

KASHUNAMIUT SCHOOL DISTRICT

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

Year Ended June 30, 2021

KASHUNAMIUT SCHOOL DISTRICT

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

Year Ended June 30, 2021

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, 2021, 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, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note IV. D to the financial statements, in 2021 the District adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Statement No. 84 established criteria for identifying fiduciary activities and the reporting requirements of said fiduciary activities. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary 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/Assets and Contributions for the Public Employees' Retirement System and the Teachers' Retirement System, Schedule of Revenues, Expenditures and Changes in Fund Balance – Original and Final Budget and Actual – School Operating Fund and Title I SIG 1003g Year 5 Special Revenue Fund on pages 43-54 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.

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.

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 "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 (where applicable) – Special Revenue Funds, Permanent Fund, and Capital Projects Funds, the Schedule of Compliance AS 14.17.505, the Schedule of Expenditures of Federal Awards and notes, 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 and notes, 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 "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 "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 3, 2021, 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.

Altman, Rogers & Co.

Anchorage, Alaska
November 3, 2021

KASHUNAMIUT SCHOOL DISTRICT

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>
<u>Assets and Deferred Outflows of Resources</u>	
Current assets:	
Cash and cash equivalents	\$ 3,712,308
Accounts receivable	627,775
Inventory	316,520
Prepaid items	84,606
Due from student groups	22,474
Total current assets	<u>4,763,683</u>
Long-term assets:	
Capital assets	33,679,628
Accumulated depreciation	(12,566,538)
Net pension/OPEB asset	421,920
Total long-term assets	<u>21,535,010</u>
Deferred outflows of resources -	
Pension/OPEB deferrals	<u>763,618</u>
Total assets and deferred outflows of resources	<u>\$ 27,062,311</u>
 <u>Liabilities, Deferred Inflows of Resources</u>	
Current liabilities:	
Accounts payable	133,301
Payroll accruals and liabilities	63,880
Unearned revenue	372,771
Total current liabilities	<u>569,952</u>
Long term liabilities -	
Net pension/OPEB liability	<u>3,729,274</u>
Deferred inflows of resources -	
Pension/OPEB deferrals	<u>540,770</u>
Total liabilities and deferred inflows of resources	<u>4,839,996</u>
 <u>Net Position</u>	
Net investment in capital assets	21,113,090
Restricted - scholarships	34,523
Unrestricted	1,074,702
Total net position	<u>22,222,315</u>
Total liabilities and deferred inflows of resources and net position	<u>\$ 27,062,311</u>

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

KASHUNAMIUT SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Instruction	\$ 3,386,411	6,032	1,479,362	-	(1,901,017)
Special education instruction	560,282	-	158,804	-	(401,478)
Special education support services - students	2,372	-	(23)	-	(2,395)
Support services - students	167,726	-	18,361	-	(149,365)
Support services - instruction	1,808,676	-	137,077	-	(1,671,599)
School administration	51,269	-	(1,000)	-	(52,269)
School administration support services	175,291	-	13,752	-	(161,539)
District administration	373,099	-	2,705	-	(370,394)
District administration support services	606,523	-	132,333	-	(474,190)
Operations and maintenance of plant	1,655,633	116,273	119,893	2,309	(1,417,158)
Student activities	176,663	-	4,236	-	(172,427)
Student transportation services - to and from school	174	-	1,534	-	1,360
Community services	295,696	-	288,602	548	(6,546)
Food services	491,454	-	337,313	-	(154,141)
Total governmental activities	\$ 9,751,269	122,305	2,692,949	2,857	(6,933,158)
General revenues:					
Unrestricted investment and interest earnings					58
E-rate					1,363,191
Grants not restricted to specific programs					6,271,030
Other					76,895
Total general revenues					7,711,174
Change in net position					778,016
Net position, beginning of year					21,444,299
Net position, ending					\$ 22,222,315

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

KASHUNAMIUT SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2021

	School Operating Fund	Title I SIG 1003g Year 5 Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 3,642,088	-	70,220	3,712,308
Accounts receivable	-	232,589	395,186	627,775
Due from other funds	682,377	-	1,071,337	1,753,714
Due from student groups	22,474	-	-	22,474
Inventory	316,520	-	-	316,520
Prepaid items	78,315	-	6,291	84,606
Total assets	\$ <u>4,741,774</u>	<u>232,589</u>	<u>1,543,034</u>	<u>6,517,397</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	43,236	-	90,065	133,301
Payroll accruals and liabilities	63,880	-	-	63,880
Due to other funds	1,071,337	232,589	449,788	1,753,714
Unearned revenue	-	-	372,771	372,771
Total liabilities	<u>1,178,453</u>	<u>232,589</u>	<u>912,624</u>	<u>2,323,666</u>
Fund balances:				
Nonspendable	394,835	-	6,291	401,126
Restricted - scholarships	-	-	34,523	34,523
Assigned	-	-	390,649	390,649
Unassigned	3,168,486	-	198,947	3,367,433
Total fund balances	<u>3,563,321</u>	<u>-</u>	<u>630,410</u>	<u>4,193,731</u>
Total liabilities and fund balances	\$ <u>4,741,774</u>	<u>232,589</u>	<u>1,543,034</u>	<u>6,517,397</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, 2021

Total fund balance - governmental funds		\$	4,193,731
Amounts reported for governmental activities in the statement of net position are different because:			
Proportionate share of the collective net pension/OPEB liability:			
PERS	(2,817,476)		
TRS	(911,798)		
			(3,729,274)
Proportionate share of the collective net pension/OPEB asset:			
PERS	230,550		
TRS	191,370		
			421,920
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	566,673		
TRS	196,945		
			763,618
Pension/OPEB related liabilities in the current fiscal year are presented as a change in deferred inflows of resources.			
PERS	(215,302)		
TRS	(325,468)		
			(540,770)
Capital assets used in governmental activities are not financial resources and are not reported in the funds.			21,113,090
Net position of governmental activities		\$	<u>22,222,315</u>

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

KASHUNAMIUT SCHOOL DISTRICT

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

Year Ended June 30, 2021

	School Operating Fund	Title I SIG 1003g Year 5	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Charges for services	\$ 30,969	-	122,305	153,274
Earnings on investment	51	-	7	58
E-Rate	1,363,191	-	-	1,363,191
Other	11,775	-	469,477	481,252
Intergovernmental:				
State of Alaska	3,617,235	-	111,900	3,729,135
Federal sources	3,052,465	279,190	1,804,233	5,135,888
Total revenues	<u>8,075,686</u>	<u>279,190</u>	<u>2,507,922</u>	<u>10,862,798</u>
Expenditures:				
Current:				
Instruction	2,199,045	260,755	1,215,803	3,675,603
Special education instruction	512,811	-	151,798	664,609
Special education support services - students	3,215	-	-	3,215
Support services - students	205,059	-	17,059	222,118
Support services - instruction	1,710,253	-	134,123	1,844,376
School administration	87,597	-	-	87,597
School administration support services	167,469	-	9,056	176,525
District administration	477,652	-	2,041	479,693
District administration support services	507,555	18,435	111,028	637,018
Operations and maintenance of plant	1,199,478	-	421,736	1,621,214
Student activities	215,563	-	3,929	219,492
Student transportation - to and from school	-	-	174	174
Community services	-	-	300,839	300,839
Food services	-	-	497,885	497,885
Total expenditures	<u>7,285,697</u>	<u>279,190</u>	<u>2,865,471</u>	<u>10,430,358</u>
Excess (deficiency) of revenues over expenditures	<u>789,989</u>	<u>-</u>	<u>(357,549)</u>	<u>432,440</u>
Other financing sources (uses):				
Transfers in	-	-	776,670	776,670
Transfers out	(776,670)	-	-	(776,670)
Net other financing sources (uses)	<u>(776,670)</u>	<u>-</u>	<u>776,670</u>	<u>-</u>
Net change in fund balances	13,319	-	419,121	432,440
Fund balances, beginning of year	<u>3,550,002</u>	<u>-</u>	<u>211,289</u>	<u>3,761,291</u>
Fund balances, end of year	<u>\$ 3,563,321</u>	<u>-</u>	<u>630,410</u>	<u>4,193,731</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, 2021

Net change in fund balance - total government funds	\$	432,440
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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	211,893	
TRS	<u>768,657</u>	980,550

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	18,077	
TRS	<u>(18,027)</u>	50

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	35,796	
Depreciation expense	<u>(670,820)</u>	<u>(635,024)</u>

Change in net position of governmental activities	\$	<u><u>778,016</u></u>
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The notes to the financial statements are an integral part of this statement.

KASHUNAMIUT SCHOOL DISTRICT
Statement of Fiduciary Net Position - Fiduciary Fund
Student Activity Custodial Fund
June 30, 2021

Liabilities and Fund Balances

Liabilities:	
Accounts payable	\$ 500
Due to School Operating Fund	22,474
Total liabilities	<u>22,974</u>
Fiduciary net position - held for student groups	<u>(22,974)</u>
Total liabilities and fund balances	\$ <u><u>-</u></u>

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

KASHUNAMIUT SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position
Fiduciary Fund

Student Activity Custodial Fund

Year Ended June 30, 2021

	Student Activities Custodial Fund
Additions -	
Contributions	\$ 12,386
Deductions -	
Program expenses	<u>31,574</u>
Change in net position	(19,188)
Net position, beginning of the year, as previously stated	<u>-</u>
Change in accounting principle	(3,786)
Net position, beginning of the year, as restated	<u>(3,786)</u>
Net position end of the year	\$ <u><u>(22,974)</u></u>

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements

June 30, 2021

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.

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.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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 measureable 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 funds:

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 I SIG 1003g Year 5 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 or committed 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 Custodial Fund* is a custodial in nature and does not present results of operations or have a measurement focus. The fund is used to account for assets that the District holds for others in an agency capacity.

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.

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.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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.

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.

Notes to Basic Financial Statements, Continued

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

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/assets, 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.

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 School Operating Fund, assigned fund balance represents the amount that is not restricted or committed.

Unassigned Fund Balance – the residual classification for the School Operating Fund and includes amounts not contained in the other classifications and available for any purpose. Positive unassigned amounts will be reported only in the School Operating Fund. If another governmental fund, other than the School Operating 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

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 funding.

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

The following Special Revenue Fund had expenditures in excess of appropriations:

AK Public Broadcasting	\$	17,214
KCUK Fundraising	\$	251
Johnson O'Malley	\$	4,815

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

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 June 30, 2021 for the District's individual major funds and other governmental funds are as follows:

		Title I SIG 1003g Year 5 Special Revenue Fund	Other Governmental Funds	Total
Grants	\$	232,589	395,186	627,775

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

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, 2021, the interfund status of payables and receivables (all current) of the various funds of the School District are as follows:

Receivable Fund	Payable Fund	Amount
	Title I SIG 1003g Year 5	\$
School Operating Fund	Special Revenue Fund	232,589
School Operating Fund	Other Governmental Funds	449,788
Other Governmental Funds	School Operating Fund	1,071,337
		\$ 1,753,714

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.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

D. Interfund Transfers

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
School Operating Fund	Other governmental funds	\$ 776,670

E. Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated -				
Construction in progress	\$ -	12,696	-	12,696
Capital assets, being depreciated:				
Buildings	\$ 32,217,075	-	-	32,217,075
Equipment	1,426,757	23,100	-	1,449,857
Total capital assets being depreciated	33,643,832	23,100	-	33,666,932
Less:				
Accumulated depreciation	(11,895,718)	(670,820)	-	(12,566,538)
Total net governmental activities capital assets	\$ 21,748,114	(635,024)	-	21,113,090

Depreciation expense was charged to the governmental activities as follows:

Instruction	\$ 514,054
District administration support services	14,139
Operations and maintenance of plant	119,399
Student activities	2,310
Community services	11,574
Food services	9,344
Total depreciation expense per function – governmental	\$ 670,820

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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
Non-spendable:			
Inventory	\$ 316,520	-	316,520
Prepaid items School operating fund	78,315	-	78,315
Prepaid Items Teacher Housing			
Special Revenue Fund	-	6,291	6,291
	<u>394,835</u>	<u>6,291</u>	<u>401,126</u>
Restricted -			
Scholarships	-	34,523	34,523
Assigned:			
Pupil transportation	-	14,246	14,246
Food service	-	199,046	199,046
KCUK fundraising	-	17,237	17,237
Teacher housing	-	160,120	160,120
	<u>-</u>	<u>390,649</u>	<u>390,649</u>
Unassigned	<u>3,168,486</u>	<u>198,947</u>	<u>3,367,433</u>
Total fund balances	\$ <u>3,563,321</u>	<u>630,410</u>	<u>4,193,731</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.

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:

Plan Name	Type of Plan
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

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, 2021 the employer contribution rate 0.31% for PERS and 0.08% for TRS.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Membership in the plan consisted of the following at June 30, 2020 (latest available report):

Membership	PERS	TRS
Active plan members	23,378	5,569
Participating employers	152	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, 2020 (latest available information) employer contributions were 4.88% for PERS and 4.53% for TRS of annual payroll. Membership in the plan consisted of the following at June 30, 2020 (latest report available):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	36,140	13,053
Inactive plan members entitled to but not yet receiving benefits	7,208	774
Inactive plan members not entitled to benefits	10,575	1,745
Active plan members	11,162	3,812
Total plan membership	65,085	19,384

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, 2021 employer contributions were 1.27% for PERS and .093% for TRS. Membership in the plan consists of the following at June 30, 2020 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	46	17
Inactive plan members entitled to but not yet receiving benefits	1,717	782
Inactive plan members not entitled to benefits	14,643	2,757
Active plan members	23,378	5,569
Total plan membership	39,784	9,125

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, 2020 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	63	19
Inactive plan members entitled to but not yet receiving benefits	1,717	782
Inactive plan members not entitled to benefits	14,643	2,757
Active plan members	23,378	5,569
Total plan membership	39,801	9,127

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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 money-weighted rate of return, net of investment expense, for the year ended June 30, 2020 (latest available report) for the DB Pension Plan for PERS and TRS is 4.03% and 4.01%, for the ARHCT plan is 4.16% and 4.16%, for the ODD Plan is 4.28% and 4.22%, and for the RMP is 4.33% and 4.26%, 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>.

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>
Broad Domestic Equity	6.24%
Global Equity (non-U.S.)	6.67%
Aggregate bonds	(0.16%)
Opportunistic	3.01%
Real Assets	3.82%
Private Equity	10.00%
Cash Equivalents	(1.09%)

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.38%, which represents a decrease of 0.00% since the prior measurement period. 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 and assets 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 and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 2.66% as of June 30, 2020.

Employer and Other Contribution Rates. There are several contribution rates associated with the pension and healthcare contributions and related liabilities and assets. 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.

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 a 7.38% discount rate.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Employer Contribution rates for PERS and TRS for the year ended June 30, 2021 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	14.57%	26.58%	8.85%
OPEB	7.43%	4.27%	0%
Total PERS contribution rates	22.00%	30.85%	8.85%
TRS:			
Pension	5.65%	27.07%	17.91%
OPEB	6.91%	3.40%	0%
Total TRS contribution rates	12.56%	30.47%	17.91%

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 2021 the past service rate for PERS is 18.23%.

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2020 (latest available) were determined by an actuarial valuation as of June 30, 2019 which was rolled forward to the measurement date June 30, 2020. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017:

Investment return / discount rate	7.38% per year (geometric), compounded annually, net of expenses
Salary scale	Inflation – 2.5% per year Productivity – 0.25% per year
Payroll growth	2.75% 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 2.5% annually.
PERS Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, 100% (male and female) of RP-2014 healthy annuitant table with MP-2017 generational improvement.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

TRS Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, RP-2014 white-collar employee table with MP-2017 generational improvement.
PERS Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 91% of male and 96% of female rates of RP-2014 health annuitant table with MP-2017 generational improvement.
TRS Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 93% of male and 90% of female rates of RP-2014 white-collar healthy annuitant table with MP-2017 generational improvement.
Total turnover	Based upon the 2013-2017 actual withdrawal experience.
PERS Disability	Incidence rates based on 2013-2017 actual experience. Post-disability mortality in accordance with the RP-2014 disability table with MP-2017 generational improvement. Disabilities are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for others.
TRS Disability	Incidence rates based on 2013-2017 actual experience. Disabilities are assumed to be occupational 15% of the time. Post-disability mortality in accordance with the RP-2014 disabled table with MP-2017 generational improvement.
Retirement	Retirement rates based upon the 2013-2017 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date.
PERS Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their 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.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

TRS Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. 85% of male members and 75% of female members are assumed to be married at termination from active service.
Healthcare cost trend rates (ARHCT Plan and RMP)	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drugs: 8.0% grading down to 4.5% EGWP: 8.0% grading down to 4.5%.

As a result of the latest experience study, the Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience. In addition to the changes in assumptions resulting from the experience study, the following assumption changes related to the ARHCT plan have been made since the prior valuation:

1. Per capita claims costs were updated to reflect recent experience.
2. Normal cost for administrative expenses were updated to reflect recent experience.
3. Healthcare cost trends were updated to reflect the repeal of the Cadillac Tax.

The changes of assumptions from the latest experience study created substantial deferred outflows of resources attributable to the District, as well as an OPEB benefit recognized by the District for the State's proportionate share of OPEB plan expense attributable to the District. In some instances the reduction of revenues and expenses reported for the State's proportionate share of OPEB plan expense attributable to the District creates a net negative Pension/OPEB expense (net pension/OPEB benefit) which results in negative operating grants and contributions for certain functions reported on the Statement of Activities.

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/drb/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.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Currently there are 151 employers participating in PERS defined benefit plan, including the State of Alaska and 150 political subdivisions and public organizations.

The DB Plan's membership consisted of the following at June 30, 2020 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	36,140
Inactive plan members entitled to but not receiving benefits	7,208
Inactive members not entitled to benefits	10,575
Active plan members	<u>11,162</u>
Total DB plan membership	<u>65,085</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.

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.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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% and if elected to be calculated under TRS, non-teacher school district employees are required to contribute 9.60% of their annual covered salary.

Employer contributions for the year ended June 30, 2021, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 246,807	84,089	330,896

Public Employees Retirement Plans

For the year ended June 30, 2021 the State of Alaska contributed \$167,335 (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, 2020 to a balance of \$92,965, to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2021, the District reported liabilities and assets 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 (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the District were as follows:

Defined Benefit:		Pension
District's proportionate share of the net pension liability	\$	2,812,862
State's proportionate share of the net pension liability		1,164,350
Total	\$	3,977,212
		OPEB
District's proportionate share of the ARHCT OPEB (asset)	\$	(216,284)
State's proportionate share of the ARHCT OPEB (asset)		(89,358)
Total	\$	(305,642)
District's proportionate share of the ODD OPEB (asset)	\$	(14,266)
District's proportionate share of the RMP OPEB liability	\$	4,614
Total District's share of net pension and OPEB liabilities and (asset)	\$	2,586,926

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The net pension and OPEB liabilities and assets were measured as of June 30, 2020, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities and assets 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 FY2022 through FY2039, as determined by projections based on the June 30, 2020 valuation.

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

	June 30, 2019 Measurement	June 30, 2020 Measurement	Change
Pension	0.0498%	0.0478%	(0.0020%)
OPEB:			
ARHCT	0.0497%	0.0478%	(0.0019%)
ODD	0.0442%	0.0523%	0.0081%
RMP	0.0517%	0.0650%	0.0133%

Based on the measurement date of June 30, 2020, the District recognized pension and OPEB expense of \$375,229 and (\$181,596), respectively, for the year ended June 30, 2021. At June 30, 2021, 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	\$ 8,923	-
Changes of assumptions		-
Net difference between projected and actual earnings on pension plan investments	114,484	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	26,316
District contributions subsequent to the measurement date	246,807	-
Total	\$ 370,214	26,316

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	17,351
Changes of assumptions	-	150,763
Net difference between projected and actual earnings on OPEB plan investments	86,779	-
Changes in proportion and differences between District contributions and proportionate share of contributions	11,872	-
District contributions subsequent to the measurement date	66,404	-
Total	<u>\$ 165,055</u>	<u>168,114</u>

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	4,786
Changes of assumptions	-	209
Net difference between projected and actual earnings on OPEB plan investments	489	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,974	1,212
District contributions subsequent to the measurement date	3,470	-
Total	<u>\$ 6,933</u>	<u>6,207</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24	992
Changes of assumptions	6,479	11,927
Net difference between projected and actual earnings on OPEB plan investments	2,066	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,687	1,746
District contributions subsequent to the measurement date	14,215	-
Total	<u>\$ 24,471</u>	<u>14,665</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

\$246,807 and \$84,089 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 or an increase of the net pension and OPEB assets in the year ended June 30, 2021, 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,		Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2021	\$	(15,369)	(156,940)	(402)	(583)
2022		40,261	30,888	(286)	(171)
2023		42,554	33,166	(284)	(178)
2024		29,645	23,423	(323)	(336)
2025		-		(446)	(834)
Thereafter		-		(1,003)	(2,307)
Total	\$	97,091	(69,463)	(2,744)	(4,409)

For the year ended June 30, 2021, the District recognized (\$138,746) and \$2,932 of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

Sensitivity of the Net Pension and OPEB Liabilities and Assets to Changes in the Discount Rate: The following presents the net pension and OPEB liabilities (assets) of the plan calculated using the discount rate of 7.38%, as well as what the Plans' net pension and OPEB liabilities (assets) would be if they were calculated using a discount rate that is 1-percentage-point lower (6.38%) or 1-percentage-point higher (8.38%) than the current rate:

		1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability	\$	3,657,315	2,812,862	2,104,601
Net OPEB ARHCT liability (asset)	\$	225,688	(216,284)	(582,367)
Net OPEB ODD (asset)	\$	(13,405)	(14,266)	(14,953)
Net OPEB RMP liability (asset)	\$	28,582	4,614	(13,529)

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 liability (asset)	\$	(625,290)	(216,284)	278,999
Net OPEB ODD (asset)	\$	N/A	(14,266)	N/A
Net OPEB RMP liability (asset)	\$	(16,188)	4,614	32,909

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): 1.27% for the retiree medical plan (DB), 0.31% 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%

The School District contributed \$110,787 for the year ended June 30, 2021, which included forfeitures of \$11,382 which have 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, 2020 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	13,053
Inactive plan members entitled to but not receiving benefits	774
Inactive plan members not entitled to benefits	1,745
Active plan members	<u>3,812</u>
Total DB plan membership	<u>19,384</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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.

Employee Contribution Rate. The District's active TRS members are required to contribute 8.65% of their annual covered salary.

Employer contributions for the year ended June 30, 2021, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 37,747	22,909	60,656

Teachers Retirement Plans

For the year ended June 30, 2021 the State of Alaska contributed \$231,335 (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 balance of (\$27,808), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2021, the District reported liabilities and assets 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 (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that was associated with the District were as follows:

	<u>Pension</u>
Defined Benefit:	
District's proportionate share of the net pension liability	\$ 911,798
State's proportionate share of the net pension liability	<u>1,587,408</u>
Total	<u>\$ 2,499,206</u>
	<u>OPEB</u>
District's proportionate share of the ARHCT OPEB (asset)	\$ (159,736)
State's proportionate share of the ARHCT OPEB (asset)	<u>(279,538)</u>
Total	<u>\$ (439,274)</u>
District's proportionate share of the ODD OPEB (asset)	<u>\$ (9,586)</u>
District's proportionate share of the RMP OPEB (asset)	<u>\$ (22,048)</u>
Total District's share of net pension and OPEB liabilities and (asset)	<u>\$ 720,428</u>

The net pension and OPEB liabilities and assets were measured as of June 30, 2020, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities and assets were determined by an actuarial valuation as of that date. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2022 through FY2039, as determined by projections based on the June 30, 2020 valuation.

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

	<u>June 30, 2019 Measurement</u>	<u>June 30, 2020 Measurement</u>	<u>Change</u>
Pension	0.0885%	0.0449%	(0.0436%)
OPEB:			
ARHCT	0.0884%	0.0447%	(0.0437%)
ODD	0.3739%	0.2227%	(0.1512%)
RMP	0.3805%	0.2235%	(0.1570%)

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2020, the District recognized pension expense of (\$480,941) and OPEB expense of (\$236,839), respectively, for the year ended June 30, 2021. At June 30, 2021, 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	\$ 1,038	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	62,831	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	247,151
District contribution subsequent to the measurement date	37,747	-
Total	\$ 101,616	247,151
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	4,283
Changes of assumptions	-	50,252
Net difference between projected and actual earnings on pension plan investments	30,875	-
Changes in proportion and differences between District contributions and proportionate share of contributions	17,093	-
District contribution subsequent to the measurement date	10,421	-
Total	\$ 58,389	54,535

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	\$ -	1,068
Changes of assumptions	-	9
Net difference between projected and actual earnings on pension plan investments	238	-
Changes in proportion and differences between District contributions and proportionate share of contributions	6,798	870
District contribution subsequent to the measurement date	989	-
Total	<u>\$ 8,025</u>	<u>1,947</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,686	1,669
Changes of assumptions	3,446	19,115
Net difference between projected and actual earnings on pension plan investments	2,542	-
Changes in proportion and differences between District contributions and proportionate share of contributions	6,742	1,051
District contribution subsequent to the measurement date	11,499	-
Total	<u>\$ 28,915</u>	<u>21,835</u>

\$37,747 and \$22,909 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 and OPEB liability and as an increase to the net pension and OPEB assets in the year ended June 30, 2020 (actuarial), respectively. 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
2021	\$ (245,405)	(37,518)	628	(561)
2022	22,194	10,958	697	(26)
2023	23,618	11,722	700	(34)
2024	16,311	8,271	679	(239)
2025	-	-	617	(850)
Thereafter	-	-	1,768	(2,709)
Total	<u>\$ (183,282)</u>	<u>(6,567)</u>	<u>5,089</u>	<u>(4,419)</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2021, the District recognized (\$702,936) and \$22,661 of pension and OPEB amortization of the deferred outflows and inflows of resources, respectively.

Sensitivity of the Net Pension and OPEB Liabilities and Assets to Changes in the Discount Rate: The following presents the net pension and OPEB liabilities (assets) of the Plan calculated using the discount rate of 7.38%, 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 (6.38%) or 1-percentage-point higher (8.38%) than the current rate:

	1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability	\$ 1,279,538	911,798	602,530
Net OPEB ARHCT (asset)	\$ (8,806)	(159,736)	(284,220)
Net OPEB ODD (asset)	\$ (9,602)	(9,586)	(9,582)
Net OPEB RMP liability (asset)	\$ 1,189	(22,048)	(39,425)

Sensitivity of the District's proportionate share of the net OPEB liability and asset to changes in the healthcare cost trend rates. The following present the District's proportionate share of the net OPEB liability and asset, as well as what the District's proportionate share of the net OPEB liability and asset 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 liability (asset)	\$ (298,073)	(159,736)	8,529
Net OPEB ODD (asset)	\$ N/A	(9,586)	N/A
Net OPEB RMP liability (asset)	\$ (41,825)	(22,048)	5,165

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): 0.93% 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%. 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.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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%

The School District contributed \$119,333 for the year ended June 30, 2021, which included forfeitures of \$9,725 which has been applied against contributions.

C. Alternative Retirement Plan

Kashunamiut School District participates in a 403(b) plan through TSA Consulting Group, Inc. where any permanent employee of the District who has passed their probationary period is eligible to participate in the 403(b) plan. Eligible employees may make voluntary elective deferrals to the 403(b) plan up to the Internal Revenue Service regulation limits. The District does not contribute to the plan in any form.

D. Change in Accounting Principle

In 2021, the District adopted new accounting guidance. GASB Statement No. 84 *Fiduciary Activities* establishes criteria for identifying fiduciary activities and the reporting requirements of said fiduciary activities.

As a result of adopting these standards, what was previously recorded as dues to student groups has been reclassified to beginning fiduciary net position. The previously reported due to student groups liability to the Student Activity Custodial Fund of \$3,786 as June 30, 2020, has been restated to beginning fiduciary net position to align with the new guidance.

E. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, 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.

The District's current share of unfunded OPEB liabilities related to TRS between measurement dates created an OPEB benefit as a result of the decrease to the estimated liability. Due to the change, The District's proportionate share of pension plan expenses is negative for the year. Per GASB 75, the negative proportionate share has been allocated to operating grants and contributions for special education instruction, support services-students, support services-instruction, school administration, school administration support services, district administration, operations and maintenance of plant, and student activities to report negative program revenues.

F. Subsequent Accounting Pronouncements

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

- GASB 87 *Leases*. Effective for fiscal years beginning after June 15, 2021.
- GASB 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*. Effective for fiscal years beginning after December 15, 2020.
- GASB 92 *Omnibus 2020*. This Statement has multiple effective dates which vary by topic.
- GASB 93 *Replacement of Interbank Offered Rates*. Effective for fiscal years beginning after June 15, 2021.
- GASB 94 *Public-Private and Public-Public Partnerships and Availability Payments Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*. Effective immediately.
- GASB 96 *Subscription-Based Information Technology Arrangements*. Effective for fiscal years beginning after June 15, 2022.

Statement 94 is not expected to have any significant impact on the financial statements of the District.

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.

GASB Statement No. 92, the objectives of this Statement are to enhance comparability and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, addresses the fact that some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

GASB Statement No. 95 provides temporary relief to governments in light of the COVID-19 pandemic. The effective dates of the following pronouncement are postponed by one year: GASB Statements No. 83, No. 84, No. 88, No. 89, No. 90, No. 91, No. 92, and No. 93. The effective date for GASB 87 has been postponed by 18 months.

GASB Statement No. 96 will improve financial reporting by establishing a definition for Subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

G. Subsequent Events

Due to COVID-19, the District is still experiencing a drop in student attendance, subsequently effecting Foundation funding for the FY22 school year. The effects of the pandemic on future operations of the District are currently unknown.

REQUIRED SUPPLEMENTARY INFORMATION

KASHUNAMIUT SCHOOL DISTRICT

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

Year Ended June 30, 2021

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Local sources:	\$			
Earnings on investment	1,500	250	51	(199)
E-rate	1,317,481	1,317,481	1,363,191	45,710
Other	35,000	-	11,775	11,775
Charges for services - rental	-	6,000	30,969	24,969
Intergovernmental:				
State of Alaska	3,670,127	4,402,372	3,617,235	(785,137)
Federal sources	3,042,362	3,042,362	3,052,465	10,103
Total revenues	<u>8,066,470</u>	<u>8,768,465</u>	<u>8,075,686</u>	<u>(692,779)</u>
Expenditures:				
Current:				
Instruction	2,197,097	2,231,429	2,199,045	32,384
Special education instruction	556,386	590,406	512,811	77,595
Special education support services - students	18,305	18,306	3,215	15,091
Support services - students	174,162	211,343	205,059	6,284
Support services - instruction	1,744,764	1,756,354	1,710,253	46,101
School administration	166,268	93,340	87,597	5,743
School administration support services	183,057	199,178	167,469	31,709
District administration	397,063	451,762	477,652	(25,890)
District administration support services	388,308	491,449	507,555	(16,106)
Operations and maintenance of plant	1,355,580	1,432,749	1,199,478	233,271
Student activities	245,480	285,480	215,563	69,917
Total expenditures	<u>7,426,470</u>	<u>7,761,796</u>	<u>7,285,697</u>	<u>476,099</u>
Excess of revenues over expenditures	<u>640,000</u>	<u>1,006,669</u>	<u>789,989</u>	<u>(216,680)</u>
Other financing sources (uses):				
Transfers out	<u>(390,000)</u>	<u>(776,670)</u>	<u>(776,670)</u>	<u>-</u>
Net change in fund balance	<u>\$ 250,000</u>	<u>229,999</u>	<u>13,319</u>	<u>(216,680)</u>
Fund balance, beginning of year			<u>3,550,002</u>	
Fund balance, end of year			<u>\$ 3,563,321</u>	

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

Title I SIG 1003g Year 5 Special Revenue Fund

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

Year Ended June 30, 2021

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 288,000	288,000	279,190	(8,810)
Expenditures:				
Current:				
Instruction	261,438	261,438	260,755	683
District administration support services	26,562	26,562	18,435	8,127
Total expenditures	288,000	288,000	279,190	8,810
Excess of revenues over expenditures	\$ -	-	-	-
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2021

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	\$ 1,975,177	86%	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%
2020	0.0498%	\$ 2,723,379	\$ 1,080,503	\$ 3,803,882	\$ 1,420,527	192%	63.42%
2021	0.0478%	\$ 2,812,862	\$ 1,164,350	\$ 3,977,212	\$ 1,736,400	162%	61.61%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)

Public Employees' Retirement System (PERS)

June 30, 2021

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%
2020	0.0497%	\$ 73,793	\$ 29,333	\$ 103,126	\$ 1,420,527	5.19%	98.13%
2021	0.0478%	\$ (216,284)	\$ (89,358)	\$ (305,642)	\$ 1,736,400	-12.46%	106.15%
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%
2020	0.0442%	\$ (10,709)	\$ -	\$ (10,709)	\$ 1,420,527	-0.75%	297.43%
2021	0.0523%	\$ (14,266)	\$ -	\$ (14,266)	\$ 1,736,400	-0.82%	283.80%
Retiree Medical Plan (RMP):							
2018	0.0669%	\$ 3,486	\$ -	\$ 3,486	\$ 616,628	0.57%	93.98%
2019	0.0655%	\$ 8,333	\$ -	\$ 8,333	\$ 743,082	1.12%	88.71%
2020	0.0517%	\$ 12,356	\$ -	\$ 12,356	\$ 328,232	3.76%	83.17%
2021	0.0650%	\$ 4,614	\$ -	\$ 4,614	\$ 388,727	1.19%	92.23%

See accompanying notes to Required Supplementary Information.

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

June 30, 2021

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%
2020	\$ 210,335	\$ (202,912)	\$ 7,423	\$ 1,736,400	12.11%
2021	\$ 246,980	\$ (246,807)	\$ 173	\$ 2,007,650	12.30%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

Schedule of the District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2021

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%
2020	\$ 83,639	\$ (81,151)	\$ 2,488	\$ 1,736,400	4.82%
2021	\$ 66,404	\$ (66,404)	\$ -	\$ 2,007,650	3.31%
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%
2020	\$ 2,331	\$ (2,262)	\$ 69	\$ 1,736,400	0.13%
2021	\$ 3,470	\$ (3,470)	\$ -	\$ 2,007,650	0.17%
Retiree Medical Plan (RMP):					
2018	\$ 7,525	\$ (7,525)	\$ -	\$ 743,082	1.01%
2019	\$ 6,061	\$ (6,061)	\$ -	\$ 328,232	1.85%
2020	\$ 11,734	\$ (11,485)	\$ 249	\$ 388,727	3.02%
2021	\$ 14,215	\$ (14,215)	\$ -	\$ 503,577	2.82%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2021

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	\$ 3,535,278	13.31%	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%
2020	0.0885%	\$ 1,653,965	\$ 2,455,325	\$ 4,109,290	\$ 1,964,570	84.19%	74.68%
2021	0.0449%	\$ 911,798	\$ 1,587,408	\$ 2,499,206	\$ 1,329,546	68.58%	72.81%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)

Teachers' Retirement System (TRS)

June 30, 2021

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%
2020	0.0884%	\$ (135,044)	\$ (200,699)	\$ (335,743)	\$ 1,964,570	-6.87%	105.50%
2021	0.0447%	\$ (159,736)	\$ (279,538)	\$ (439,274)	\$ 1,329,546	-12.01%	113.78%
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%
2020	0.3739%	\$ (15,239)	\$ -	\$ (15,239)	\$ 1,964,570	-0.78%	1409.77%
2021	0.2227%	\$ (9,586)	\$ -	\$ (9,586)	\$ 1,329,546	-0.72%	931.08%
Retiree Medical Plan (RMP):							
2018	0.3649%	\$ (17,298)	\$ -	\$ (17,298)	\$ 1,147,033	-1.51%	118.16%
2019	0.3649%	\$ (12,929)	\$ -	\$ (12,929)	\$ 1,400,637	-0.92%	109.56%
2020	0.3805%	\$ (14,597)	\$ -	\$ (14,597)	\$ 1,331,887	-1.10%	110.03%
2021	0.2235%	\$ (22,048)	\$ -	\$ (22,048)	\$ 779,984	-2.83%	125.59%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT
Schedule of the District's Contributions (Pensions)
Teachers' Retirement System (TRS)
June 30, 2021

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%
2020	\$ 35,980	\$ (36,071)	\$ (91)	\$ 1,329,546	2.71%
2021	\$ 32,614	\$ (37,747)	\$ (5,133)	\$ 1,433,033	2.28%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

Schedule of the District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2021

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%
2020	\$ 20,176	\$ (19,331)	\$ 845	\$ 1,329,546	1.52%
2021	\$ 10,421	\$ (10,421)	\$ -	\$ 1,433,033	0.73%
Occupational Death and Disability (ODD):					
2018	\$ -	\$ -	\$ -	\$ 1,977,341	0.00%
2019	\$ 11,739	\$ (11,739)	\$ -	\$ 1,964,570	0.60%
2020	\$ 765	\$ (732)	\$ 33	\$ 1,329,546	0.06%
2021	\$ 989	\$ (989)	\$ -	\$ 1,433,033	0.07%
Retiree Medical Plan (RMP):					
2018	\$ 12,787	\$ (12,787)	\$ -	\$ 1,400,637	0.91%
2019	\$ 11,739	\$ (11,739)	\$ -	\$ 1,331,887	0.88%
2020	\$ 10,300	\$ (9,971)	\$ 329	\$ 779,984	1.32%
2021	\$ 11,499	\$ (11,499)	\$ -	\$ 950,104	1.21%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Required Supplementary Information

June 30, 2021

1. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental fund types except capital project funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year-end.

The adopted School Operating Fund budget is submitted to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.

The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs. The originally adopted budget and the final revised and approved budget are presented in these financial statements. Expenditure authority for the School Operating Fund is limited to the total approved budget and functional areas of expenditures are not to be overspent.

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

	Amount in Excess of Appropriation
District administration	\$ 25,890
District administration support services	16,106

Excess of expenditures over appropriations were funded through available revenues and fund balance.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the School Operating Fund. Encumbrances outstanding at year end are reported as unassigned fund balances since they do not constitute expenditures or liabilities. The amount of encumbrances, if significant, are disclosed as commitments.

2. Public Employees' Retirement System

Schedule of District's Proportionate Share of Net Pension and OPEB Liability (Asset)

The table is presented based on the Plan measurement date which is one year prior to fiscal year end for all years presented.

Changes in Methods Since the Prior Valuation – June 30, 2019 to June 30, 2020:

There were no changes in actuarial methods since the prior valuation.

Changes in Assumptions Since the Prior Valuation – June 30, 2019 to June 30, 2020:

Healthcare claim costs are updated annually. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10% decrease from 2019 to 2020. The Further Consolidated Appropriations Act, 2020 that was signed in December 2019 made several changes, including the repeal of the Cadillac Tax. The amounts included in the Normal Cost for administrative expenses were updated based on the most recent two years of actual administrative expenses paid from plan assets.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

Changes in Benefit Provisions Since the Prior Valuation – June 30, 2019 to June 30, 2020:

There were no changes in benefit provisions since the prior valuation.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the District will present only those years for which information is available.

Schedule of District Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2019 which was rolled forward to June 30, 2020. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

3. Teachers' Retirement System

Schedule of District's Proportionate Share of Net Pension and OPEB Liability (Asset)

The table is presented based on the Plan measurement date which is one year prior to fiscal year end for all years presented.

Changes in Methods Since the Prior Valuation – June 30, 2019 to June 30, 2020:

There were no changes in actuarial methods since the prior valuation.

Changes in Assumptions Since the Prior Valuation – June 30, 2019 to June 30, 2020:

Healthcare claim costs are updated annually. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10% decrease from 2019 to 2020. The Further Consolidated Appropriations Act, 2020 that was signed in December 2019 made several changes, including the repeal of the Cadillac Tax. The amounts included in the Normal Cost for administrative expenses were updated based on the most recent two years of actual administrative expenses paid from plan assets.

Changes in Benefit Provisions Since the Prior Valuation – June 30, 2019 to June 30, 2020:

There were no changes in benefit provisions since the prior valuation.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the District will present only those years for which information is available.

Schedule of District's Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2019 which was rolled forward to June 30, 2020. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

SUPPLEMENTARY INFORMATION

KASHUNAMIUT SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Earnings on investments	\$ 250	51	(199)
E-rate	1,317,481	1,363,191	45,710
Other	-	11,775	11,775
Charges for services	6,000	30,969	24,969
Total local sources	1,323,731	1,405,986	82,255
Intergovernmental:			
State of Alaska:			
Foundation program	4,016,245	3,201,751	(814,494)
TRS On-behalf payments	276,556	231,335	(45,221)
PERS On-behalf payments	93,116	167,335	74,219
Other	-	1,907	1,907
Quality schools	16,455	14,907	(1,548)
Total State of Alaska	4,402,372	3,617,235	(785,137)
Federal sources -			
Impact aid	3,042,362	3,052,465	10,103
Total revenues	8,768,465	8,075,686	(692,779)
Expenditures:			
Instruction:			
Certificated salaries	1,223,228	1,227,986	(4,758)
Non-certificated salaries	57,283	53,532	3,751
Employee benefits	762,318	760,454	1,864
Transportation allowance	16,000	17,134	(1,134)
Professional and technical services	-	1,048	(1,048)
Staff travel	7,500	-	7,500
Student travel	3,000	-	3,000
Utility services	5,000	13,950	(8,950)
Other purchased services	14,500	13,274	1,226
Supplies, materials and media	116,000	99,015	16,985
Other	21,600	12,652	8,948
Equipment	5,000	-	5,000
Total instruction	\$ 2,231,429	2,199,045	32,384

(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	\$ 125,846	127,483	(1,637)
Non-certificated salaries	143,701	134,350	9,351
Employee benefits	186,459	144,906	41,553
Professional and technical services	120,000	102,135	17,865
Staff travel	1,500	-	1,500
Utility services	-	130	(130)
Transportation allowance	2,000	-	2,000
Supplies, material, and media	10,000	2,982	7,018
Other	900	825	75
Total special education instruction	590,406	512,811	77,595
Special education support services - students:			
Certificated salaries	1,000	2,750	(1,750)
Employee benefits	150	465	(315)
Professional and technical services	17,156	-	17,156
Total special education support services - students	18,306	3,215	15,091
Support services - students:			
Certificated salaries	62,667	68,900	(6,233)
Non-certificated salaries	63,642	55,314	8,328
Employee benefits	77,034	78,630	(1,596)
Staff travel	1,000	-	1,000
Utility services	500	-	500
Other purchased services	1,500	-	1,500
Supplies, material, and media	5,000	2,215	2,785
Total support services - students	211,343	205,059	6,284
Support services - instruction:			
Certificated salaries	39,951	12,714	27,237
Non-certificated salaries	69,366	61,477	7,889
Employee benefits	46,017	43,630	2,387
Professional and technical services	53,000	27,425	25,575
Staff travel	5,000	-	5,000
Utility services	1,442,520	1,519,909	(77,389)
Other purchased services	60,000	5,567	54,433
Supplies, material, and media	25,000	24,405	595
Other	15,500	15,126	374
Total support services - instruction	1,756,354	1,710,253	46,101
School administration:			
Certificated salaries	61,834	56,784	5,050
Employee benefits	20,006	24,627	(4,621)
Transportation allowance	1,000	-	1,000
Utility services	4,000	261	3,739
Other purchased services	500	300	200
Supplies, material, and media	5,000	4,425	575
Other	1,000	1,200	(200)
Total school administration	93,340	87,597	5,743

(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:			
Certificated salaries	\$ -	968	(968)
Non-certificated salaries	107,432	84,031	23,401
Employee benefits	87,746	82,254	5,492
Supplies, material, and media	4,000	216	3,784
Total school administration support services	199,178	167,469	31,709
District administration:			
Certificated salaries	124,615	132,013	(7,398)
Non-certificated salaries	85,779	70,596	15,183
Employee benefits	74,243	135,698	(61,455)
Housing allowance/subsidy	5,000	-	5,000
Professional and technical services	45,000	79,409	(34,409)
Staff travel	45,000	1,894	43,106
Utility services	42,000	23,251	18,749
Equipment Other purchased services	-	300	(300)
Supplies, material, and media	4,250	3,957	293
Other	25,875	30,534	(4,659)
Total district administration	451,762	477,652	(25,890)
District administration support services:			
Certificated salaries	-	1,400	(1,400)
Non-certificated salaries	170,396	158,670	11,726
Employee benefits	108,204	110,123	(1,919)
Housing allowance	3,600	450	3,150
Professional and technical services	177,000	191,250	(14,250)
Staff travel	2,000	-	2,000
Utility services	13,000	9,176	3,824
Other purchased services	24,000	28,169	(4,169)
Insurance and bond premiums	47,016	47,017	(1)
Supplies, material, and media	22,018	23,903	(1,885)
Other	20,000	62,258	(42,258)
Indirect cost recovery	(95,785)	(124,861)	29,076
Total district administration support services	491,449	507,555	(16,106)
Operations and maintenance of plant:			
Non-certificated salaries	449,261	456,513	(7,252)
Employee benefits	245,224	241,918	3,306
Professional and technical services	9,500	-	9,500
Staff travel	13,000	4,331	8,669
Utility services	65,000	51,485	13,515
Energy	372,000	255,814	116,186
Other purchased services	70,000	35,791	34,209
Insurance and bond premiums	75,938	75,939	(1)
Supplies, material, and media	96,826	77,142	19,684
Other	500	545	(45)
Equipment	35,500	-	35,500
Total operations and maintenance of plant	1,432,749	1,199,478	233,271

(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	\$ 53,500	43,655	9,845
Non-certificated salaries	1,000	968	32
Employee benefits	6,480	19,740	(13,260)
Professional and technical services	12,000	7,744	4,256
Staff travel	19,000	18,141	859
Student travel	91,900	60,947	30,953
Other purchased services	28,100	28,070	30
Supplies, material, and media	30,000	10,478	19,522
Other	3,500	2,720	780
Equipment	40,000	23,100	16,900
Total student activities	<u>285,480</u>	<u>215,563</u>	<u>69,917</u>
Total expenditures	<u>7,761,796</u>	<u>7,285,697</u>	<u>476,099</u>
Excess of revenues over expenditures	<u>1,006,669</u>	<u>789,989</u>	<u>(216,680)</u>
Other financing sources (uses):			
Transfers out:			
Teacher Housing Special Revenue Fund	(300,000)	(300,000)	-
Food Service Special Revenue Fund	(219,750)	(219,750)	-
District Office Construction Capital Project Fund	<u>(256,920)</u>	<u>(256,920)</u>	<u>-</u>
Total transfers out	<u>(776,670)</u>	<u>(776,670)</u>	<u>-</u>
Net change in fund balance	<u>\$ 229,999</u>	<u>13,319</u>	<u>(216,680)</u>
Fund balance, beginning of year		<u>3,550,002</u>	
Fund balance, end of year		<u>\$ 3,563,321</u>	

KASHUNAMIUT SCHOOL DISTRICT

Title I SIG 1003g Year 5 Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental- Federal sources passed through the State of Alaska	\$ 288,000	279,190	(8,810)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	47,500	71,172	(23,672)
Non-certificated salaries	-	267	(267)
Employee benefits	17,500	19,387	(1,887)
Staff travel	12,000	-	12,000
Professional and technical services	62,000	-	62,000
Supplies, material, and media	108,439	169,929	(61,490)
Other	13,999	-	13,999
Total instruction	261,438	260,755	683
District administration support services- Indirect cost	26,562	18,435	8,127
Total expenditures	288,000	279,190	8,810
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, 2021

	Special Revenue Funds							
	Pupil Transportation	Early Learning Moore Expansion	Carrs Safeway	No Hungry Kids	Title I-A School Improvement	Title I-A Basic	Title VI-B Service	Title I-C Migrant Education
<u>Assets</u>								
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	6,812	100,861	31,417	76,892
Due from School Operating Fund	14,246	10,250	1,697	34,000	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
	<u>\$ 14,246</u>	<u>10,250</u>	<u>1,697</u>	<u>34,000</u>	<u>6,812</u>	<u>100,861</u>	<u>31,417</u>	<u>76,892</u>
 <u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	-	-	-	-	-	-	-	52,632
Due to School Operating Fund	-	-	-	-	6,812	100,861	31,417	24,260
Unearned revenue	-	10,250	1,697	34,000	-	-	-	-
Total liabilities	<u>-</u>	<u>10,250</u>	<u>1,697</u>	<u>34,000</u>	<u>6,812</u>	<u>100,861</u>	<u>31,417</u>	<u>76,892</u>
Fund balances:								
Non-spendable	-	-	-	-	-	-	-	-
Restricted - scholarships	-	-	-	-	-	-	-	-
Assigned	14,246	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>14,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 14,246</u>	<u>10,250</u>	<u>1,697</u>	<u>34,000</u>	<u>6,812</u>	<u>100,861</u>	<u>31,417</u>	<u>76,892</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

	Special Revenue Funds							
<u>Assets</u>	Carl Perkins	Food Services	Title III English Language Acquisition	Upward Bound	CARES Grant - Elementary and Secondary Schools Relief II	AK Public Broadcasting	KCUK Fundraising	Johnson O'Malley
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-
Accounts receivable	13,925	6,006	6,591	29,864	122,818	-	-	-
Due from School Operating Fund	-	194,178	-	-	-	-	18,088	29,279
Prepaid items	-	-	-	-	-	-	-	-
	<u>\$ 13,925</u>	<u>200,184</u>	<u>6,591</u>	<u>29,864</u>	<u>122,818</u>	<u>-</u>	<u>18,088</u>	<u>29,279</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	-	1,138	-	-	-	-	851	-
Due to School Operating Fund	13,925	-	6,591	29,864	122,818	68,481	-	-
Unearned revenue	-	-	-	-	-	-	-	29,279
Total liabilities	<u>13,925</u>	<u>1,138</u>	<u>6,591</u>	<u>29,864</u>	<u>122,818</u>	<u>68,481</u>	<u>851</u>	<u>29,279</u>
Fund balances:								
Non-spendable	-	-	-	-	-	-	-	-
Restricted - scholarships	-	-	-	-	-	-	-	-
Assigned	-	199,046	-	-	-	-	17,237	-
Unassigned	-	-	-	-	-	(68,481)	-	-
Total fund balances	<u>-</u>	<u>199,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,481)</u>	<u>17,237</u>	<u>-</u>
	<u>\$ 13,925</u>	<u>200,184</u>	<u>6,591</u>	<u>29,864</u>	<u>122,818</u>	<u>-</u>	<u>18,088</u>	<u>29,279</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

Assets	Special Revenue Funds						Total Special Revenue Funds	Permanent Fund	Capital Project Funds			Total Other Governmental Funds
	Teacher Housing	CPB Operating	Corporation for Public Broadcasting - CARES	Corporation for Public Broadcasting ARA	Rasmusson Technology for Vital Learning	Employee Scholarship		B.A. Weinberg Scholarship	District Office Construction	Impact Aid Construction	Rasmuson	
Cash and cash equivalents	\$ -	-	-	-	-	-	-	70,220	-	-	-	70,220
Accounts receivable	-	-	-	-	-	-	395,186	-	-	-	-	395,186
Due from School Operating Fund	193,286	50,256	2,278	218,759	25,000	9,062	800,379	-	232,223	35,205	3,530	1,071,337
Prepaid items	6,291	-	-	-	-	-	6,291	-	-	-	-	6,291
	<u>\$ 199,577</u>	<u>50,256</u>	<u>2,278</u>	<u>218,759</u>	<u>25,000</u>	<u>9,062</u>	<u>1,201,856</u>	<u>70,220</u>	<u>232,223</u>	<u>35,205</u>	<u>3,530</u>	<u>1,543,034</u>
<u>Liabilities and Fund Balances</u>												
Liabilities:												
Accounts payable	33,166	-	2,278	-	-	-	90,065	-	-	-	-	90,065
Due to School Operating Fund	-	-	-	-	-	-	405,029	44,759	-	-	-	449,788
Unearned revenue	-	50,256	-	218,759	25,000	-	369,241	-	-	-	3,530	372,771
Total liabilities	<u>33,166</u>	<u>50,256</u>	<u>2,278</u>	<u>218,759</u>	<u>25,000</u>	<u>-</u>	<u>864,335</u>	<u>44,759</u>	<u>-</u>	<u>-</u>	<u>3,530</u>	<u>912,624</u>
Fund balances:												
Non-spendable	6,291	-	-	-	-	-	6,291	-	-	-	-	6,291
Restricted - scholarships	-	-	-	-	-	9,062	9,062	25,461	-	-	-	34,523
Assigned	160,120	-	-	-	-	-	390,649	-	-	-	-	390,649
Unassigned	-	-	-	-	-	-	(68,481)	-	232,223	35,205	-	198,947
Total fund balances	<u>166,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,062</u>	<u>337,521</u>	<u>25,461</u>	<u>232,223</u>	<u>35,205</u>	<u>-</u>	<u>630,410</u>
	<u>\$ 199,577</u>	<u>50,256</u>	<u>2,278</u>	<u>218,759</u>	<u>25,000</u>	<u>9,062</u>	<u>1,201,856</u>	<u>70,220</u>	<u>232,223</u>	<u>35,205</u>	<u>3,530</u>	<u>1,543,034</u>

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Year Ended June 30, 2021

	Special Revenue Funds								
	Broadband Assistance Grant	Pupil Transportation	COVID-19 Quarantine Hotel Relief	Moore Settlement	Early Learning Moore Expansion	Fresh Fruit and Vegetables	Title I-A School Improvement	Title I-A Basic	Title VI-B Service
Revenues:									
Local sources:									
Charges for services	\$ -	-	-	-	-	-	-	-	-
Earnings on investment	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Intergovernmental:									
State of Alaska	21,360	1,534	-	6,103	82,903	-	-	-	-
Federal sources:									
Passed through	-	-	16,800	-	-	23,261	45,846	379,753	96,973
Direct	-	-	-	-	-	-	-	-	-
Total revenues	<u>21,360</u>	<u>1,534</u>	<u>16,800</u>	<u>6,103</u>	<u>82,903</u>	<u>23,261</u>	<u>45,846</u>	<u>379,753</u>	<u>96,973</u>
Expenditures:									
Instruction	-	-	16,800	6,103	77,429	-	-	354,903	-
Special education instruction	-	-	-	-	-	-	42,819	-	90,570
Support services - students	-	-	-	-	-	-	-	-	-
Support services - instruction	21,360	-	-	-	-	-	-	-	-
School administration support services	-	-	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	-	-
District administration support services	-	-	-	-	5,474	-	3,027	24,850	6,403
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	174	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	23,261	-	-	-
Total expenditures	<u>21,360</u>	<u>174</u>	<u>16,800</u>	<u>6,103</u>	<u>82,903</u>	<u>23,261</u>	<u>45,846</u>	<u>379,753</u>	<u>96,973</u>
Excess (deficiency) of revenues over expenditures	-	1,360	-	-	-	-	-	-	-
Other financing sources -									
Transfers in -									
School Operating Fund	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	1,360	-	-	-	-	-	-	-
Fund balances, beginning of year	-	12,886	-	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>14,246</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-C Migrant Book	Title I-C Migrant Education	Carl Perkins	Food Service	Title III English Language Acquisition	Upward Board	CARES Grant - Elementary and Secondary Schools Emergency Relief	CARES Grant - Elementary and Secondary Schools Emergency Relief II
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	6,032	-	-	-	-
Earnings on investment	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	-
Federal sources:								
Passed through	5,000	133,292	28,838	294,442	6,591	29,864	305,084	171,171
Direct	-	-	-	-	-	-	-	-
Total revenues	<u>5,000</u>	<u>133,292</u>	<u>28,838</u>	<u>300,474</u>	<u>6,591</u>	<u>29,864</u>	<u>305,084</u>	<u>171,171</u>
Expenditures:								
Instruction	5,000	124,491	27,465	-	4,297	29,864	96,581	78,380
Special education instruction	-	-	-	-	-	-	18,313	-
Support services - students	-	-	-	-	-	-	14,374	1,435
Support services - instruction	-	-	-	-	1,858	-	39,325	71,580
School administration support services	-	-	-	-	-	-	9,056	-
District administration	-	-	-	-	-	-	2,041	-
District administration support services	-	8,801	1,373	-	436	-	24,749	11,303
Operations and maintenance of plant	-	-	-	-	-	-	85,462	8,473
Student activities	-	-	-	391	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Food services	-	-	-	459,441	-	-	15,183	-
Total expenditures	<u>5,000</u>	<u>133,292</u>	<u>28,838</u>	<u>459,832</u>	<u>6,591</u>	<u>29,864</u>	<u>305,084</u>	<u>171,171</u>
Excess (deficiency) of revenues over expenditures	-	-	-	(159,358)	-	-	-	-
Other financing sources -								
Transfers in -								
School Operating Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	60,392	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>199,046</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							
	AK Public Broadcasting	KCUK Fundraising	City of Chevak CARES Act	Indian Education	REAP	Johnson O'Malley	Teacher Housing	CPB Operating
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	116,273	-
Earnings on investment	-	-	-	-	-	-	-	-
Other	14,770	-	148,458	-	-	-	25,775	167,986
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	-
Federal sources:								
Passed through	-	-	-	-	-	-	-	-
Direct	-	-	-	169,191	6,811	91,316	-	-
Total revenues	14,770	-	148,458	169,191	6,811	91,316	142,048	167,986
Expenditures:								
Instruction	-	-	148,458	158,019	6,361	81,652	-	-
Special education instruction	-	-	-	-	-	96	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-
School administration support services	-	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	-
District administration support services	-	-	-	11,172	450	6,030	-	-
Operations and maintenance of plant	-	-	-	-	-	-	300,795	-
Student activities	-	-	-	-	-	3,538	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Community services	30,714	851	-	-	-	-	-	167,986
Food services	-	-	-	-	-	-	-	-
Total expenditures	30,714	851	148,458	169,191	6,811	91,316	300,795	167,986
Excess (deficiency) of revenues over expenditures	(15,944)	(851)	-	-	-	-	(158,747)	-
Other financing sources -								
Transfers in-								
School Operating Fund	-	-	-	-	-	-	300,000	-
Net change in fund balances	(15,944)	(851)	-	-	-	-	141,253	-
Fund balances, beginning of year	(52,537)	18,088	-	-	-	-	25,158	-
Fund balances, end of year	\$ (68,481)	17,237	-	-	-	-	166,411	-

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds			Total Special Revenue Funds	Permanent Fund B.A. Weinberg Scholarship	Capital Project Funds			Total Capital Projects Funds	Total Other Governmental Funds
	Corporation for Public Broadcasting - CARES	Corporation for Public Broadcasting ARA	Employee Scholarship			District Office Construction	Impact Aid Construction	Rasmuson		
Revenues:										
Local sources:										
Charges for services	\$ -	-	-	122,305	-	-	-	-	-	122,305
Earnings on investment	-	-	-	-	7	-	-	-	-	7
Other	97,617	10,083	1,931	466,620	-	-	-	2,857	2,857	469,477
Intergovernmental:										
State of Alaska	-	-	-	111,900	-	-	-	-	-	111,900
Federal sources:										
Passed through	-	-	-	1,536,915	-	-	-	-	-	1,536,915
Direct	-	-	-	267,318	-	-	-	-	-	267,318
Total revenues	<u>97,617</u>	<u>10,083</u>	<u>1,931</u>	<u>2,505,058</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>2,857</u>	<u>2,857</u>	<u>2,507,922</u>
Expenditures:										
Instruction	-	-	-	1,215,803	-	-	-	-	-	1,215,803
Special education instruction	-	-	-	151,798	-	-	-	-	-	151,798
Support services - students	-	-	1,250	17,059	-	-	-	-	-	17,059
Support services - instruction	-	-	-	134,123	-	-	-	-	-	134,123
School administration support services	-	-	-	9,056	-	-	-	-	-	9,056
District administration	-	-	-	2,041	-	-	-	-	-	2,041
District administration support services	6,445	515	-	111,028	-	-	-	-	-	111,028
Operations and maintenance of plant	-	-	-	394,730	-	24,697	-	2,309	27,006	421,736
Student activities	-	-	-	3,929	-	-	-	-	-	3,929
Student transportation - to and from school	-	-	-	174	-	-	-	-	-	174
Community services	91,172	9,568	-	300,291	-	-	-	548	548	300,839
Food services	-	-	-	497,885	-	-	-	-	-	497,885
Total expenditures	<u>97,617</u>	<u>10,083</u>	<u>1,250</u>	<u>2,837,917</u>	<u>-</u>	<u>24,697</u>	<u>-</u>	<u>2,857</u>	<u>27,554</u>	<u>2,865,471</u>
Excess (deficiency) of revenues over expenditures	-	-	681	(332,859)	7	(24,697)	-	-	(24,697)	(357,549)
Other financing sources -										
Transfers in -										
School Operating Fund	-	-	-	519,750	-	256,920	-	-	256,920	776,670
Net change in fund balances	-	-	681	186,891	7	232,223	-	-	232,223	419,121
Fund balances, beginning of year	-	-	8,381	150,630	25,454	-	35,205	-	35,205	211,289
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>9,062</u>	<u>337,521</u>	<u>25,461</u>	<u>232,223</u>	<u>35,205</u>	<u>-</u>	<u>267,428</u>	<u>630,410</u>

KASHUNAMIUT SCHOOL DISTRICT

Broadband Assistance Grant Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - State of Alaska	\$ 21,360	21,360	-
Expenditures:			
Current:			
Support services - instructions - Utility services	21,360	21,360	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - State of Alaska	\$ 1,534	1,534	-
Expenditures:			
Current:			
Student transportation - to and from school - Student transportation - in-lieu of agreements	1,534	174	1,360
Excess of revenues over expenditures	\$ -	1,360	1,360
Fund balance, beginning of year		12,886	
Fund balance, end of year		\$ 14,246	

KASHUNAMIUT SCHOOL DISTRICT

COVID-19 Quarantine Hotel Relief Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through the			
State of Alaska	\$ 16,800	16,800	-
Expenditures:			
Current:			
Instruction -			
Certificated salaries	16,800	16,800	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Moore Settlement Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - State of Alaska	\$ 6,103	6,103	-
Expenditures:			
Current:			
Instruction -			
Other purchased services	6,103	6,103	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Early Learning Moore Expansion Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - State of Alaska	\$ 93,154	82,903	(10,251)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	3,500	3,472	28
Non-certificated salaries	21,400	21,209	191
Employee benefits	14,200	14,168	32
Professional and technical	6,600	-	6,600
Staff travel	500	-	500
Other purchased services	11,200	11,100	100
Supplies, materials and media	29,603	27,480	2,123
Total instruction	87,003	77,429	9,574
District administration support services - Indirect cost	6,151	5,474	677
Total expenditures	93,154	82,903	10,251
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Fresh Fruit and Vegetables Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 24,464	23,261	(1,203)
Expenditures: Current: Food services - Supplies, materials and media	24,464	23,261	1,203
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Title I-A School Improvement

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 59,821	45,846	(13,975)
Expenditures:			
Current:			
Special education instruction:			
Professional and technical services	23,050	5,950	17,100
Supplies, materials and media	32,821	36,869	(4,048)
Total special education - instruction	55,871	42,819	13,052
District administration support services - Indirect costs	3,950	3,027	923
Total expenditures	59,821	45,846	13,975
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year	\$	-	

KASHUNAMIUT SCHOOL DISTRICT

Title I-A Basic Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 532,973	379,753	(153,220)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	38,800	37,737	1,063
Non-certificated salaries	227,306	188,704	38,602
Employee benefits	138,694	94,456	44,238
Professional and technical services	31,000	9,038	21,962
Staff travel	3,533	-	3,533
Student travel	16,778	-	16,778
Other purchased services	5,615	5,650	(35)
Supplies, materials and media	30,070	13,350	16,720
Tuition - students and stipends	3,415	3,411	4
Other	2,794	2,557	237
Total instruction	498,005	354,903	143,102
District administration support services - Indirect cost	34,968	24,850	10,118
Total expenditures	532,973	379,753	153,220
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 182,439	96,973	(85,466)
Expenditures:			
Current:			
Special education instruction:			
Non-certificated salaries	88,273	59,940	28,333
Employee benefits	42,144	30,630	11,514
Professional and technical services	10,000	-	10,000
Supplies, materials and media	29,976	-	29,976
Total special education instruction	170,393	90,570	79,823
District administration support services - Indirect costs	12,046	6,403	5,643
Total expenditures	182,439	96,973	85,466
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 5,000	5,000	-
Expenditures: Current: Instruction - Supplies, materials and media	5,000	5,000	-
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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 294,733	133,292	(161,441)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	5,000	9,769	(4,769)
Non-certificated salaries	15,582	3,909	11,673
Employee benefits	8,426	3,395	5,031
Professional and technical services	350	350	-
Student travel	54,016	-	54,016
Supplies, material and media	140,397	107,068	33,329
Total instruction	223,771	124,491	99,280
District administration support services - Indirect costs	15,821	8,801	7,020
Total expenditures	239,592	133,292	106,300
Excess of revenues over expenditures	\$ 55,141	-	(55,141)
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 28,838	28,838	-
Expenditures:			
Current:			
Instruction - Supplies, material, and media	27,465	27,465	-
District administration support services - Indirect costs	1,373	1,373	-
Total expenditures	28,838	28,838	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Food Service Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources -			
Charges for services - meal sales	\$ 5,000	6,032	1,032
Intergovernmental - Federal sources passed through the State of Alaska	370,000	294,442	(75,558)
Total revenues	<u>375,000</u>	<u>300,474</u>	<u>(74,526)</u>
Expenditures:			
Current:			
Student activities:			
Non-certificated salaries	-	250	(250)
Employee benefits	-	141	(141)
Total student activities	<u>-</u>	<u>391</u>	<u>(391)</u>
Food services:			
Non-certificated salaries	122,560	138,239	(15,679)
Employee benefits	79,275	56,282	22,993
Supplies, materials and media	340,370	264,880	75,490
Other	410	40	370
Total food services	<u>542,615</u>	<u>459,441</u>	<u>83,174</u>
Total expenditures	<u>542,615</u>	<u>459,832</u>	<u>82,783</u>
Excess (deficiency) of revenues over expenditures	(167,615)	(159,358)	8,257
Other financing sources - transfers in - School Operating Fund	<u>150,000</u>	<u>219,750</u>	<u>69,750</u>
Net change in fund balance	<u>\$ (17,615)</u>	<u>60,392</u>	<u>78,007</u>
Fund balance, beginning of year		<u>138,654</u>	
Fund balance, end of year		<u>\$ 199,046</u>	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 6,591	6,591	-
Expenditures:			
Current:			
Instruction - Supplies, material and media	6,155	4,297	1,858
Support services - instruction - Supplies, material and media	-	1,858	(1,858)
District administration support services - Indirect costs	436	436	-
Total expenditures	6,591	6,591	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Upward Bound Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the University of Alaska Fairbanks	\$ 65,800	29,864	(35,936)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	13,500	3,250	10,250
Non-certificated salaries	-	4,175	(4,175)
Employee benefits	-	1,323	(1,323)
Other purchased services	-	4,500	(4,500)
Supplies, materials and media	41,500	503	40,997
Tuition-students and stipends	10,800	10,614	186
Other	-	5,499	(5,499)
Total expenditures	65,800	29,864	35,936
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

CARES Grant - Elementary and Secondary Schools Emergency Relief Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed	\$ 305,084	305,084	-
through the State of Alaska			
Expenditures:			
Current:			
Instruction:			
Certificated salaries	38,042	38,042	-
Non-certificated salaries	23,900	23,513	387
Employee benefits	21,400	18,278	3,122
Professional and technical services	8,255	8,255	-
Supplies, materials and media	8,828	8,493	335
Total instruction	100,425	96,581	3,844
Special education instruction:			
Non-certificated salaries	13,800	13,861	(61)
Employee benefits	4,400	4,452	(52)
Total special education - instruction	18,200	18,313	(113)
Support services - students:			
Non-certificated salaries	8,600	8,609	(9)
Employee benefits	5,700	5,765	(65)
Total support services - students	14,300	14,374	(74)
Support services - instruction:			
Non-certificated salaries	3,517	3,662	(145)
Employee benefits	35,663	35,663	-
Total support services - instruction	39,180	39,325	(145)
School administration support services:			
Non-certificated salaries	5,300	5,313	(13)
Employee benefits	3,700	3,743	(43)
Total school administration support services	9,000	9,056	(56)
District administration:			
Non-certificated salaries	720	720	-
Employee benefits	1,300	1,321	(21)
Total district administration	2,020	2,041	(21)
District administration - support services:			
Non-certificated salaries	3,300	3,365	(65)
Employee benefits	2,000	1,239	761
Indirect cost	20,145	20,145	-
Total district administration - support services	25,445	24,749	696
Operations and maintenance of plant:			
Non-certificated salaries	1,100	15,148	(14,048)
Employee benefits	13,900	5,862	8,038
Utility services	4,800	64,114	(59,314)
Supplies, materials and media	64,114	338	63,776
Total operations and maintenance of plant	83,914	85,462	(1,548)
Food services:			
Non-certificated salaries	11,400	11,346	54
Employee benefits	1,200	3,837	(2,637)
Total food services	12,600	15,183	(2,583)
Total expenditures	305,084	305,084	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

CARES Grant - Elementary and Secondary Schools Emergency Relief Special Revenue Fund II

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental			
Federal sources passed through the State of Alaska	\$ 554,747	171,171	(383,576)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	19,000	18,813	187
Non-certificated salaries	63,700	700	63,000
Employee benefits	3,500	3,722	(222)
Professional and technical services	36,200	36,200	-
Supplies, materials, and media	120,285	18,945	101,340
Total instruction	242,685	78,380	164,305
Support services - students:			
Non-certificated salaries	1,300	1,233	67
Employee benefits	220	202	18
Total support services - students	1,520	1,435	85
Support services - instruction -			
Employee benefits	213,047	71,580	141,467
District administration support services -			
Indirect cost	88,995	11,303	77,692
Operations and maintenance of plant -			
Utility services	8,500	8,473	27
Total expenditures	554,747	171,171	383,576
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local revenues - other	\$ 31,240	14,770	(16,470)
Expenditures:			
Current:			
Community services:			
Non-certificated salaries	12,000	1,072	10,928
Employee benefits	1,500	114	1,386
Professional and technical services	-	210	(210)
Staff travel	-	1,059	(1,059)
Utility services	-	203	(203)
Other purchased services	-	4,691	(4,691)
Supplies, materials and media	-	23,365	(23,365)
Total expenditures	13,500	30,714	(17,214)
Excess (deficiency) of revenues over expenditures	\$ 17,740	(15,944)	(33,684)
Fund balance, beginning of year		(52,537)	
Fund balance, end of year		\$ (68,481)	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues	\$ -	-	-
Expenditures			
Current:			
Community services -			
Staff travel	600	851	(251)
Excess (deficiency) of revenues over expenditures	\$ (600)	(851)	(251)
Fund balance, beginning of year		18,088	
Fund balance, end of year		\$ 17,237	

KASHUNAMIUT SCHOOL DISTRICT

City of Chevak CARES Act Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 148,458	148,458	-
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	148,458	148,458	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - federal sources - direct	\$ 169,191	169,191	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	9,703	9,703	-
Non-certificated salaries	86,919	86,919	-
Employee benefits	61,397	61,397	-
Total instruction	158,019	158,019	-
District administration support services -			
Indirect costs	11,377	11,172	205
Total expenditures	169,396	169,191	205
Excess (deficiency) of revenues over expenditures	\$ (205)	-	205
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

REAP Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - federal sources - direct	\$ 6,811	6,811	-
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	6,361	6,361	-
District administration support services -			
Indirect costs	450	450	-
Total expenditures	6,811	6,811	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - federal sources - direct	\$ 86,501	91,316	4,815
Expenditures:			
Current:			
Instruction:			
Certificated salaries	20,000	14,435	5,565
Non-certificated salaries	-	17,651	(17,651)
Employee benefits	7,499	7,960	(461)
Professional and technical services	-	9,500	(9,500)
Staff travel	10,000	-	10,000
Student travel	23,290	-	23,290
Other purchased services	-	14,740	(14,740)
Supplies, materials and media	15,000	17,366	(2,366)
Total instruction	75,789	81,652	(5,863)
Special education - instruction:			
Employee benefits	-	10	(10)
Non-certificated salaries	-	86	(86)
Total special education - instruction	-	96	(96)
District administration support services -			
Indirect costs	5,712	6,030	(318)
Student activities:			
Professional and technical services	4,000	3,079	921
Employee benefits	1,000	459	541
Total student activities	5,000	3,538	1,462
Total expenditures	86,501	91,316	(4,815)
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Teacher Housing Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Charges for services - rental	\$ 110,000	116,273	6,273
Other	41,800	25,775	(16,025)
Total revenues	<u>151,800</u>	<u>142,048</u>	<u>(9,752)</u>
Expenditures:			
Current:			
Operations and maintenance of plant:			
Non-certificated salaries	55,777	34,579	21,198
Employee benefits	25,000	13,960	11,040
Utility services	86,900	99,568	(12,668)
Energy	111,810	67,177	44,633
Other purchased services	80,700	-	80,700
Supplies, materials and media	50,000	85,360	(35,360)
Other	500	151	349
Total expenditures	<u>410,687</u>	<u>300,795</u>	<u>109,892</u>
Excess (deficiency) of revenues over expenditures	<u>(258,887)</u>	<u>(158,747)</u>	<u>100,140</u>
Other financing sources - transfers in - School Operating Fund	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Net change in fund balance	\$ <u>(258,887)</u>	141,253	<u>400,140</u>
Fund balance, beginning of year		<u>25,158</u>	
Fund balance, end of year		\$ <u>166,411</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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local - other	\$ 196,926	167,986	(28,940)
Expenditures:			
Current:			
Community services:			
Non-certificated salaries	69,854	112,648	(42,794)
Employee benefits	-	39,470	(39,470)
Staff travel	-	260	(260)
Utility services	-	1,130	(1,130)
Electricity	-	9,790	(9,790)
Professional and technical services	-	415	(415)
Other purchased services	-	1,820	(1,820)
Other	127,072	2,453	124,619
Total expenditures	196,926	167,986	28,940
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Corporation for Public Broadcasting - CARES Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Local sources - other	\$ 97,617	97,617	-
Expenditures:			
Current:			
District administration support services -			
Indirect costs	6,446	6,445	1
Community services:			
Non-certificated salaries	48,130	48,127	3
Employee benefits	14,630	14,624	6
Utility services	11,571	6,266	5,305
Energy	-	7,603	(7,603)
Other purchased services	1,570	1,568	2
Other	15,270	12,984	2,286
Total community services	91,171	91,172	(1)
Total expenditures	97,617	97,617	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Corporation for Public Broadcasting ARA Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 228,842	10,083	(218,759)
Expenditures:			
Current:			
District administration support services - Indirect costs	-	515	(515)
Community services:			
Utility services	-	1,108	(1,108)
Energy	-	6,182	(6,182)
Other	228,842	2,278	226,564
Total community services	228,842	9,568	219,274
Total expenditures	228,842	10,083	218,759
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Employee Scholarship Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ <u>1,800</u>	<u>1,931</u>	<u>131</u>
Expenditures			
Support services - students -			
Tuition - students and stipends	<u>8,500</u>	<u>1,250</u>	<u>7,250</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(6,700)</u>	681	<u>7,381</u>
Fund balance, beginning of year		<u>8,381</u>	
Fund balance, end of year		\$ <u>9,062</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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - Earnings on investment	\$ 5	7	2
Expenditures	-	-	-
Excess of revenues over expenditures	\$ 5	7	2
Fund balance, beginning of year		25,454	
Fund balance, end of year		\$ 25,461	

KASHUNAMIUT SCHOOL DISTRICT

District Office Construction Capital Project Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2021

Revenues	\$ -
Expenditures	
Current:	
Operations and maintenance of plant:	
Non-certificated salaries	10,773
Employee benefits	1,228
Equipment	12,696
Total operations and maintenance of plant	<u>24,697</u>
Excess (deficiency) of revenues over expenditures	(24,697)
Other financing sources -	
Transfers in - school operating fund	<u>256,920</u>
Net change in fund balance	232,223
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	<u><u>\$ 232,223</u></u>

KASHUNAMIUT SCHOOL DISTRICT

Impact Aid Construction Capital Project Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2021

Revenues	\$	<u>-</u>
Expenditures		<u>-</u>
Excess of revenues over expenditures		-
Fund balance, beginning of year		<u>35,205</u>
Fund balance, end of year	\$	<u><u>35,205</u></u>

KASHUNAMIUT SCHOOL DISTRICT

Rasmuson Capital Project Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2021

Revenues - local sources - other	\$	<u>2,857</u>
Expenditures:		
Current:		
Operations and maintenance of plant -		
Other purchased services		<u>2,309</u>
Community services:		
Other purchased services		195
Supplies, materials, and media		<u>353</u>
Total community services		<u>548</u>
Total expenditures		<u>2,857</u>
Excess of revenues over expenditures		-
Fund balance, beginning of year		<u>-</u>
Fund balance, end of year	\$	<u><u>-</u></u>

KASHUNAMIUT SCHOOL DISTRICT

Schedule of Compliance AS 14.17.505

Year Ended June 30, 2021

Total fund balance - School Operating Fund	\$	3,563,321
less exemptions per 4 AAC 09.160(a)		

Reserved:

Inventory	316,520
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Prepaid items	78,315
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Impact Aid	2,717,912
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Fund Balance Subject to 100% Limitation	\$	<u>450,574</u>
--	----	----------------

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	<u>450,574</u>	=	<u>6.18%</u>
Current year expenditures	7,285,697		

KASHUNAMIUT SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

<u>Federal Grant Title</u>	<u>Grant Number / ID</u>	<u>Pass through/ Catalog of Federal Domestic Assistance Number</u>	<u>Total Grant Award</u>	<u>Total Federal Expended</u>
U.S. Department of Education:				
Direct programs:				
REAP - RLIS Special Qualified Agencies	S358C200003	84.358C	\$ 6,811	6,811
Indian Education	S060A190616	84.060A	125,355	51,092
Indian Education	S060A200616	84.060A	118,099	118,099
Total CFDA 84.060A			243,454	169,191
Impact Aid	11-AK-2020-3702	84.041	334,553	334,553
Impact Aid	11-AK-2021-3702-1	84.041	1,509,951	1,509,951
Impact Aid	11-AK-2021-3702-2	84.041	1,207,961	1,207,961
Total CFDA 84.041			3,052,465	3,052,465
Total direct programs			3,302,730	3,228,467
Passed through the State of Alaska:				
Department of Education and Early Development:				
Title I-A Consolidated	IP 21.KASH.01	84.010	417,661	379,753
Title I-A	SI 21.KASH.01	84.010	59,821	45,846
Total CFDA 84.010			477,482	425,599
Title I-A School Improvement 1003(g)	IS 21.KASH.01	84.377A	288,000	279,190
Title IIIA English Language Acquisition	IP 21 KASH.01	84.365	6,591	6,591
Migrant Book	MB 21.KASH.01	84.011	5,000	5,000
Title I-C Migrant	IP 21.KASH.01	84.011	298,336	133,292
Total CFDA 84.011			303,336	138,292
Special Education Cluster:				
Title VI-B	SE 21.KASH.01	84.027	175,552	96,973
Pre-school Disabled	SE 21.KASH.01	84.173	6,887	-
Total Special Education Cluster			182,439	96,973
Carl Perkins	EK 21.KASH.01	84.048	28,838	28,838
COVID-19 Quarantine Hotel Relief	QR 21.KASH.01	21.019	16,800	16,800
COVID-19/CARES Act - Elementary Secondary School				
Emergency Relief Funds	ER 21.KASH.01	84.425D	305,084	305,084
Emergency Relief II Funds	CA 21.KASH.01	84.425D	1,347,758	171,171
Total CFDA 84.425D			1,652,842	476,255
Total U.S. Department of Education passed through the State of Alaska			2,956,328	1,468,538
Passed through the University of Alaska -				
TRIO Cluster Upward Bound	PO47A181279	84.047	30,000	29,864
Total U.S. Department of Education			6,289,058	4,726,869
U.S. Department of Agriculture:				
Passed through the State of Alaska:				
Department of Education and Early Development:				
COVID-19 National School Breakfast Program	MA 21.KASH.01	10.553	18,131	18,131
COVID-19 National School Lunch Program	MA 21.KASH.01	10.555	42,753	42,753
Commodities	MA 21.KASH.01	10.555	14,321	14,321
Summer Food Service Program	SFSP 21.KASH.01	10.559	219,237	219,237
Total Child Nutrition Cluster			294,442	294,442
Fresh Fruit & Vegetables	FF 20.KASH.02	10.582	13,518	13,518
Fresh Fruit & Vegetables	FF 21.KASH.01	10.582	10,946	9,743
Total Fresh Fruit & Vegetables			24,464	23,261
Total U.S. Department of Agriculture			318,906	317,703
U.S. Department of Interior:				
Direct programs:				
Johnson O'Malley Program Funds	A12AV00803	15.130	173,818	54,738
Johnson O'Malley Program Funds	A20AV00466	15.130	31,963	31,963
Johnson O'Malley Program Funds	A21AV00928	15.130	70,919	4,615
Total CFDA 15.130			276,700	91,316
Total Expenditures of Federal Awards			\$ 6,884,664	5,135,888

See accompanying notes to the Schedule.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

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, 2021. 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, 2021, the District received \$14,321 in commodities.

KASHUNAMIUT SCHOOL DISTRICT

Schedule of State Financial Assistance

Year Ended June 30, 2021

<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	None	\$ 3,200,203	3,200,203
Early Learning - Moore Expansion Grant	PE 20.KASH.01	149,597	82,903
Moor Settlement	ME 18.KASH.01	30,000	6,103
Pupil Transportation	None	1,534	1,534
Quality Schools	None	16,455	16,455
Dividend Raffle	None	1,907	1,907
Alaska Broadband Assistance Grant (BAG)	None	21,360	21,360
Total Department of Education and Early Development		<u>3,421,056</u>	<u>3,330,465</u>
Department of Administration:			
* PERS on-behalf	None	167,335	167,335
* TRS on-behalf	None	231,335	231,335
Total Department of Administration		<u>398,670</u>	<u>398,670</u>
Total State of Alaska financial assistance		<u>\$ 3,819,726</u>	<u>3,729,135</u>

See accompanying notes to the Schedule.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2021

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, 2021. 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.

COMPLIANCE REPORTS

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, 2021, 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 3, 2021.

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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 financial statements. 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.

A handwritten signature in cursive script that reads "Altman, Rogers & Co.".

Anchorage, Alaska
November 3, 2021

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, 2021. 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, 2021.

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.

Altman, Rogers & Co.

Anchorage, Alaska
November 3, 2021

KASHUNAMIUT SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

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

84.425

Name of Federal Program or Cluster

Impact Aid

Education Stabilization Fund

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

\$ 750,000

Auditee qualified as low-risk auditee?

X Yes ____ 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 – Federal Award Findings and Questioned Costs

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

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, 2021. 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, 2021.

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 3, 2021

KASHUNAMIUT SCHOOL DISTRICT
State Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

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:

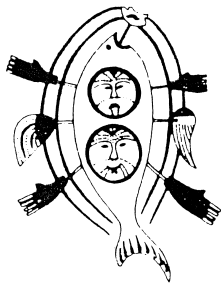
\$ 150,000

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 the state awards.



KASHUNAMIUT SCHOOL DISTRICT
985 KSD WAY
CHEVAK, AK 99563

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Summary of Prior Audit Findings

June 30, 2021

Financial Statement Findings

Finding 2020-001
Material Weakness

Internal Control over Credit Cards

Condition and Context:

Multiple instances of transactions tested within the credit card internal controls system lacked approval and supporting documentation. Internal controls related to credit card transactions should be implemented to ensure adequate supporting documentation is maintained for all purchases/transactions.

Status:

This finding has been resolved.