doubtful accounts has been established.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

C. Interfund Payables and Receivables

Interfund receivables and payables are shown as “Due From Other Funds” and “Due to Other Funds” in each of the individual funds.

At June 30, 2019, the interfund status of payables and receivables (all current) of the various funds of the School District are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School Operating Fund	Other Governmental Funds	\$ 263,291
School Operating Fund	Title IA Basic Special Revenue Fund	238,640
Other Governmental Funds	School Operating Fund	<u>327,941</u>
		<u>\$ 829,872</u>

These balances resulted from the time lag between the dates that payments between funds are made. All balances are expected to be settled within the next fiscal year.

D. Interfund Transfers

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
School Operating Fund	Other governmental funds	\$ 426,564

E. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, being depreciated:				
Buildings	\$ 32,217,075	-	-	32,217,075
Equipment	<u>1,349,564</u>	<u>74,888</u>	<u>(30,666)</u>	<u>1,393,786</u>
Total capital assets being depreciated	<u>33,566,639</u>	<u>74,888</u>	<u>(30,666)</u>	<u>33,610,861</u>
Less:				
Accumulated depreciation	<u>10,568,429</u>	<u>679,102</u>	<u>(26,577)</u>	<u>11,220,954</u>
Total net governmental activities capital assets	<u>\$ 22,998,210</u>	<u>(604,214)</u>	<u>(4,089)</u>	<u>22,389,907</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	\$ 515,602
Support services – instruction	4,064
District administration support services	19,388
Operations and maintenance of plant	118,071
Community services	12,633
Food services	<u>9,344</u>
Total depreciation expense per function – governmental	<u>\$ 679,102</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

F. Fund Balances

Fund balances reported for the major funds and non-major funds in aggregate on the governmental funds balance sheet are subject to the following constraints:

	General Fund	Other Governmental Funds	Totals
	<u> </u>	<u> </u>	<u> </u>
Non-spendable:			
Inventory	\$ 220,912	-	220,912
Prepaid items School operation fund	120,339	-	120,339
Prepaid Items Teacher Housing			
Special Revenue Fund	-	11,936	11,936
	<u>341,251</u>	<u>11,936</u>	<u>353,187</u>
 Restricted:			
Scholarships	<u>-</u>	<u>33,213</u>	<u>33,213</u>
 Assigned:			
Pupil transportation	-	12,035	12,035
Food service	-	135,565	135,565
KCUK fundraising	-	18,088	18,088
Teacher housing	-	24,206	24,206
	<u>-</u>	<u>189,894</u>	<u>189,894</u>
 Unassigned	<u>2,361,162</u>	<u>(31,984)</u>	<u>2,329,178</u>
 Total fund balances	\$ <u>2,702,413</u>	<u>203,059</u>	<u>2,905,472</u>

IV. OTHER INFORMATION

A. Risk Management

The District faces a considerable number of risks of loss, including: (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensations; i.e., employee injuries, and (f) medical insurance costs for employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for damage to and loss of property and contents, general liability, errors and omissions, and student accidents. Worker's compensation is also purchased as required by statute. The School 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. No settlements in excess of insurance coverage have been realized over the past three years.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

B. Employee Retirement Systems and Plans

The District follows *Governmental Accounting Standards Board (GASB) Codification P20, Accounting for Pensions by State and Local Governmental Employees* and *GASB Codification P50, Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*. *GASB Codification P20* and *GASB Codification P50* establish uniform standards for the measurement, recognition, and display of pension and other post-employment benefits other than pensions (healthcare) expenditures/expense and related liabilities, assets, note disclosure and applicable required supplementary information in the financial reports of state and local governmental employers.

All full-time employees and certain permanent part-time employees of the District participate in either the State of Alaska Public Employees' Retirement System (PERS) or the State of Alaska Teachers' Retirement System (TRS). In addition to the pension plan both systems also administer other post-employment benefit (OPEB) plans.

The system is governed by the Alaska Retirement Management Board. The benefit and contribution provisions are established by State law and may be amended only by the State legislature. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee.

Summary of Significant Accounting Policies. The financial statements for PERS and TRS are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The District's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value.

PERS and TRS act as the common investment and administrative agencies for the following multiple-employer plans:

<u>Plan Name</u>	<u>Type of Plan</u>
Defined Benefit Pension Plan (DB)	Cost-sharing, Defined Benefit Pension
Defined Contribution Pension Plan (DC)	Defined Contribution Pension
Defined Benefit Other Postemployment Benefits (OPEB):	
Occupational Death and Disability Plan	Defined Benefit OPEB
Alaska Retiree Healthcare Trust Plan	Defined Benefit OPEB
Retiree Medical Plan	Defined Benefit OPEB
Defined Contribution Other Postemployment Benefits (DC):	
Healthcare Reimbursement Arrangement Plan	Cost-sharing, Defined Contribution OPEB

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Other Postemployment Benefit Plans (OPEB)

Occupational Death and Disability Plan (ODD)

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 2019 the employer contribution rate is 0.26% for PERS and 0.08% for TRS.

Membership in the plan consisted of the following at June 30, 2018 (latest available report):

Membership	PERS	TRS
Active plan members	20,811	4,937
Participating employers	157	57

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2018 (latest available information) employer contributions were 4.88% for PERS and 4.16% for TRS of annual payroll. Membership in the plan consisted of the following at June 30, 2018 (latest report available):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	35,139	12,962
Inactive plan members entitled to but not yet receiving benefits	5,606	801
Inactive plan members not entitled to benefits	11,128	1,906
Active plan members	13,611	4,457
Total plan membership	65,484	20,126

Retiree Medical Plan (RMP)

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended June 30, 2019 employer contributions were 0.94% for PERS and 0.79% for TRS. Membership in the plan consists of the following at June 30, 2018 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	11	13
Inactive plan members entitled to but not yet receiving benefits	1,183	610
Inactive plan members not entitled to benefits	11,896	2,387
Active plan members	20,811	4,937
Total plan membership	33,901	7,947

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Healthcare Reimbursement Arrangement Plan

The Healthcare Reimbursement Arrangement Plan was established to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants. Employer contributions are 3% of the average annual compensation of all employees in the PERS and TRS plans. Membership in the plan consists of the following at June 30, 2018 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	19	9
Inactive plan members entitled to but not yet receiving benefits	1,175	614
Inactive plan members not entitled to benefits	11,896	2,387
Active plan members	20,811	4,937
Total plan membership	33,901	7,947

Investments

The Board is the investment oversight authority of the system’s investments. As the fiduciary, the Board has the statutory authority to invest the assets under the Prudent Investor Rule. Fiduciary responsibility for the Board’s invested assets is pursuant to AS 37.10.210.390.

State of Alaska Department of Treasury provides staff for the Board. Treasury has created a pooled environment by which it manages investments of the Board. Additionally, Treasury manages a mix of Pooled Investment Funds and Collective Investment Funds for the DC Participant-directed Pension plans under the Board’s fiduciary responsibility.

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual weighted rate of return, net of investment expense, for the year ended June 30, 2018 (latest available report) for the DB Plan for PERS and TRS is 8.26% and 8.30%, for the ARHCT is 8.35% and 8.33%, for the Occupational Death and Disability Plan is 8.06% and 8.24%, and for the Retiree Medical Plan is 7.89% and 7.92%, respectively.

For additional information on securities lending, interest rates, credit risks, foreign exchange, derivatives, fair value, and counterparty credit risks, see the separately issued report on the Invested Assets of the State of Alaska Retirement and Benefits Plans at:

<http://treasury.dor.alaska.gov/armb/Reports-and-Policies/Annual-Audited-Financial-Schedules.aspx>.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The long-term expected rate of return on pension and OPEB plan investments was determined using the 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 adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below for the PERS and TRS plans:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	8.90%
Global Ex- U.S. Equity	7.85%
Fixed Income	1.25%
Opportunistic	4.76%
Real Assets	6.20%
Absolute Return	4.76%
Private Equity	12.08%
Cash Equivalents	0.66%

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities is 8.00%. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

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 actual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% for PERS and 12.56% for TRS of eligible wages, subject to the salary floor, and other termination costs as described below. This rate is calculated on all PERS or TRS participating wages, including those wages attributable to employees in the defined benefit plan.

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

On-behalf Contribution Rate: This is the rate paid in by the State as an on-behalf payment as mandated under current statute. Under state law, subject to annual appropriation, the state will contribute an on-behalf payment into the plan in an amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. On-behalf contribution amounts have been recognized in these financial statements as both revenue and expenditures.

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes. Certain actuarial methods and assumptions for this rate calculation are mandated by the *Governmental Accounting Standards Board* (GASB). Medicare Part D subsidies are not reflected in this rate. The rate uses an 8% discount rate.

Employer Contribution rates for PERS and TRS for the year ended June 30, 2018 (latest available actuarial report) are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
PERS:				
Pension	16.17%	20.28%	5.58%	32.11%
OPEB	5.83%	7.30%	0%	87.90%
Total PERS contribution rates	22%	27.58%	5.58%	120.01%
TRS:				
Pension	8.41%	19.36%	16.34%	35.60%
OPEB	4.15%	9.54%	0%	70.97%
Total TRS contribution rates	12.56%	28.90%	16.34%	106.57%

Termination Costs. If the District decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular District function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The District must pay to have a termination study completed. The purpose of the study is to calculate the District's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The District must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS or TRS Administrator. For fiscal year 2019 the past service rate for PERS is 16.53%.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Actuarial Assumptions: The total pension and OPEB liabilities in the June 30, 2018 (latest available) actuarial valuation was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. These assumptions were the result of an experience study performed as of June 30, 2013.

Investment return / discount rate	8% per year (geometric), compounded annually, net of expenses
Salary scale	Inflation – 3.12% per year Productivity – 0.50% per year
Payroll growth	3.62% per year (inflation + productivity)
Total inflation	Total inflation as measured by the Consumer Price Index for urban and clerical workers from Anchorage is assumed to increase 3.12% annually.
Mortality (Pre-termination)	Based upon 2010-2013 actual mortality experience, 60% of male rates and 65% of female rates of post termination mortality rates. Deaths are assumed to be occupational 70% of the time for peace officers/firefighters, 50% of the time for others.
Mortality (Post-termination)	96% of all rates of the RP-2000 combined mortality table, 2000 base year projected to 2018.
Total turnover	Based upon the 2010-2013 actual withdrawal experience.
Disability	Incidence rates based on 2010-2013 actual experience. Post-disability mortality in accordance with the RP-2000 Disabled Retiree Mortality Table. Disabilities are assumed to be occupational 70% of the time for peace officers/firefighters, 50% of the time for others.
Retirement	Retirement rates based upon the 2010-2013 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date for others. For peace officers/firefighters, Tier 1 deferred vested members are assumed to retire at age 55 and Tiers II and III deferred vested members are assumed to retire at age 60.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Marriage and age difference	Wives are assumed to be three years younger than husbands. For others, 75% of male members and 70% of female members are assumed to be married. For peace officers/firefighters, 85% of male members and 60% female members are assumed to be married.
Healthcare cost trend rates	Pre-65 medical: 8.0% grading down to 4.0% Post-65 medical: 5.5% grading down to 4.0% Prescription drugs: 9.0% grading down to 4.0%

Alaska Public Employee Retirement System (PERS) – Defined Benefit Plan (DB)

Plan Description. The District participates in the Alaska Public Employees' Retirement System (PERS), a cost sharing multiple employer defined benefit pension plan. PERS provides retirement benefits, disability and death benefits, and post-employment healthcare to plan members and beneficiaries. The Plan was established and is administered by the State of Alaska, Department of Administration. The Public Employee's Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. This report may be obtained from the system at Pouch C, Juneau, Alaska 99811 or online at: <http://doa.alaska.gov/dr/pers>.

Pension Benefits. All tier employee benefits vest with five years of credited service. There are three tiers of employees based on entry date. Tier I employees enrolled prior to July 1, 1986, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. For Tier II and III employees enrolled after June 30, 1986, but before July 1, 2006, the normal and early retirement ages are 60 and 55, respectively. All tier employees with 30 or more years of credited service may retire at any age and receive a normal benefit.

The PERS defined benefit is closed to new hires enrolled on or after July 1, 2006. New hires after this date participate in the PERS defined contribution plan (DC) described later in these notes.

Currently there are 155 employers participating in PERS defined benefit plan, including the State of Alaska and 154 political subdivisions and public organizations.

The DB Plan's membership consisted of the following at June 30, 2018 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	35,139
Inactive plan members entitled to but not receiving benefits	5,606
Inactive members not entitled to benefits	11,128
Active plan members	<u>13,611</u>
Total DB plan membership	<u>65,484</u>

Retirement benefits are calculated by multiplying the average monthly compensation (AMC) times credited PERS service times the percentage multiplier. The AMC is determined by averaging the salaries earned during the five highest (three highest for peace officers/firefighters members or members hired prior to July 1, 1996) consecutive payroll years. Members must earn at least 115 days of credit in the last year worked to include it in the AMC calculation. The PERS pays a minimum benefit of \$25 per month for each year of service when the calculated benefit is less.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The percentage multipliers for peace officers/firefighters are 2% for the first ten years of service and 2.5% for all service over 10 years. The percentage multipliers for all other participants are 2% for the first ten years, 2.25% for the next ten years, and 2.5% for all remaining service earned on or after July 1, 1986. All service before that date is calculated at 2%.

Post-employment healthcare benefits are provided without cost to all members first enrolled before July 1, 1986. Members first enrolled after June 30, 1986, but before July 1, 2006, and who have not reached age 60 may elect to pay for major medical benefits.

Post Retirement Pension Adjustments. Post retirement pension adjustments (PRPAs) are granted annually to eligible benefit recipients when the consumer price index (CPI) increases during the preceding calendar year. PRPAs are calculated by multiplying the recipient's base benefit, including past PRPAs, times:

- (a) 75% of the CPI increase in the preceding calendar year or 9%, whichever is less, if the recipient is at least 65 or on PERS disability; or
- (b) 50% of the CPI increase in the preceding calendar year or 6%, whichever is less, if the recipient is at least 60, or has been receiving benefits for at least five years.

Ad hoc PRPAs, up to a maximum of 4%, may be granted to eligible recipients who first entered the PERS before July 1, 1986, if the CPI increases and the financial condition of the fund will permit an increase. In a year where an ad hoc PRPA is granted, eligible recipients will receive the higher of the two calculations.

Funding Policy. In April 2008 the Alaska Legislature passed legislation which statutorily capped the employer contribution, established a state funded "on-behalf" contribution, and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan (DC) described later in these footnotes. The state legislature capped the rate at 22%, with the State contributing an on-behalf payment for the difference between the actuarial contribution and the cap.

Salary Floor. During the 25th legislation session, Senate Bill 125 passed, which established a June 30, 2008 salary floor under AS 39.35.255(a)(2). The salary floor is the total base salaries paid by an employer to active employees of the system as of the fiscal year ending June 30, 2008. The statute requires the Division of Retirement and Benefits (Division) to collect employer contributions at a minimum based on FY 2008 base salaries.

Employee Contribution Rate. The District PERS active members are required to contribute 6.75% (4.97% pension costs and 1.78% OPEB) and if elected to be calculated under TRS, non-teacher school district employees are required to contribute 9.60% (7.06% pension and 2.54% OPEB) of their annual covered salary.

Employer contributions for the year ended June 30, 2019, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	174,274	66,031	240,305

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Public Employees Retirement Plans

For the year ended June 30, 2019 the State of Alaska contributed \$90,017 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2018 to a total of \$55,666, to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

Pension and OPEB Liabilities, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2019, the District reported liabilities that reflected a reduction for State pension and OPEB support provided to the District. The amount recognized by the District as its proportionate share of net pension and OPEB liabilities, the related State support, and the total portion of the net pension and OPEB liabilities that was associated with the District were as follows:

Defined Benefit:		Pension
District's proportionate share of the net pension liability	\$	2,590,865
State's proportionate share of the net pension liability		<u>750,429</u>
Total	\$	<u><u>3,341,294</u></u>
		OPEB
District's proportionate share of the ARHCT OPEB liability	\$	533,615
State's proportionate share of the ARHCT OPEB liability		<u>156,386</u>
Total	\$	<u><u>690,001</u></u>
District's proportionate share of the ODD OPEB liability (benefit)	\$	<u><u>(12,718)</u></u>
District's proportionate share of the RMP OPEB liability	\$	<u><u>8,333</u></u>
Total District's share of net pension and OPEB liabilities	\$	<u><u>3,120,095</u></u>

The net pension and OPEB liabilities were measured as of June 30, 2018, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities were determined by an actuarial valuation as of that date. The District's proportion of the net pension and OPEB liabilities were based on the present value of contributions for FY2020 through FY2039, as determined by projections based on the June 30, 2018 valuation.

The District's proportionate share and changes in the pension and OPEB liabilities were as follows:

	June 30, 2017 Measurement	June 30, 2018 Measurement	Change
Pension	0.0552%	0.0521%	0.0032%
OPEB:			
ARHCT	0.0551%	0.0519%	0.0032%
ODD	0.0670%	0.0655%	0.0015%
RMP	0.0669%	0.0655%	0.0014%

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2018, the District recognized pension and OPEB expense of (\$278,938) and \$36,973, respectively, for the year ended June 30, 2019. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	65,025
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	57,220	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	69,599
District contributions subsequent to the measurement date	<u>174,274</u>	<u>-</u>
Total	<u>\$ 231,494</u>	<u>134,624</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	57,100
Changes of assumptions	80,955	-
Net difference between projected and actual earnings on OPEB plan investments	-	113,078
Changes in proportion and differences between District contributions and proportionate share of contributions	-	58,587
District contributions subsequent to the measurement date	<u>58,167</u>	<u>-</u>
Total	<u>\$ 139,122</u>	<u>228,765</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	3,519
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	447
Changes in proportion and differences between District contributions and proportionate share of contributions	1,142	80
District contributions subsequent to the measurement date	<u>1,803</u>	<u>-</u>
Total	<u>\$ 2,945</u>	<u>4,046</u>
	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	446
Changes of assumptions	3,860	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,215
Changes in proportion and differences between District contributions and proportionate share of contributions	-	1,062
District contributions subsequent to the measurement date	<u>6,061</u>	<u>-</u>
Total	<u>\$ 9,921</u>	<u>2,723</u>

\$174,274 and \$66,031 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities in the year ended June 30, 2019 (actuarial), respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,		OPEB ARHCT	OPEB ODD	OPEB RMP
2019	\$	(61,848)	(77,447)	(436)
2020		(61,848)	(77,447)	(134)
2021		31,288	(31,017)	(436)
2022		(44,335)	(36,866)	(436)
2023		(2,509)	(2,480)	(291)
Thereafter		-	-	(288)
Total	\$	<u>(77,404)</u>	<u>(147,810)</u>	<u>(2,904)</u>
				<u>1,137</u>

For the year ended June 30, 2019, the District recognized (\$435,383) and (\$63,410) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Sensitivity of the Net Pension and OPEB Liabilities to Changes in the Discount Rate: The following presents the net pension and OPEB liabilities of the plan calculated using the discount rate of 8%, as well as what the Plans' net pension and OPEB liabilities would be if they were calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease (7%)	Current Rate (8%)	1% Increase (9%)
Net pension liability	\$ 3,430,959	2,590,865	1,880,247
Net OPEB ARHCT	\$ 1,080,303	533,615	75,379
Net OPEB ODD	\$ (11,943)	(12,718)	(13,356)
Net OPEB RMP	\$ 24,884	8,333	(4,577)

Sensitivity of the District's proportionate share of the Net OPEB liability to changes in the healthcare cost trend rates. The following present the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT	\$ 10,358	533,615	1,163,929
Net OPEB ODD	N/A	(12,718)	N/A
Net OPEB RMP	(7,085)	8,333	28,966

Alaska Public Employee Retirement System (PERS) – Defined Contribution Plan (DC)

Plan Description and Funding Requirements. School Districts and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 0.94% for the retiree medical plan (DB), 0.26% for occupational and death and disability benefits (DB) and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is 22%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

- 2 years of service – 25%
- 3 years of service – 50%
- 4 years of service – 75%
- 5 years of service – 100%

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The School District contributed \$72,211 for the year ended June 30, 2019, which included forfeitures of \$32,989 which has been applied against contributions.

Teachers Retirement System (TRS) – Defined Benefit Plan (DB)

Plan Description. The School District participates in the Teacher’s Retirement System (TRS), a cost sharing multiple-employer defined benefit plan. Currently, there are 57 employers participating in TRS, including 53 school districts. TRS provides retirement benefits, disability and death benefits, and post-employment healthcare to plan members and beneficiaries. The system is governed by the Alaska Retirement Board. The Administrator of the Plan is the Commissioner of Administration or the Commissioner’s designee. The benefit and contribution provisions are established by State law and may be amended only by the State legislature. The Teachers’ Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for TRS. This report may be obtained from the system at Pouch C, Juneau, Alaska 99811 or online at <http://doa.alaska.gov/drb/trs>.

The DB Plan’s membership consisted of the following at June 30, 2018 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	12,962
Inactive plan members entitled to but not receiving benefits	801
Inactive plan members not entitled to benefits	1,906
Active plan members	<u>4,457</u>
Total DB plan membership	<u>20,126</u>

Pension Benefits. Employees hired prior to July 1, 1990, are entitled to annual pension benefits beginning at normal retirement age 55, or early retirement age 50. For employees hired after June 30, 1990 but before July 1, 2006, the normal and early retirement ages are 60 and 55, respectively. Employees may also retire at any age and receive a normal benefit when they accumulate the required credited service. The benefit related to all years of credited service prior to July 1, 1990 and for years of service through a total of 20 years is equal to 2% of their highest three-year average annual compensation for each year of service. The benefit for each year over 20 years of service subsequent to June 30, 1990, is equal to 2.5% of their highest three-year average annual compensation for each year of service. Employees may elect to receive their pension benefits in the form of a joint or survivor annuity. Effective January 1, 1987, a married member who retires must receive his or her benefit in the form of a joint and survivor annuity unless the member’s spouse consents to another form of benefit.

Minimum benefits for employees eligible for retirement are \$25 per month for each year of credited service.

Post Retirement Pension Adjustments. Effective in fiscal year 1991, automatic post retirement pension adjustment (PRPA) was granted to all current and future retirees. The PRPA amount may not exceed the lesser of (a) the actual cost of living increase (percentage) from the date of retirement until the effective date of the PRPA; or (b) 4.00% of the base benefits for each full year that the member has been retired and a prorated percentage for each partial year. However, the PRPA percentage is offset by the percentage of all prior PRPAs that have been granted. TRS members receiving a retirement, disability or survivor benefit, who remain in Alaska, are eligible for an additional allowance equal to 10.00% of the base benefit.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Employee Contribution Rate. The District's active TRS members are required to contribute 8.65% (5.80% pension costs and 2.85% OPEB) of their annual covered salary.

Employer contributions for the year ended June 30, 2019, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	42,981	36,484	79,465

Teachers Retirement Plans

For the year ended June 30, 2019 the State of Alaska contributed \$335,396 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date to a total of \$204,298, to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

Pension and OPEB Liabilities, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2019, the District reported liabilities that reflected a reduction for State pension and OPEB support provided to the District. The amount recognized by the District as its proportionate share of net pension and OPEB liabilities, the related State support, and the total portion of the net pension and OPEB liabilities that was associated with the District were as follows:

	Pension
Defined Benefit:	
District's proportionate share of the net pension liability	\$ 1,819,584
State's proportionate share of the net pension liability	2,707,416
Total	\$ 4,527,000
	OPEB
District's proportionate share of the ARHCT OPEB liability	\$ 294,707
State's proportionate share of the ARHCT OPEB liability	440,142
Total	\$ 734,849
District's proportionate share of the ODD OPEB liability (benefit)	\$ (14,174)
District's proportionate share of the RMP OPEB liability (benefit)	\$ (12,929)
Total District's share of net pension and OPEB liabilities	\$ 2,087,188

The net pension and OPEB liabilities were measured as of June 30, 2018, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities were determined by an actuarial valuation as of that date. The District's proportion of the net pension and OPEB liabilities were based on the present value of contributions for FY2020 through FY2039, as determined by projections based on the June 30, 2018 valuation.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The District's proportionate share and changes in the pension and OPEB liabilities were as follows:

	June 30, 2017 Measurement	June 30, 2018 Measurement	Change
Pension	0.0932%	0.0951%	0.0019%
OPEB:			
ARHCT	0.0929%	0.0948%	0.0019%
ODD	0.3649%	0.4043%	0.0394%
RMP	0.3649%	0.4043%	0.0394%

Based on the measurement date of June 30, 2018, the District recognized pension expense (benefit) of \$38,398 and OPEB expense 132,445, respectively, for the year ended June 30, 2019. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pensions	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	51,307
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	60,142	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	12,041
District contribution subsequent to the measurement date	42,981	-
Total	\$ <u>103,123</u>	<u>63,348</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	36,435
Changes of assumptions	84,738	-
Net difference between projected and actual earnings on pension plan investments	-	76,753
Changes in proportion and differences between District contributions and proportionate share of contributions	12,577	8,434
District contribution subsequent to the measurement date	23,562	-
Total	\$ <u>120,877</u>	<u>121,622</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	954
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	402
Changes in proportion and differences between District contributions and proportionate share of contributions	1,636	1,111
District contribution subsequent to the measurement date	1,183	-
Total	\$ 2,819	2,467
	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	1,425
Changes of assumptions	7,964	-
Net difference between projected and actual earnings on pension plan investments	-	2,846
Changes in proportion and differences between District contributions and proportionate share of contributions	1,368	1,343
District contribution subsequent to the measurement date	11,739	-
Total	\$ 21,071	5,614

\$42,981 and \$36,484 are reported as deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019 (actuarial). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension expense as follows:

Year Ended June 30,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2019	\$ 13,120	16,179	(166)	(229)
2020	35,247	(13,821)	(166)	(229)
2021	(48,557)	(25,044)	(166)	(229)
2022	(3,016)	(1,621)	(41)	738
2023	-	-	(35)	724
Thereafter	-	-	(257)	2,943
Total	\$ (3,206)	(24,307)	(831)	3,718

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2019, the District recognized (\$248,562) and (\$10,521) of pension and OPEB amortization of the deferred outflows and inflows of resources, respectively.

Sensitivity of the Net Pension and OPEB Liabilities to Changes in the Discount Rate: The following presents the net pension and OPEB liabilities of the Plan calculated using the discount rate of 8%, as well as what the Plans' net pension and OPEB liabilities would be if they were calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease (7%)	Current Rate (8%)	1% Increase (9%)
Net pension liability	\$ 2,602,983	1,819,584	1,160,388
Net OPEB ARHCT	\$ 699,553	294,707	(39,470)
Net OPEB ODD	\$ (14,247)	(14,174)	(14,134)
Net OPEB RMP	\$ 22,082	(12,929)	(39,564)

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates. The following present the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT	\$ (80,277)	294,707	752,368
Net OPEB ODD	\$ N/A	(14,174)	N/A
Net OPEB RMP	\$ (44,573)	(12,929)	30,653

Teachers Retirement System (TRS) – Defined Contribution Plan (DC)

Plan Description and Funding Requirements. School Districts and Public Employers in the State of Alaska have a defined contribution retirement plan for new hires first enrolled on or after July 1, 2006. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. State statutes require the employer to contribute 7% of employees' eligible compensation. Additionally, employers are required to contribute to other post-employment benefits (DB): 0.79% for the retiree medical plan, 0.08% for occupational death and disability, and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The employer effective contribution rate is 12.56%. Plan members are 100% vested with their contributions. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

- 2 years of service – 25%
- 3 years of service – 50%
- 4 years of service – 75%
- 5 years of service – 100%

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The School District contributed \$167,285 for the year ended June 30, 2019, which included forfeitures of \$97,710 which has been applied against contributions.

C. Change in Estimate

In FY18 The District received notice from the State of Alaska, Department of Administration, Division of Retirement and Benefits, that forfeitures from the defined contribution plan for the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) can be offset against future contributions effective July 1, 2018. The change in estimate decreased current year expenditures related to payroll benefits and liabilities of (\$47,892) and (\$106,377) respectively.

D. Contingent Liabilities

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, may constitute a liability of the School Operating Fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

E. Subsequent Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates covering several topics as follows:

- GASB 84 – *Fiduciary Activities*. Effective for fiscal years beginning after December 15, 2018.
- GASB 87 – *Leases*. Effective for fiscal years beginning after December 15, 2019.
- GASB 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Effective for fiscal years beginning after June 15, 2018.
- GASB 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. Effective for fiscal years beginning after December 15, 2019.
- GASB 90 – *Majority Equity Interests*. Effective for fiscal years beginning after December 15, 2018.

Statements 88 and 90 are not expected to have any significant impact on the financial statements of the District.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

GASB Statement No. 84, the objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets

GASB Statement No. 87, the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89 requires interest costs incurred before the end of a construction period to be recognized as an expenditure or expense in the period in which the cost is incurred for financial statements prepared under the current financial resources measurement focus or the economic resource measurement focus.

**REQUIRED SUPPLEMENTARY
INFORMATION**

KASHUNAMIUT SCHOOL DISTRICT
Schedule of District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
June 30, 2019

Year	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 Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0366%	\$ 1,708,190	\$ 1,606,476	\$ 3,314,666	\$ 5,691,773	30%	62.37%
2016	0.0644%	\$ 3,122,644	\$ 837,874	\$ 3,960,518	\$ 1,722,745	181%	63.96%
2017	0.0688%	\$ 3,847,718	\$ 487,488	\$ 4,335,206	\$ 1,593,223	242%	59.55%
2018	0.0552%	\$ 2,854,559	\$ 1,060,183	\$ 3,914,742	\$ 1,556,255	183%	63.37%
2019	0.0521%	\$ 2,590,865	\$ 750,429	\$ 3,341,294	\$ 1,468,545	176%	65.19%

Notes to Schedule:

1. Information presented for 2019 is based upon Plan measurement date June 30, 2018.
2. Measurement is one year prior to fiscal year end for all years presented.
3. In fiscal year 2017 the District implemented GASB 82, which required a retroactive change in covered payroll.
4. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

KASHUNAMIUT SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2019

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.0551%	\$ 465,749	\$ 173,902	\$ 639,651	\$ 1,556,255	29.93%	89.68%
2019	0.0519%	\$ 533,615	\$ 156,386	\$ 690,001	\$ 1,468,545	36.34%	88.12%
Occupational Death and Disability (ODD):							
2018	0.0482%	\$ (9,485)	\$ -	\$ (9,485)	\$ 1,556,255	-0.61%	212.97%
2019	0.0655%	\$ (12,718)	\$ -	\$ (12,718)	\$ 1,468,545	-0.87%	270.62%
Retiree Medical Plan (RMP):							
2018	0.0669%	\$ 3,486	\$ -	\$ 3,486	\$ 384,714	0.91%	93.98%
2019	0.0655%	\$ 8,333	\$ -	\$ 8,333	\$ 328,232	2.54%	88.71%

Notes to Schedule:

1. Information presented for 2019 is based upon Plan measurement date June 30, 2018.
2. Measurement is one year prior to fiscal year end for all years presented.
3. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

KASHUNAMIUT SCHOOL DISTRICT
 Schedule of District's Contributions (Pensions)
 Public Employees' Retirement System (PERS)

June 30, 2019

Year	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	\$ 160,528	\$ (160,528)	\$ -	\$ 1,722,745	9.32%
2016	\$ 147,955	\$ (147,955)	\$ -	\$ 1,593,223	9.29%
2017	\$ 171,744	\$ (171,744)	\$ -	\$ 1,556,255	11.04%
2018	\$ 178,774	\$ (178,774)	\$ -	\$ 1,468,545	12.17%
2019	\$ 174,274	\$ (174,274)	\$ -	\$ 1,420,527	12.27%

Notes to schedule

1. Valuation date: June 30, 2018, which was rolled forward to June 30, 2019.
2. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

3. Actuarial cost method: Entry Age Normal - level percentage of payroll.
4. Amortization method: Level dollar, closed.
5. Amortization period: 25 years, as a level of percentage of payroll.
6. Equivalent single amortization period: 17 years.
7. Asset valuation method: The actuarial asset value was reinitialized to equal fair value of assets as of June 30, 2014. Beginning in FY2015, the assets value method recognizes 20% of the gain or loss each year, for a period of 5 years, all assets are valued at fair value.
8. Inflation: 3.12% per annum.
9. Salary increases: Ranges from 9.66% to 4.92% based on service for Peace Officer/Firefighter. Ranges from 8.55% to 4.34% based on age and service for All Others.
10. Investment rate of return: 8%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
11. Retirement age: An age-related assumption is used for participants not yet receiving payments.
12. Mortality: Pre-termination mortality rates were based upon the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 50% of the time. 96% of all rates of the RP - 2000 Table Base Year projected to 2018.
13. In fiscal year 2017 the District implemented GASB 82, which required a retroactive change in covered payroll.
14. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.
15. In fiscal year 2018 the District included pension DBUL into the contractually required contribution. This will be a prospective change.

KASHUNAMIUT SCHOOL DISTRICT
Schedule of District's Contributions (OPEB)
Public Employees' Retirement System (PERS)

June 30, 2019

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 50,975	\$ (50,975)	\$ -	\$ 1,468,545	3.47%
2019	\$ 58,167	\$ (58,167)	\$ -	\$ 1,420,527	4.09%
Occupational Death and Disability (ODD):					
2018	\$ 1,169	\$ (1,169)	\$ -	\$ 1,468,545	0.08%
2019	\$ 1,803	\$ (1,803)	\$ -	\$ 1,420,527	0.13%
Retiree Medical Plan (RMP):					
2018	\$ 7,525	\$ (7,525)	\$ -	\$ 328,232	2.29%
2019	\$ 6,061	\$ (6,061)	\$ -	\$ 328,232	1.85%

Notes to schedule

1. Valuation date: June 30, 2018, which was rolled forward to June 30, 2019.
2. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

3. Actuarial cost method: Entry Age Normal - level percentage of payroll.
4. Amortization method: Level dollar, closed.
5. Amortization period: 25 years, as a level of percentage of payroll.
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7. Asset valuation method: The actuarial asset value was reinitialized to equal fair value of assets as of June 30, 2014. Beginning in FY2015, the assets value method recognizes 20% of the gain or loss each year, for a period of 5 years, all assets are valued at fair value.
8. Inflation: 3.12% per annum.
9. Salary increases: Ranges from 9.66% to 4.92% based on service for Peace Officer/Firefighter. Ranges from 8.55% to 4.34% based on age and service for All Others.
10. Investment rate of return: 8%, net of OPEB plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
11. Retirement age: An age-related assumption is used for participants not yet receiving payments.
12. Mortality: Pre-termination mortality rates were based upon the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 50% of the time. 96% of all rates of the RP - 2000 Table Base Year projected to 2018.
13. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

KASHUNAMIUT SCHOOL DISTRICT
 Schedule of District's Proportionate Share of the Net Pension Liability
 Teachers' Retirement System (TRS)
 June 30, 2019

Year	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 Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0732%	\$ 470,578	\$ 5,633,906	\$ 6,104,484	\$ 1,734,859	27.12%	55.70%
2016	0.0911%	\$ 1,694,787	\$ 2,706,897	\$ 4,401,684	\$ 1,688,376	100.38%	73.82%
2017	0.1158%	\$ 2,643,911	\$ 3,143,458	\$ 5,787,369	\$ 1,871,162	141.30%	68.40%
2018	0.1121%	\$ 1,888,466	\$ 3,297,713	\$ 5,186,179	\$ 1,885,963	100.13%	72.39%
2019	0.0932%	\$ 1,819,584	\$ 2,707,416	\$ 4,527,000	\$ 1,977,341	92.02%	74.09%

Notes to Schedule:

1. Information presented for 2019 is based upon Plan measurement date June 30, 2018.
2. Measurement is one year prior to fiscal year end for all years presented.
3. In fiscal year 2017 the District implemented GASB 82, which required a retroactive change in covered payroll.
4. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

KASHUNAMIUT SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2019

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.0929%	\$ 170,815	\$ 300,006	\$ 470,821	\$ 1,885,963	9.06%	93.75%
2019	0.0929%	294,707	440,142	734,849	1,977,341	14.90%	90.23%
Occupational Death and Disability (ODD):							
2018	0.3649%	\$ (11,926)	\$ -	\$ (11,926)	\$ 1,885,963	-0.63%	1342.59%
2019	0.3649%	(14,174)	-	(14,174)	1,977,341	-0.72%	1304.81%
Retiree Medical Plan (RMP):							
2018	0.3649%	\$ (17,298)	\$ -	\$ (17,298)	\$ 1,101,019	-1.57%	118.16%
2019	0.3649%	(12,929)	-	(12,929)	1,331,887	-0.97%	109.56%

Notes to Schedule:

- Information presented for 2019 is based upon Plan measurement date June 30, 2018.
- Measurement is one year prior to fiscal year end for all years presented.
- This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

KASHUNAMIUT SCHOOL DISTRICT
 Schedule of District's Contributions (Pensions)
 Teachers' Retirement System (TRS)
 June 30, 2019

Year	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	\$ 34,122	\$ (34,122)	\$ -	\$ 1,688,376	2.02%
2016	\$ 4,083	\$ (4,083)	\$ -	\$ 1,871,162	0.22%
2017	\$ 64,881	\$ (64,881)	\$ -	\$ 1,885,963	3.44%
2018	\$ 65,094	\$ (65,094)	\$ -	\$ 1,977,341	3.29%
2019	\$ 42,981	\$ (42,981)	\$ -	\$ 1,964,570	2.19%

Notes to schedule

1. Valuation date: June 30, 2018, which was rolled forward to June 30, 2019.
2. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

3. Actuarial cost method: Entry Age Normal - level percentage of payroll.
4. Amortization method: Level dollar, closed.
5. Amortization period: 25 years, as a level of percentage of payroll.
6. Equivalent single amortization period: 17 years.
7. Asset valuation method: The actuarial asset value was reinitialized to equal fair value of assets as of June 30, 2014. Beginning in FY2015, the assets value method recognizes 20% of the gain or loss each year, for a period of 5 years, all assets are valued at fair value.
8. Inflation: 3.12% per annum.
9. Salary increases: Ranges from 8.11% to 3.87% based on years of service.
10. Investment rate of return: 8%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
11. Retirement age: An age-related assumption is used for participants not yet receiving payments.
12. Mortality: Pre-termination mortality rates were based upon the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 50% of the time. 96% of all rates of the RP - 2000 Table Base Year projected to 2018.
13. In fiscal year 2017 the District implemented GASB 82, which required a retroactive change in covered payroll.
14. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.
15. In fiscal year 2018 the District included pension DBUL into the contractually required contribution. This will be a prospective change.

KASHUNAMIUT SCHOOL DISTRICT
Schedule of District's Contributions (OPEB)
Teachers' Retirement System (TRS)
June 30, 2019

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 32,185	\$ (32,185)	\$ -	\$ 1,977,341	1.63%
2019	\$ 23,562	\$ (23,562)	\$ -	\$ 1,964,570	1.20%
Occupational Death and Disability (ODD):					
2018	\$ -	\$ -	\$ -	\$ 1,977,341	0.00%
2019	\$ 1,183	\$ (1,183)	\$ -	\$ 1,964,570	0.06%
Retiree Medical Plan (RMP):					
2018	\$ 12,787	\$ (12,787)	\$ -	\$ 1,331,887	0.96%
2019	\$ 11,739	\$ (11,739)	\$ -	\$ 1,331,887	0.88%

Notes to schedule

1. Valuation date: June 30, 2018, which was rolled forward to June 30, 2019.
2. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

3. Actuarial cost method: Entry Age Normal - level percentage of payroll.
4. Amortization method: Level dollar, closed.
5. Amortization period: 25 years, as a level of percentage of payroll.
6. Equivalent single amortization period: 17 years.
7. Asset valuation method: The actuarial asset value was reinitialized to equal fair value of assets as of June 30, 2014. Beginning in FY2015, the assets value method recognizes 20% of the gain or loss each year, for a period of 5 years, all assets are valued at fair value.
8. Inflation: 3.12% per annum.
9. Salary increases: Ranges from 8.11% to 3.87% based on years of service.
10. Investment rate of return: 8%, net of OPEB plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
11. Retirement age: An age-related assumption is used for participants not yet receiving payments.
12. Mortality: Pre-termination mortality rates were based upon the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 50% of the time. 96% of all rates of the RP - 2000 Table Base Year projected to 2018.
13. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

**ADDITIONAL SUPPLEMENTARY
INFORMATION**

KASHUNAMIUT SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Earnings on investments	\$ 268	633	365
E-rate	699,717	494,639	(205,078)
Other	25,000	1,091	(23,909)
Charges for services	-	82,989	82,989
Total local sources	<u>724,985</u>	<u>579,352</u>	<u>(145,633)</u>
Intergovernmental:			
State of Alaska:			
Foundation program	3,133,285	3,056,194	(77,091)
TRS On-behalf payments	290,895	335,396	44,501
PERS On-behalf payments	52,226	90,017	37,791
Other	-	74,988	74,988
Quality schools	15,671	15,463	(208)
Total State of Alaska	<u>3,492,077</u>	<u>3,572,058</u>	<u>79,981</u>
Federal sources:			
Impact aid	<u>3,078,131</u>	<u>3,586,112</u>	<u>507,981</u>
Total revenues	<u>7,295,193</u>	<u>7,737,522</u>	<u>442,329</u>
Expenditures:			
Instruction:			
Certificated salaries	1,289,518	1,290,668	(1,150)
Non-certificated salaries	296,385	285,944	10,441
Employee benefits	870,152	942,758	(72,606)
Housing allowance/subsidy	155,022	17,552	137,470
Professional and technical services	-	23,144	(23,144)
Staff travel	5,000	7,856	(2,856)
Student travel	2,500	3,869	(1,369)
Other purchased services	9,350	100,060	(90,710)
Supplies, materials and media	72,775	64,292	8,483
Other expenses	12,500	13,549	(1,049)
Total instruction	<u>\$ 2,713,202</u>	<u>2,749,692</u>	<u>(36,490)</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Special education instruction:			
Certificated salaries	\$ 93,529	92,071	1,458
Non-certificated salaries	171,373	133,137	38,236
Employee benefits	178,358	169,480	8,878
Housing allowance	1,000	1,000	-
Professional and technical services	110,000	109,707	293
Staff travel	1,500	601	899
Supplies, material, and media	3,000	3,045	(45)
Other	1,200	1,200	-
Total special education instruction	<u>559,960</u>	<u>510,241</u>	<u>49,719</u>
Special education support services - students:			
Staff travel	1,500	398	1,102
Supplies, material, and media	3,500	42	3,458
Total special education support services - students	<u>5,000</u>	<u>440</u>	<u>4,560</u>
Support services - students:			
Non-certificated salaries	19,811	21,910	(2,099)
Employee benefits	21,000	28,449	(7,449)
Staff travel	500	500	-
Supplies, material, and media	1,500	1,013	487
Other	1,000	325	675
Total support services - students	<u>43,811</u>	<u>52,197</u>	<u>(8,386)</u>
Support services - instruction:			
Certificated salaries	78,180	84,308	(6,128)
Non-certificated salaries	86,966	91,904	(4,938)
Employee benefits	159,008	128,989	30,019
Professional and technical services	15,000	12,065	2,935
Staff travel	8,600	10,106	(1,506)
Utility services	699,000	570,003	128,997
Other purchased services	71,495	76,166	(4,671)
Supplies, material, and media	26,510	32,261	(5,751)
Other expenses	3,200	6,694	(3,494)
Total support services - instruction	<u>1,147,959</u>	<u>1,012,496</u>	<u>135,463</u>
School administration:			
Certificated salaries	194,539	196,763	(2,224)
Employee benefits	106,941	110,466	(3,525)
Housing allowance	2,000	2,000	-
Staff travel	4,050	3,138	912
Utility services	2,000	2,018	(18)
Supplies, material, and media	1,500	1,497	3
Other expenses	2,400	2,403	(3)
Total school administration	<u>313,430</u>	<u>318,285</u>	<u>(4,855)</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
School administration support services:			
Non-certificated salaries	\$ 84,694	68,219	16,475
Employee benefits	97,343	88,559	8,784
Supplies, material, and media	4,200	4,415	(215)
Total school administration support services	<u>186,237</u>	<u>161,193</u>	<u>25,044</u>
District administration:			
Certificated salaries	124,500	201,940	(77,440)
Non-certificated salaries	95,848	102,711	(6,863)
Employee benefits	69,874	134,995	(65,121)
Housing allowance	5,000	5,453	(453)
Professional and technical services	31,000	47,910	(16,910)
Staff travel	59,938	74,762	(14,824)
Utility services	12,850	16,155	(3,305)
Supplies, material, and media	1,000	2,674	(1,674)
Other expenses	36,090	37,141	(1,051)
Total district administration	<u>436,100</u>	<u>623,741</u>	<u>(187,641)</u>
District administration support services:			
Non-certificated salaries	159,545	137,868	21,677
Employee benefits	95,751	85,164	10,587
Housing allowance	4,600	4,600	-
Professional and technical services	218,215	234,250	(16,035)
Staff travel	13,000	9,341	3,659
Utility services	10,000	13,373	(3,373)
Other purchased services	40,300	43,605	(3,305)
Insurance and bond premiums	20,170	20,096	74
Supplies, material, and media	6,500	8,369	(1,869)
Other expenses	24,210	20,976	3,234
Indirect cost recovery	(103,298)	(102,765)	(533)
Total district administration support services	<u>488,993</u>	<u>474,877</u>	<u>14,116</u>
Operations and maintenance of plant:			
Non-certificated salaries	333,031	361,204	(28,173)
Employee benefits	237,814	254,625	(16,811)
Staff travel	8,000	14,620	(6,620)
Utility services	100,000	83,166	16,834
Energy	354,630	269,973	84,657
Other purchased services	40,000	22,751	17,249
Insurance and bond premiums	55,254	55,255	(1)
Supplies, material, and media	56,592	64,040	(7,448)
Other	1,140	3,735	(2,595)
Equipment	75,000	74,888	112
Total operations and maintenance of plant	<u>1,261,461</u>	<u>1,204,257</u>	<u>57,204</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Student activities:			
Certificated salaries	\$ 30,000	59,708	(29,708)
Non-certificated salaries	640	20,539	(19,899)
Employee benefits	2,270	12,563	(10,293)
Professional and technical services	10,070	10,065	5
Staff travel	30,390	51,642	(21,252)
Student travel	125,000	235,922	(110,922)
Supplies, material, and media	15,630	16,610	(980)
Other expenses	3,600	4,084	(484)
Total student activities	<u>217,600</u>	<u>411,133</u>	<u>(193,533)</u>
Total expenditures	<u>7,373,753</u>	<u>7,518,552</u>	<u>(144,799)</u>
Excess (deficiency) of revenues over expenditures	<u>(78,560)</u>	<u>218,970</u>	<u>297,530</u>
Other financing sources (uses):			
Transfers out:			
Food Service Special Revenue Fund	-	(137,662)	(137,662)
Teacher Housing Special Revenue Fund	-	(243,903)	(243,903)
School Construction Capital Project Fund	-	(14,125)	(14,125)
District Office Construction Capital Project Fund	-	(10,843)	(10,843)
Impact Aid Construction Capital Project Fund	-	(20,031)	(20,031)
Total transfers out	<u>-</u>	<u>(426,564)</u>	<u>(426,564)</u>
Net change in fund balance	<u>\$ (78,560)</u>	<u>(207,594)</u>	<u>(129,034)</u>
Fund balance, beginning of year		<u>2,910,007</u>	
Fund balance, end of year		<u>\$ 2,702,413</u>	

KASHUNAMIUT SCHOOL DISTRICT

Title IA Basic Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 806,260	792,591	(13,669)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	37,000	37,037	(37)
Non-certificated salaries	146,832	145,913	919
Employee benefits	140,300	133,247	7,053
Staff travel	34,800	28,472	6,328
Student travel	85,700	90,608	(4,908)
Supplies, material, and media	294,786	291,551	3,235
Other	3,200	3,200	-
Total instruction	742,618	730,028	12,590
District administration support services- Indirect cost	63,642	62,563	1,079
Total expenditures	806,260	792,591	13,669
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2019

	Special Revenue Funds							
	Pupil Transportation	Early Learning Moore Expansion FY18	Early Learning Moore Expansion FY19	Carrs Safeway	Title I-A Chevak School Improvement	Title I-A School Improvement 1003A	Title I-A School Improvement 1003G	Title V-B Service
<u>Assets</u>								
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-
Accounts receivable	-	-	2,467	-	5,991	11,608	70,669	36,644
Due from School Operating Fund	12,035	6,103	-	1,697	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
	<u>\$ 12,035</u>	<u>6,103</u>	<u>2,467</u>	<u>1,697</u>	<u>5,991</u>	<u>11,608</u>	<u>70,669</u>	<u>36,644</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	-	-	-	-	-	-	-	-
Due to School Operating Fund	-	-	2,467	-	5,991	11,608	70,669	36,644
Unearned revenue	-	6,103	-	1,697	-	-	-	-
Total liabilities	<u>-</u>	<u>6,103</u>	<u>2,467</u>	<u>1,697</u>	<u>5,991</u>	<u>11,608</u>	<u>70,669</u>	<u>36,644</u>
Fund balances:								
Non-spendable	-	-	-	-	-	-	-	-
Restricted-scholarships	-	-	-	-	-	-	-	-
Assigned	12,035	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>12,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 12,035</u>	<u>6,103</u>	<u>2,467</u>	<u>1,697</u>	<u>5,991</u>	<u>11,608</u>	<u>70,669</u>	<u>36,644</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

<u>Assets</u>	<u>Title I-C Migrant Book</u>	<u>Title I-C Migrant Education</u>	<u>Carl Perkins</u>	<u>Food Services</u>	<u>Title III English Language Acquisition</u>	<u>Upward Bound</u>	<u>AK Public Broadcasting</u>	<u>KCUK Fundraising</u>	<u>Indian Education</u>
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-	-
Accounts receivable	683	37,537	974	-	8,395	11,581	-	-	-
Due from School Operating Fund	-	-	-	135,565	-	-	-	18,088	13,512
Prepaid items	-	-	-	-	-	-	-	-	-
	<u>\$ 683</u>	<u>37,537</u>	<u>974</u>	<u>135,565</u>	<u>8,395</u>	<u>11,581</u>	<u>-</u>	<u>18,088</u>	<u>13,512</u>
 <u>Liabilities and Fund Balances</u>									
Liabilities:									
Accounts payable	-	-	-	-	-	-	-	-	-
Due to School Operating Fund	683	37,537	974	-	8,395	11,581	31,984	-	-
Unearned revenue	-	-	-	-	-	-	-	-	13,512
Total liabilities	<u>683</u>	<u>37,537</u>	<u>974</u>	<u>-</u>	<u>8,395</u>	<u>11,581</u>	<u>31,984</u>	<u>-</u>	<u>13,512</u>
Fund balances:									
Non-spendable	-	-	-	-	-	-	-	-	-
Restricted-scholarships	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	135,565	-	-	-	18,088	-
Unassigned	-	-	-	-	-	-	(31,984)	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,565</u>	<u>-</u>	<u>-</u>	<u>(31,984)</u>	<u>18,088</u>	<u>-</u>
	<u>\$ 683</u>	<u>37,537</u>	<u>974</u>	<u>135,565</u>	<u>8,395</u>	<u>11,581</u>	<u>-</u>	<u>18,088</u>	<u>13,512</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

<u>Assets</u>	Special Revenue Funds				Total Special Revenue Funds	Permanent Fund	Capital Project Fund	Total Other Governmental Funds
	Johnson O'Malley	Teacher Housing	CPB Operating	Employee Scholarship		B.A. Weinberg Scholarship	Rasmuson	
Cash and cash equivalents	\$ -	-	-	-	-	70,195	-	70,195
Accounts receivable	-	-	-	-	186,549	-	-	186,549
Due from School Operating Fund	58,796	24,206	31,413	7,776	309,191	-	18,750	327,941
Prepaid items	-	11,936	6,689	-	18,625	-	-	18,625
	<u>\$ 58,796</u>	<u>36,142</u>	<u>38,102</u>	<u>7,776</u>	<u>514,365</u>	<u>70,195</u>	<u>18,750</u>	<u>603,310</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	-	-	152	-	152	-	-	152
Due to School Operating Fund	-	-	-	-	218,533	44,758	-	263,291
Unearned revenue	<u>58,796</u>	-	<u>37,950</u>	-	<u>118,058</u>	-	<u>18,750</u>	<u>136,808</u>
Total liabilities	<u>58,796</u>	-	<u>38,102</u>	-	<u>336,743</u>	<u>44,758</u>	<u>18,750</u>	<u>400,251</u>
Fund balances:								
Non-spendable	-	11,936	-	-	11,936	-	-	11,936
Restricted-scholarships	-	-	-	7,776	7,776	25,437	-	33,213
Assigned	-	24,206	-	-	189,894	-	-	189,894
Unassigned	-	-	-	-	(31,984)	-	-	(31,984)
Total fund balances	<u>-</u>	<u>36,142</u>	<u>-</u>	<u>7,776</u>	<u>177,622</u>	<u>25,437</u>	<u>-</u>	<u>203,059</u>
	<u>\$ 58,796</u>	<u>36,142</u>	<u>38,102</u>	<u>7,776</u>	<u>514,365</u>	<u>70,195</u>	<u>18,750</u>	<u>603,310</u>

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Year Ended June 30, 2019

	Special Revenue Funds							
	Pupil Transportation	Staff Development	Early Learning - Moore Expansion FY18	Early Learning - Moore Expansion FY19	Fresh Fruit & Vegetables	Carrs Safeway	Title I-A Chevak School Improvement	Title I-A School Improvement KASH05
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	-
Other	-	-	-	-	-	3,303	-	-
Intergovernmental:								
State of Alaska	1,590	-	31,067	30,000	-	-	-	-
Federal sources:								
Passed through	-	17,900	-	-	11,753	-	6,106	11,608
Direct	-	-	-	-	-	-	-	-
Total revenues	<u>1,590</u>	<u>17,900</u>	<u>31,067</u>	<u>30,000</u>	<u>11,753</u>	<u>3,303</u>	<u>6,106</u>	<u>11,608</u>
Expenditures:								
Instruction	-	7,248	31,067	30,000	-	3,303	6,106	11,608
Special education instruction	-	842	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	-	6,942	-	-	-	-	-	-
District administration support services	-	-	-	-	-	-	-	-
Operations and maintenance of plant	-	2,868	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation services	1,014	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Food services	-	-	-	-	11,753	-	-	-
Total expenditures	<u>1,014</u>	<u>17,900</u>	<u>31,067</u>	<u>30,000</u>	<u>11,753</u>	<u>3,303</u>	<u>6,106</u>	<u>11,608</u>
Excess (deficiency) of revenues over expenditures	576	-	-	-	-	-	-	-
Other financing sources -								
Transfers in - School Operating Fund	-	-	-	-	-	-	-	-
Net change in fund balances	576	-	-	-	-	-	-	-
Fund balances, beginning of year	11,459	-	-	-	-	-	-	-
Fund balances, end of year	<u>\$ 12,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds						
	Title I-A School Improvement	Title I-A School Improvement 1003G	Title VI-B Service	Title I-C Migrant Book	Title I-C Migrant Education	Carl Perkins	Food Service
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	-	-	-	11,375
Other	-	-	-	-	-	-	71
Intergovernmental:							
State of Alaska	-	-	-	-	-	-	-
Federal sources:							
Passed through	31,789	254,678	73,379	2,428	76,983	7,957	388,323
Direct	-	-	-	-	-	-	-
Total revenues	<u>31,789</u>	<u>254,678</u>	<u>73,379</u>	<u>2,428</u>	<u>76,983</u>	<u>7,957</u>	<u>399,769</u>
Expenditures:							
Instruction	31,789	234,575	67,587	2,428	70,906	7,578	-
Special education instruction	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-
District administration support services	-	20,103	5,792	-	6,077	379	-
Operations and maintenance of plant	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-
Student transportation services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	516,893
Total expenditures	<u>31,789</u>	<u>254,678</u>	<u>73,379</u>	<u>2,428</u>	<u>76,983</u>	<u>7,957</u>	<u>516,893</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	(117,124)
Other financing sources -							
Transfers in-							
School Operating Fund	-	-	-	-	-	-	137,662
Net change in fund balances	-	-	-	-	-	-	20,538
Fund balances, beginning of year	-	-	-	-	-	-	115,027
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,565</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds							Teacher Housing
	SPED 619	Title III English Language Acquisition	Upward Bound	AK Public Broadcasting	KCUK Fundraising	Indian Education	Johnson O'Malley	
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	107,782
Other	-	-	-	3,922	6,804	-	-	24,633
Intergovernmental:								
State of Alaska	-	-	-	46,341	-	-	-	-
Federal sources:								
Passed through	4,454	8,395	11,581	-	-	-	-	-
Direct	-	-	-	-	-	111,879	68,630	-
Total revenues	<u>4,454</u>	<u>8,395</u>	<u>11,581</u>	<u>50,263</u>	<u>6,804</u>	<u>111,879</u>	<u>68,630</u>	<u>132,415</u>
Expenditures:								
Instruction	4,454	8,230	11,581	-	-	105,667	47,578	-
Special education instruction	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	12,159	-
District administration support services	-	165	-	-	-	6,212	1,474	-
Operations and maintenance of plant	-	-	-	-	-	-	-	376,318
Student activities	-	-	-	-	-	-	7,419	-
Student transportation services	-	-	-	-	-	-	-	-
Community services	-	-	-	87,176	600	-	-	-
Food services	-	-	-	-	-	-	-	-
Total expenditures	<u>4,454</u>	<u>8,395</u>	<u>11,581</u>	<u>87,176</u>	<u>600</u>	<u>111,879</u>	<u>68,630</u>	<u>376,318</u>
Excess (deficiency) of revenues over expenditures	-	-	-	(36,913)	6,204	-	-	(243,903)
Other financing sources -								
Transfers in-								
School Operating Fund	-	-	-	-	-	-	-	243,903
Net change in fund balances	-	-	-	(36,913)	6,204	-	-	-
Fund balances, beginning of year	-	-	-	4,929	11,884	-	-	36,142
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(31,984)</u>	<u>18,088</u>	<u>-</u>	<u>-</u>	<u>36,142</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds			Permanent Fund	Capital Project Funds			Total Capital Projects Funds	Total Other Governmental Funds
	CPB Operating	Employee Scholarship	Total Special Revenue Funds	B.A. Weinberg Scholarship	School Construction	District Office Construction	Impact Aid Construction		
Revenues:									
Local sources:									
Charges for services	\$ -	-	119,157	-	-	-	-	-	119,157
Other	179,241	2,290	220,264	21	-	-	-	-	220,285
Intergovernmental:									
State of Alaska	-	-	108,998	-	-	-	-	-	108,998
Federal sources:									
Passed through	-	-	907,334	-	-	-	-	-	907,334
Direct	-	-	180,509	-	-	-	35,438	35,438	215,947
Total revenues	<u>179,241</u>	<u>2,290</u>	<u>1,536,262</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>35,438</u>	<u>35,438</u>	<u>1,571,721</u>
Expenditures:									
Instruction	-	-	681,705	-	-	-	-	-	681,705
Special education instruction	-	-	842	-	-	-	-	-	842
Support services - instruction	-	-	19,101	-	-	-	-	-	19,101
District administration support services	-	-	40,202	-	-	-	-	-	40,202
Operations and maintenance of plant	-	-	379,186	-	15,771	26,057	55,469	97,297	476,483
Student activities	-	-	7,419	-	-	-	-	-	7,419
Student transportation services	-	-	1,014	-	-	-	-	-	1,014
Community services	179,241	-	267,017	-	-	-	-	-	267,017
Food services	-	-	528,646	-	-	-	-	-	528,646
Total expenditures	<u>179,241</u>	<u>-</u>	<u>1,925,132</u>	<u>-</u>	<u>15,771</u>	<u>26,057</u>	<u>55,469</u>	<u>97,297</u>	<u>2,022,429</u>
Excess (deficiency) of revenues over expenditures	-	2,290	(388,870)	21	(15,771)	(26,057)	(20,031)	(61,859)	(450,708)
Other financing sources -									
Transfers in-									
School Operating Fund	-	-	381,565	-	14,125	10,843	20,031	44,999	426,564
Net change in fund balances	-	2,290	(7,305)	21	(1,646)	(15,214)	-	(16,860)	(24,144)
Fund balances, beginning of year	-	5,486	184,927	25,416	1,646	15,214	-	16,860	227,203
Fund balances, end of year	\$ -	<u>7,776</u>	<u>177,622</u>	<u>25,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,059</u>

KASHUNAMIUT SCHOOL DISTRICT

Pupil Transportation Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - State of Alaska	\$ 1,590	1,590	-
Expenditures:			
Student transportation - Student travel	1,014	1,014	-
Excess of revenues over expenditures	\$ 576	576	-
Fund balance, beginning of year		11,459	
Fund balance, end of year		\$ 12,035	

KASHUNAMIUT SCHOOL DISTRICT

Staff Development Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 17,900	17,900	-
Expenditures:			
Instruction -			
Staff travel	7,248	7,248	-
Special education instruction-			
Staff travel	842	842	-
Support services - instruction:			
Staff travel	5,258	5,258	-
Student travel	633	633	-
Other	1,051	1,051	-
Total support services- instruction	6,942	6,942	-
Operations and maintenance of plant:			
Staff travel	1,697	1,697	-
Student travel	1,171	1,171	-
Total operations and maintenance of plant	2,868	2,868	-
Total expenditures	17,900	17,900	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Early Learning - Moore Expansion FY18 Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - State of Alaska	\$ 31,067	31,067	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	26,386	26,386	-
Non-certificated salaries	198	198	-
Employee benefits	4,483	4,483	-
Total expenditures	31,067	31,067	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Early Learning - Moore Expansion FY19 Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - State of Alaska	\$ 30,000	30,000	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	23,116	25,499	(2,383)
Employee benefits	6,884	4,501	2,383
Total expenditures	30,000	30,000	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Fresh Fruit & Vegetables Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 11,753	11,753	-
Expenditures: Current: Food service- Certificated salaries	11,753	11,753	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Carrs Safeway Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -	\$		
Local sources - other	<u>5,000</u>	<u>3,303</u>	<u>(1,697)</u>
Expenditures:			
Current:			
Instruction-			
Supplies, materials and media	<u>5,000</u>	<u>3,303</u>	<u>1,697</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

KASHUNAMIUT SCHOOL DISTRICT

Title I-A, Chevak School Improvement Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 10,000	6,106	(3,894)
Expenditures:			
Current:			
Instruction:			
Professional and technical services	9,000	5,106	3,894
Supplies, materials and media	1,000	1,000	-
Total expenditures	10,000	6,106	3,894
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Title I-A, School Improvement 1003A Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 20,000	11,608	(8,392)
Expenditures:			
Current:			
Instruction:			
Staff travel	10,000	851	9,149
Supplies, materials and media	10,000	10,757	(757)
Total expenditures	20,000	11,608	8,392
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Title I-A, School Improvement Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 37,198	31,789	(5,409)
Expenditures:			
Current:			
Instruction:			
Supplies, materials and media	32,446	27,037	5,409
Other	4,752	4,752	-
Total expenditures	37,198	31,789	5,409
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Title I-A, School Improvement 1003G Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 261,458	254,678	(6,780)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	51,820	74,014	(22,194)
Non-certificated salaries	7,400	497	6,903
Employee benefits	32,000	38,965	(6,965)
Professional and technical services	75,000	56,666	18,334
Staff travel	25,200	36,081	(10,881)
Student travel	24,000	6,676	17,324
Supplies, materials and media	25,400	21,676	3,724
Total instruction	<u>240,820</u>	<u>234,575</u>	<u>6,245</u>
District administration support services- Indirect cost	<u>20,638</u>	<u>20,103</u>	<u>535</u>
Total expenditures	<u>261,458</u>	<u>254,678</u>	<u>6,780</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KASHUNAMIUT SCHOOL DISTRICT

Title VI-B Service Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 123,625	73,379	(50,246)
Expenditures:			
Current:			
Special education instruction:			
Non-certificated salaries	47,800	39,975	7,825
Employee benefits	33,000	13,984	19,016
Staff travel	22,890	3,736	19,154
Supplies, materials and media	10,177	9,892	285
Total special education instruction	<u>113,867</u>	<u>67,587</u>	<u>46,280</u>
District administration support services - Indirect costs	<u>9,758</u>	<u>5,792</u>	<u>3,966</u>
Total expenditures	<u>123,625</u>	<u>73,379</u>	<u>50,246</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

KASHUNAMIUT SCHOOL DISTRICT

Title I-C Migrant Book Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 4,450	2,428	(2,022)
Expenditures: Current: Instruction - Supplies, materials and media	4,450	2,428	2,022
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Title I-C Migrant Education Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 95,628	76,983	(18,645)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	43,865	40,360	3,505
Non-certificated salaries	-	3,441	(3,441)
Employee benefits	22,175	15,029	7,146
Staff travel	8,000	7,077	923
Student travel	8,600	3,556	5,044
Supplies, material, and media	5,440	1,443	3,997
Total instruction	<u>88,080</u>	<u>70,906</u>	<u>17,174</u>
District administration support services - Indirect costs	<u>7,548</u>	<u>6,077</u>	<u>1,471</u>
Total expenditures	<u>95,628</u>	<u>76,983</u>	<u>18,645</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KASHUNAMIUT SCHOOL DISTRICT

Carl Perkins Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 21,278	7,957	(13,321)
Expenditures:			
Current:			
Instruction:			
Staff travel	4,139	525	3,614
Student travel	10,000	928	9,072
Supplies, material, and media	6,125	6,125	-
Total instruction	<u>20,264</u>	<u>7,578</u>	<u>12,686</u>
District administration support services - Indirect costs	<u>1,014</u>	<u>379</u>	<u>635</u>
Total expenditures	<u>21,278</u>	<u>7,957</u>	<u>13,321</u>
Excess of revenues over expenditures	\$ <u> -</u>	-	<u> -</u>
Fund balance, beginning of year		<u> -</u>	
Fund balance, end of year		\$ <u> -</u>	

KASHUNAMIUT SCHOOL DISTRICT

Food Service Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Charges for services - meal sales	\$ -	11,375	11,375
Other	-	71	71
Total local sources	<u>-</u>	<u>11,446</u>	<u>11,446</u>
Intergovernmental - Federal sources passed through the State of Alaska	<u>406,849</u>	<u>388,323</u>	<u>(18,526)</u>
Total revenues	<u>406,849</u>	<u>399,769</u>	<u>(7,080)</u>
Expenditures:			
Current:			
Food services:			
Non-certificated salaries	120,338	111,791	8,547
Employee benefits	59,581	79,431	(19,850)
Staff travel	19,679	19,679	-
Other purchased services	2,000	5,012	(3,012)
Supplies, materials and media	205,000	300,097	(95,097)
Other expenses	251	883	(632)
Total expenditures	<u>406,849</u>	<u>516,893</u>	<u>(110,044)</u>
Excess (deficiency) of revenues over expenditures	-	(117,124)	(117,124)
Other financing sources - transfers in - School Operating Fund	<u>-</u>	<u>137,662</u>	<u>137,662</u>
Net change in fund balance	<u>\$ -</u>	<u>20,538</u>	<u>20,538</u>
Fund balance, beginning of year		<u>115,027</u>	
Fund balance, end of year		<u>\$ <u>135,565</u></u>	

KASHUNAMIUT SCHOOL DISTRICT

SPED 619 Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 4,454	4,454	-
Expenditures: Current: Instruction - Professional and technical services	4,454	4,454	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Title III English Language Acquisition Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 15,168	8,395	(6,773)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	6,000	6,400	(400)
Employee benefits	1,121	1,121	-
Staff travel	4,000	-	4,000
Supplies, material, and media	3,750	709	3,041
Total instruction	<u>14,871</u>	<u>8,230</u>	<u>6,641</u>
District administration support services - Indirect costs	<u>297</u>	<u>165</u>	<u>132</u>
Total expenditures	<u>15,168</u>	<u>8,395</u>	<u>6,773</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

KASHUNAMIUT SCHOOL DISTRICT

Upward Bound Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues - intergovernmental- Federal sources passed through the University of Alaska Fairbanks	\$ 12,300	11,581	(719)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	4,500	4,500	-
Employee benefits	-	761	(761)
Supplies, materials and media	1,800	3,800	(2,000)
Tuition-students and stipends	4,000	2,520	1,480
Other	2,000	-	2,000
Total expenditures	<u>12,300</u>	<u>11,581</u>	<u>719</u>
Excess of revenues over expenditures	\$ <u> -</u>	-	<u> -</u>
Fund balance, beginning of year		<u> -</u>	
Fund balance, end of year		<u>\$ <u> -</u></u>	

KASHUNAMIUT SCHOOL DISTRICT

AK Public Broadcasting Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental- State of Alaska	\$ 89,084	46,341	(42,743)
Local revenues - other	-	3,922	3,922
Total revenues	<u>89,084</u>	<u>50,263</u>	<u>(38,821)</u>
Expenditures:			
Current:			
Community services:			
Non-certificated salaries	25,000	29,348	(4,348)
Employee benefits	2,414	5,587	(3,173)
Professional and technical services	14,460	1,220	13,240
Staff travel	11,700	9,917	1,783
Utility services	26,010	782	25,228
Other purchased services	-	13,015	(13,015)
Supplies, materials and media	6,500	19,325	(12,825)
Other expenses	3,000	7,982	(4,982)
Total expenditures	<u>89,084</u>	<u>87,176</u>	<u>1,908</u>
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	(36,913)	<u>(36,913)</u>
Fund balance, beginning of year		<u>4,929</u>	
Fund balance, end of year		\$ <u>(31,984)</u>	

KASHUNAMIUT SCHOOL DISTRICT

KCUK Fundraising Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local revenues - other	\$ 15,000	6,804	(8,196)
Expenditures:			
Current:			
Community services- Supplies, material, and media	15,000	600	14,400
Excess of revenues over expenditures	\$ -	6,204	6,204
Fund balance, beginning of year		11,884	
Fund balance, end of year		\$ 18,088	

KASHUNAMIUT SCHOOL DISTRICT

Indian Education Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - federal sources - direct	\$ 125,595	111,879	(13,716)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	110,717	40,360	70,357
Non-certificated salaries	-	28,478	(28,478)
Employee benefits	-	36,330	(36,330)
Staff travel	-	499	(499)
Supplies, materials and media	3,900	-	3,900
Total instruction	<u>114,617</u>	<u>105,667</u>	<u>8,950</u>
District administration support services- Indirect costs	<u>10,978</u>	<u>6,212</u>	<u>4,766</u>
Total expenditures	<u>125,595</u>	<u>111,879</u>	<u>13,716</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

KASHUNAMIUT SCHOOL DISTRICT

Johnson O'Malley Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - federal sources - direct	\$ 63,140	68,630	5,490
Expenditures:			
Current:			
Instruction:			
Professional and technical services	10,000	1,590	8,410
Staff travel	30,000	33,807	(3,807)
Student travel	16,725	3,172	13,553
Other purchased services	2,500	5,275	(2,775)
Supplies, materials and media	1,500	3,734	(2,234)
Total instruction	<u>60,725</u>	<u>47,578</u>	<u>13,147</u>
Support services - instruction-			
Staff travel	<u>-</u>	<u>12,159</u>	<u>(12,159)</u>
District administration support services:			
Indirect costs	<u>2,415</u>	<u>1,474</u>	<u>941</u>
Student activities:			
Professional and technical services	-	6,955	(6,955)
Supplies, materials and media	<u>-</u>	<u>464</u>	<u>(464)</u>
Total student activities	<u>-</u>	<u>7,419</u>	<u>(7,419)</u>
Total expenditures	<u>63,140</u>	<u>68,630</u>	<u>(5,490)</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

KASHUNAMIUT SCHOOL DISTRICT

Teacher Housing Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Charges for services - rental	\$ 107,782	107,782	-
Other	24,633	24,633	-
Total revenues	<u>132,415</u>	<u>132,415</u>	<u>-</u>
Expenditures:			
Current:			
Operations and maintenance of plant:			
Non-certificated salaries	55,689	55,689	-
Employee benefits	27,211	27,211	-
Utility services	86,621	86,621	-
Energy	111,808	111,808	-
Other purchased services	79,720	79,720	-
Supplies, materials and media	15,229	15,229	-
Other	40	40	-
Total expenditures	<u>376,318</u>	<u>376,318</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(243,903)	(243,903)	-
Other financing sources - transfers in - School Operating Fund	<u>243,903</u>	<u>243,903</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>36,142</u>	
Fund balance, end of year		\$ <u><u>36,142</u></u>	

KASHUNAMIUT SCHOOL DISTRICT

CPB Operating Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources -			
Corporation for public broadcasting	\$ 179,241	179,241	-
Expenditures:			
Current:			
Community services:			
Non-certificated salaries	112,640	112,640	-
Employee benefits	41,302	41,302	-
Utility services	9,280	9,280	-
Other purchased services	2,302	2,302	-
Supplies, materials and media	2,350	2,350	-
Other	11,367	11,367	-
Total expenditures	<u>179,241</u>	<u>179,241</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KASHUNAMIUT SCHOOL DISTRICT

Employee Scholarship Special Revenue Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ <u>2,645</u>	<u>2,290</u>	<u>(355)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u><u>2,645</u></u>	<u>2,290</u>	<u><u>(355)</u></u>
Fund balance, beginning of year		<u>5,486</u>	
Fund balance, end of year		\$ <u><u>7,776</u></u>	

KASHUNAMIUT SCHOOL DISTRICT

B.A. Weinberg Scholarship Permanent Fund

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

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - Earnings on investment	\$ 21	21	-
Expenditures	-	-	-
Excess of revenues over expenditures	\$ 21	21	-
Fund balance, beginning of year		25,416	
Fund balance, end of year		\$ 25,437	

KASHUNAMIUT SCHOOL DISTRICT

School Construction Capital Project Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2019

Revenues	\$ <u> -</u>
Expenditures:	
Current:	
Operations and maintenance of plant-	
Other purchased services	<u> 15,771</u>
Excess of revenues over expenditures	(15,771)
Other financing sources - transfers in -	
School Operating Fund	<u> 14,125</u>
Net change in fund balance	<u> (1,646)</u>
Fund balance, beginning of year	<u> 1,646</u>
Fund balance, end of year	\$ <u><u> -</u></u>

KASHUNAMIUT SCHOOL DISTRICT

District Office Construction Capital Project Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2019

Revenues	\$	<u>-</u>
Expenditures:		
Current:		
Operations and maintenance of plant:		
Other purchased services		17,152
Supplies, materials and media		<u>8,905</u>
Total expenditures		<u>26,057</u>
Excess (deficiency) of revenues over expenditures		(26,057)
Other financing sources - transfers in - School Operating Fund		<u>10,843</u>
Net change in fund balance		<u>(15,214)</u>
Fund balance, beginning of year		<u>15,214</u>
Fund balance, end of year	\$	<u><u>-</u></u>

KASHUNAMIUT SCHOOL DISTRICT

Impact Aid Construction

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2019

Revenues - federal sources - direct	\$ <u>35,438</u>
Expenditures:	
Current:	
Operations and maintenance of plant - Supplies, materials and media	<u>55,469</u>
Excess (deficiency) of revenues over expenditures	(20,031)
Other financing sources:	
Transfers in - General Fund	<u>20,031</u>
Net change in fund balance	-
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	\$ <u><u>-</u></u>

KASHUNAMIUT SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Changes in Assets and Liabilities
 Year Ended June 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>Assets</u>				
Due from student groups	\$ <u>59,261</u>	<u>(46,208)</u>	<u>42,440</u>	<u>55,493</u>
<u>Liabilities</u>				
Due to school operating fund	\$ <u>59,261</u>	<u>(46,208)</u>	<u>42,440</u>	<u>55,493</u>

KASHUNAMIUT SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

<u>Federal Grant Title</u>	<u>Grant Number / ID</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Total Grant Award</u>	<u>Total Federal Expended</u>
U.S. Department of Education:				
Direct programs:				
Indian Education	S060A170616	84.060	\$ 125,390	111,879
Impact Aid	11-AK-2017-3702	84.041	402,368	402,368
Impact Aid	11-AK-2018-3702	84.041	643,349	643,349
Impact Aid	11-AK-2019-3702	84.041	2,540,395	2,540,395
Impact Aid Construction	11-AK-2018-3702	84.041	35,438	35,438
			<u>3,621,550</u>	<u>3,621,550</u>
Title III English Language Acquisition	IP 19.KASH.01	84.365	15,168	8,395
Total direct programs			<u>3,762,108</u>	<u>3,741,824</u>
Passed through the State of Alaska:				
Department of Education and Early Development:				
Title I-A Basic	IP 19.KASH.04	84.010	806,260	792,591
Title I-A School Improvement 1003(g)	PF 19.KASH.04	84.010	37,198	31,789
Title I-A School Improvement 1003(g)	PF 19.KASH.05	84.010	20,000	11,608
Title I-A School Improvement 1003(g)	SI 19.KASH.01	84.010	10,000	6,106
Total CFDA 84.010			<u>873,458</u>	<u>842,094</u>
Title I-A School Improvement 1003(g)	IS 18.KASH.01	84.377	288,748	254,678
Staff Development	SD19KASH01	84.011	4,000	5,115
Migrant Book	MB 18.KASH.01	84.011	3,840	2,428
Title I-C Migrant	IP 18.055.01	84.011	95,628	76,983
Total CFDA 84.011			<u>103,468</u>	<u>84,526</u>
Special Education Cluster:				
Title VI-B	SE 19.KASH.01	84.027	123,626	72,076
Pre-school Disabled	SE 19.KASH.01	84.173	4,355	1,303
Special Education Program Audit 619	SA 19.KASH.01	84.027	4,454	4,454
Total Special Education Cluster			<u>132,435</u>	<u>77,833</u>
Carl Perkins	EK 19.KASH.01	84.048	21,278	7,957
Total U.S. Department of Education passed through the State of Alaska			<u>1,419,387</u>	<u>1,267,088</u>
Passed through the - University of Alaska-				
TRIO Cluster Upward Bound	PA47A121760	84.047	14,300	11,581
Total U.S. Department of Education			<u>5,195,795</u>	<u>5,020,493</u>
U.S. Department of Health and Human Services				
Passed through the State of Alaska:				
Department of Education and Early Development:				
Staff Development	SD19KASH01	93.243	12,785	12,785
U.S. Department of Agriculture:				
Passed through the State of Alaska:				
Department of Education and Early Development:				
Fresh Fruit and Vegetable Program	FF 19.KASH.02	10.582	11,993	11,753
National School Lunch Program	None	10.555	366,871	366,871
Commodities	None	10.555	20,182	20,182
Total Child Nutrition Cluster			<u>399,046</u>	<u>398,806</u>
Administrative Fee	FD 19.KASH.01	10.560	1,270	1,270
Total U.S. Department of Agriculture			<u>400,316</u>	<u>400,076</u>
U.S. Department of Interior:				
Direct programs:				
Johnson O'Malley	A12AV00803	15.130	68,630	68,630
Total Expenditures of Federal Awards			<u>\$ 5,677,526</u>	<u>5,501,984</u>

See accompanying notes to the Schedule.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Kashunamiut School District under programs of the federal government for the year ended June 30, 2019. 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 Kashunamiut School District, it is not intended to and does not present the basic financial statements of Kashunamiut School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Kashunamiut School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Passed Through Awards

No amounts were passed through to subrecipients.

Note 4. Non-monetary Assistance

Non-monetary assistance is reported in the schedule at fair market value of commodities received and disbursed. For the year ended June 30, 2019, the District received \$20,182 in commodities.

KASHUNAMIUT SCHOOL DISTRICT

Schedule of State Financial Assistance

Year Ended June 30, 2019

<u>Name of Award</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>Total State Expended</u>
Department of Education and Early Development:			
* Foundation program	None	\$ 3,056,195	3,056,194
Early Learning - Moore Expansion Grant FY18	ME18.KASH.01	31,067	31,067
Early Learning - Moore Expansion Grant FY19	ME19.KASH.01	30,000	30,000
Pupil Transportation	None	1,590	1,590
Quality Schools	None	15,463	15,463
SB142	None	74,988	74,988
Total Department of Education and Early Development		3,209,303	3,209,302
Department of Administration:			
PERS on-behalf	None	90,017	90,017
* TRS on-behalf	None	335,396	335,396
Alaska Public Broadcasting Commission	0218911	46,341	46,341
Total Department of Administration		471,754	471,754
Total State of Alaska financial assistance		\$ 3,681,057	3,681,056

Please see accompanying notes to the Schedule.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2019

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Kashunamiut School District under programs of the State of Alaska for the year ended June 30, 2019. 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 Kashunamiut School District, it is not intended to and does not present the basic financial statements of Kashunamiut School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the District's basic financial statements.

Note 3. Subrecipients

No state funds were passed through to Subrecipients.

Note 4. Major Programs

* denotes a major program for compliance audit purposes.

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COMPLIANCE SECTION

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

Independent Auditor's Report

Members of the School Board
Kashunamiut School District
Chevak, 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 Kashunamiut School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Kashunamiut School District's basic financial statements, and have issued our report thereon dated November 9, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kashunamiut 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 Kashunamiut School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Kashunamiut 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.

Members of the School Board
Kashunamiut School District

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 the Kashunamiut 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.



Anchorage, Alaska
November 9, 2019

Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance as Required by the *Uniform Guidance*

Independent Auditor's Report

Members of the School Board
Kashunamiut School District
Chevak, Alaska

Report on Compliance for Each Major Federal Program

We have audited Kashunamiut 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 Kashunamiut School District's major federal programs for the year ended June 30, 2019. Kashunamiut School District's major federal programs are identified in the summary of auditor's results section of the accompanying federal 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 Kashunamiut School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Kashunamiut 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 Kashunamiut School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Kashunamiut 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 other major federal programs identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Kashunamiut 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 the Kashunamiut 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 the Kashunamiut 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Anchorage, Alaska
November 9, 2019

KASHUNAMIUT SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Is a going concern emphasis-of-matter paragraph included in the audit report?

___ Yes X No

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 (2CFR 200.516 (a)(1)):

Material weakness(es) identified?

___ Yes X No

Significant deficiency(ies) identified?

___ Yes X None Reported

Any material noncompliance with provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516 (a)(2))?

___ Yes X No

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR 200.516 (a)(3) or (4)?

___ Yes X No

Identification of major programs:

CFDA Number(s)

84.041

84.010

84.377

Name of Federal Program or Cluster

Impact aid

Title I

Title I-A School Improvement

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

___ Yes X No

KASHUNAMIUT SCHOOL DISTRICT

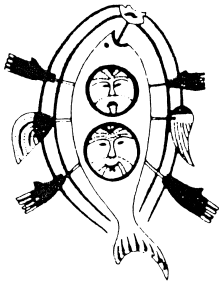
Federal Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

The Kashunamiut School District did not have any findings related to the financial statements.

Section III – State Award Findings and Questioned Costs

The Kashunamiut School District did not have any findings related to federal awards.



KASHUNAMIUT SCHOOL DISTRICT

985 KSD WAY

CHEVAK, AK 99563

Phone (907) 858-7713

Fax (907) 858-7328

Summary of Prior Audit Findings

June 30, 2019

Finding 2018-001

Significant Deficiency

Internal Control over Payroll

Condition:

Pay rates per contracts did not agree to pay rates set up in the payroll system.

Status:

This finding has been resolved.

Federal Award Findings

Finding 2018-002

U.S Department Agriculture passed through State of Alaska DEED, CFDA Title and #: Child Nutrition Cluster CFDA# 10.553 and 10.555, Grant Number: None, Grant Year: 2019, Repeat Finding: No

Material Weakness/

Material Noncompliance

Finding/Noncompliance related to Procurement

Condition:

When we asked the client for the contract for the vendor they used for purchases of food and nutrition supplies, we found out that the client did not have a contract and never went out for bid.

Status:

This finding has been resolved.

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*

Independent Auditor's Report

Members of the School Board
Kashunamiut School District
Chevak, Alaska

Report on Compliance for Each Major State Program

We have audited Kashunamiut 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 Kashunamiut School District's major state programs for the year ended June 30, 2019. Kashunamiut 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Kashunamiut 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 audit requirements of 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 Kashunamiut 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 Kashunamiut School District's compliance.

Opinion on Each Major State Program

In our opinion, Kashunamiut 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, 2019.

Report on Internal Control over Compliance

Management of Kashunamiut 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 Kashunamiut 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 the Kashunamiut 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.



Anchorage, Alaska
November 9, 2019

KASHUNAMIUT SCHOOL DISTRICT

State Findings and Questioned Costs

Year Ended June 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

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

State Awards

Internal control over major 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 programs:

Unmodified

Dollar threshold used to distinguish a state major program:

\$ 150,000

Section II – Financial Statement Findings

The Kashunamiut School District did not have any findings related to the financial statements.

Section III – State Award Findings and Questioned Costs

The Kashunamiut School District did not have any findings related to state awards.

Report on Statement of Compliance with AS 14.14.020 and Other State Requirements

Independent Auditor's Report

Members of the School Board
Kashunamiut School District
Chevak, Alaska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kashunamiut School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 9, 2019.

Report on Statement of Compliance with AS 14.14.020 and Other State Requirements

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 of 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 principles used and reasonableness of significant estimates made by management, as well as evaluating overall presentation of the financial statement.

In connection with our audit, nothing came to our attention, which caused us to believe that:

- (a) The statements of revenues and expenditures of the Special Revenue Funds do not present fairly the allowable funds expended within the limits of the project budgets.
- (b) Kashunamiut School District has not complied with the *Uniform Chart of Accounts* for school districts as required by the State of Alaska, Department of Education and Early Development.

Members of the School Board
Kashunamiut School District

- (c) Kashunamiut School District has not complied with the bonding requirements of AS 14.14.020.
- (d) Kashunamiut School District's financial statements do not reflect the minimum accounting and reporting requirements of the Department of Education and Early Development.

However, it should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with the foregoing requirements.

Purpose of this Report

This report is intended solely to describe the scope of our testing of compliance with AS 14.14.020 and other State requirements and the results of that testing, and not to provide an opinion on compliance with AS 14.14.020 and other State requirements. Accordingly, this communication is not suitable for any other purpose.

Altman, Rogers & Co.

Anchorage, Alaska
November 9, 2019

Report on Statement of Compliance with AS 14.17.505

Independent Auditor's Report

Members of the School Board
Kashunamiut School District
Chevak, Alaska

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Kashunamiut School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 9, 2019

Report on Statement of Compliance with AS 14.17.505

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 of 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 in accordance with these standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation.

In connection with our audit, as presented in the Statement of Compliance with AS 14.17.505, nothing came to our attention that caused us to believe that the Kashunamiut School District had failed to comply with the accumulated fund balance restriction in AS 14.17.505 as interpreted by the State of Alaska, Department of Education and Early Development. However, it should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with such requirements.

Members of the School Board
Kashunamiut School District

Purpose of this Report

This report is intended solely to describe the scope of our testing of compliance with AS 14.17.505 and the results of that testing, and not to provide an opinion on compliance with AS 14.17.505. Accordingly, this communication is not suitable for any other purpose.

Altman, Rogers & Co.

Anchorage, Alaska
November 9, 2019

KASHUNAMIUT SCHOOL DISTRICT

Statement of Compliance AS 14.17.505

Year Ended June 30, 2019

	General Fund		
	Reserved	Unreserved	Total
Reserved:			
Inventory	\$ 220,912	-	220,912
Prepaid items	120,339	-	120,339
Statutory Impact Aid	2,540,395	-	2,540,395
Unreserved:			
Undesignated	-	(179,233)	(179,233)
	<u>\$ 2,881,646</u>	<u>(179,233)</u>	<u>2,702,413</u>

Unreserved fund balance as a percentage of current year expenditures:

$$\frac{\text{Unreserved fund balance}}{\text{Current year expenditures}} = \frac{(179,233)}{7,518,552} = \underline{\underline{(2.38)\%}}$$

This Statement of Compliance is prepared in accordance with the regulations specified in AS.14.17.505 which is another basis of accounting other than generally accepted accounting principles.