

KASHUNAMIUT SCHOOL DISTRICT

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

Year Ended June 30, 2023

*Altman, Rogers
& Co.* | CERTIFIED
PUBLIC
ACCOUNTANTS

KASHUNAMIUT SCHOOL DISTRICT

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

Year Ended June 30, 2023

KASHUNAMIUT SCHOOL DISTRICT

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1-3
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A-1	4
Statement of Activities	B-1	5
Fund Financial Statements:		
Balance Sheet - Governmental Funds	C-1	6
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	C-2	7
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	D-1	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-2	9
Statement of Fiduciary Net Position	E-1	10
Statement of Changes in Fiduciary Net Position	E-2	11
Notes to Basic Financial Statements		12-38
Required Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Original and Final Budget and Actual:		
School Operating Fund	F-1	39
Title I-A Basic Special Revenue Fund	F-2	40
CRSSA-ESSER III Special Revenue Fund	F-3	41
Distance Learning Special Revenue Fund	F-4	42
Public Employees' Retirement System:		
Schedule of District's Proportionate Share of the Net Pension Liability	G-1	43
Schedule of District's Proportionate Share of the Net OPEB Liability (Asset)	G-2	44
Schedule of District's Contributions (Pensions)	G-3	45
Schedule of District's Contributions (OPEB)	G-4	46

KASHUNAMIUT SCHOOL DISTRICT

Table of Contents, continued

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information, continued:		
Teachers' Retirement System:		
Schedule of District's Proportionate Share of the Net Pension Liability	G-5	47
Schedule of District's Proportionate Share of the Net OPEB Liability (Asset)	G-6	48
Schedule of District's Contributions (Pensions)	G-7	49
Schedule of District's Contributions (OPEB)	G-8	50
Notes to Required Supplementary Information		51-54
Supplementary Information:		
Major Governmental Funds:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:		
School Operating Fund	H-1	55-58
Title I-A Basic Special Revenue Fund	H-2	59
CRSSA-ESSER III Special Revenue Fund	H-3	60-61
Distance Learning Special Revenue Fund	H-4	62
Other Governmental Funds:		
Combining Balance Sheet	I-1	63-65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	I-2	66-69
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (where applicable):		
Special Revenue Funds:		
Broadband Assistance Grant	I-3	70
Pupil Transportation	I-4	71
Early Learning Moore Expansion	I-5	72
Fresh Fruits and Vegetables	I-6	73
Title I-A School Improvement	I-7	74
Title VI-B	I-8	75
Title I-C Migrant Book	I-9	76
Title I-C Migrant Education	I-10	77
Carl Perkins	I-11	78
Food Service	I-12	79
CRSSA-ESSER II	I-13	80
AK Public Broadcasting	I-14	81
KCUK Fundraising	I-15	82
Indian Education	I-16	83
REAP	I-17	84
Johnson O'Malley	I-18	85
Teacher Housing	I-19	86
CPB Emergency Relief	I-20	87

KASHUNAMIUT SCHOOL DISTRICT

Table of Contents, continued

	<u>Exhibit</u>	<u>Page</u>
Supplementary Information, continued:		
CPB Operating	I-21	88
CPB ARA	I-22	89
Employee Scholarship Fund	I-23	90
Schedule of Revenues, Expenditures and Changes in Fund Balance:		
Permanent Fund –		
B.A. Weinberg Scholarship	I-24	91
Schedule of Revenues, Expenditures and Changes in Fund Balance:		
Capital Project Funds:		
District Office Construction	I-25	92
Impact Aid Construction	I-26	93
Schedule of Compliance with AS 14.17.505	J-1	94
Schedule of Expenditures of Federal Awards	K-1	95
Notes to Schedule of Expenditures of Federal Awards		96
Schedule of State Financial Assistance	L-1	97
Notes to Schedule of State Financial Assistance		98
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 <i>Government Auditing Standards</i>		99-100
Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance as Required by the <i>Uniform Guidance</i>		101-103
Federal Schedule of Findings and Questioned Costs		104-105
Report on Compliance For Each Major State Program and Report on Internal Control Over Compliance Required by the <i>State of Alaska Audit Guide and Compliance Supplement for State Single Audits</i>		106-108
State Schedule of Findings and Questioned Costs		109

Independent Auditor's Report

Members of the School Board
Kashunamiut School District
Chevak, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the each major fund, and the aggregate remaining fund information of the Kashunamiut School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Kashunamiut School District's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Kashunamiut School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Kashunamiut School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Kashunamiut School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Kashunamiut School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedules of the District's Proportionate Share of Net Pension and OPEB Liabilities and Assets and the District's Schedules of Contributions for the Public Employees' Retirement System and Teachers' Retirement System, and Notes to Required Supplementary Information on pages 39-54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 require 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 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kashunamiut School District's basic financial statements. The accompanying combining and individual fund financial statements and schedules; schedule of compliance – AS 14.17.505; schedule of expenditures of federal awards and related notes, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; schedule of state financial assistance and related notes which is presented as required by the State of Alaska Audit Guide and Compliance Supplement, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Kashunamiut School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kashunamiut School District's internal control over financial reporting and compliance.



Anchorage, Alaska
November 11, 2023

KASHUNAMIUT SCHOOL DISTRICT

Statement of Net Position

June 30, 2023

	<u>Governmental Activities</u>
<u>Assets and Deferred Outflows of Resources</u>	
Current assets:	
Cash and cash equivalents	\$ 3,407,613
Accounts receivable	1,105,863
Inventory	512,330
Prepaid items	2,265
Total current assets	<u>5,028,071</u>
Long-term assets:	
Capital assets	33,892,010
Accumulated depreciation	(13,941,406)
Net pension/OPEB asset	2,157,248
Total long-term assets	<u>22,107,852</u>
Deferred outflows of resources - Pension/OPEB deferrals	<u>773,451</u>
Total assets and deferred outflows of resources	<u>\$ 27,909,374</u>
<u>Liabilities, Deferred Inflows of Resources</u>	
Current liabilities:	
Accounts payable	25,003
Payroll accruals and liabilities	60,555
Unearned revenue	224,955
Due to student groups	80,476
Total current liabilities	<u>390,989</u>
Long term liabilities - Net pension liability	<u>4,829,633</u>
Deferred inflows of resources - Pension/OPEB deferrals	<u>211,488</u>
Total liabilities and deferred inflows of resources	<u>5,432,110</u>
<u>Net Position</u>	
Net investment in capital assets	19,950,604
Restricted - scholarships	26,005
Unrestricted	2,500,655
Total net position	<u>22,477,264</u>
Total liabilities and deferred inflows of resources and net position	<u>\$ 27,909,374</u>

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

KASHUNAMIUT SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental activities:				
Instruction	\$ 4,109,837	-	1,362,082	(2,747,755)
Special education instruction	841,660	-	63,897	(777,763)
Special education - support services - students	83,020	-	83,020	-
Support services - students	77,009	-	21,519	(55,490)
Support services - instruction	1,889,132	-	177,654	(1,711,478)
School administration	280,614	-	120,070	(160,544)
School administration support services	94,893	-	2,084	(92,809)
District administration	669,465	-	115,327	(554,138)
District administration support services	560,448	-	129,127	(431,321)
Operations and maintenance of plant	2,371,451	115,235	160,438	(2,095,778)
Student activities	486,072	-	30,071	(456,001)
Student transportation services - to and from school	11,731	-	1,555	(10,176)
Community services	260,197	178	342,313	82,294
Food services	671,061	3,509	412,602	(254,950)
Total governmental activities	\$ 12,406,590	118,922	3,021,759	(9,265,909)
General revenues:				
Unrestricted investment and interest earnings			\$ 3,323	
E-rate			1,295,222	
Grants not restricted to specific programs			7,980,751	
Other			23,417	
Total general revenues			9,302,713	
Change in net position				36,804
Net position, beginning of year				22,440,460
Net position, ending				\$ 22,477,264

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

KASHUNAMIUT SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2023

		Special Revenue Funds					
	School Operating Fund		CRSSA ESSER III	Distance Learning	Other Governmental Funds	Total Governmental Funds	
		Title I-A Basic					
<u>Assets</u>							
Cash and cash equivalents	\$ 3,336,849	-	-	-	70,764	3,407,613	
Accounts receivable	-	211,843	460,547	279,514	153,959	1,105,863	
Due from other funds	1,120,343	-	-	-	599,004	1,719,347	
Inventory	512,330	-	-	-	-	512,330	
Prepaid items	-	-	-	-	2,265	2,265	
Total assets	<u>\$ 4,969,522</u>	<u>211,843</u>	<u>460,547</u>	<u>279,514</u>	<u>825,992</u>	<u>6,747,418</u>	
 <u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	25,003	-	-	-	-	25,003	
Payroll accruals and liabilities	60,555	-	-	-	-	60,555	
Due to other funds	599,004	211,843	460,547	279,514	168,439	1,719,347	
Due to student groups	80,476	-	-	-	-	80,476	
Unearned revenue	-	-	-	-	224,955	224,955	
Total liabilities	<u>765,038</u>	<u>211,843</u>	<u>460,547</u>	<u>279,514</u>	<u>393,394</u>	<u>2,110,336</u>	
Fund balances:							
Nonspendable	512,330	-	-	-	2,265	514,595	
Restricted - scholarships	-	-	-	-	26,005	26,005	
Assigned	-	-	-	-	404,328	404,328	
Unassigned	3,692,154	-	-	-	-	3,692,154	
Total fund balances	<u>4,204,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>432,598</u>	<u>4,637,082</u>	
Total liabilities and fund balances	<u>\$ 4,969,522</u>	<u>211,843</u>	<u>460,547</u>	<u>279,514</u>	<u>825,992</u>	<u>6,747,418</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, 2023

Total fund balance - governmental funds		\$	4,637,082
Amounts reported for governmental activities in the statement of net position are different because:			
Proportionate share of the collective net pension/OPEB liability:			
PERS	(3,696,889)		
TRS	(1,132,744)		
			(4,829,633)
Proportionate share of the collective net pension/OPEB asset:			
PERS	1,487,815		
TRS	669,433		
			2,157,248
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	566,082		
TRS	207,369		
			773,451
Pension/OPEB related liabilities in the current fiscal year are presented as a change in deferred inflows of resources:			
PERS	(137,005)		
TRS	(74,483)		
			(211,488)
Capital assets used in governmental activities are not financial resources and are not reported in the funds.			19,950,604
Net position of governmental activities		\$	<u>22,477,264</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, 2023

	School Operating Fund	Special Revenue Funds			Other Governmental Funds	Total Governmental Funds
		Title I-A Basic	CRSSA- ESSER III	Distance Learning		
Revenues:						
Local sources:						
Charges for services	\$ -	-	-	-	118,922	118,922
Earnings on investment	3,323	-	-	-	1,230	4,553
E-Rate	1,295,222	-	-	-	-	1,295,222
Other	23,417	-	-	-	348,973	372,390
Intergovernmental:						
State of Alaska	4,552,932	-	-	-	34,776	4,587,708
Federal sources	3,674,284	651,009	1,089,275	9,791	1,026,691	6,451,050
Total revenues	9,549,178	651,009	1,089,275	9,791	1,530,592	12,829,845
Expenditures:						
Current:						
Instruction	2,576,538	614,856	516,781	-	291,696	3,999,871
Special education instruction	941,827	-	-	-	88,587	1,030,414
Special education - support services - students	-	-	83,020	-	-	83,020
Support services - students	59,888	-	20,712	-	9,110	89,710
Support services - instruction	1,685,689	-	135,038	59,125	40,026	1,919,878
School administration	182,058	-	117,008	-	7,098	306,164
School administration support services	121,198	-	-	-	-	121,198
District administration	610,169	-	102,374	-	22,059	734,602
District administration support services	473,046	36,153	68,492	-	33,066	610,757
Operations and maintenance of plant	1,338,007	-	43,848	-	1,021,023	2,402,878
Student activities	468,354	-	2,002	-	30,567	500,923
Student transportation - to and from school	-	-	-	-	848	848
Community services	-	-	-	-	266,029	266,029
Food services	-	-	-	-	681,407	681,407
Total expenditures	8,456,774	651,009	1,089,275	59,125	2,491,516	12,747,699
Excess (deficiency) of revenues over expenditures	1,092,404	-	-	(49,334)	(960,924)	82,146
Other financing sources (uses):						
Transfers in	-	-	-	49,334	705,370	754,704
Transfers out	(749,334)	-	-	-	(5,370)	(754,704)
Net other financing sources (uses)	(749,334)	-	-	49,334	700,000	-
Net change in fund balances	343,070	-	-	-	(260,924)	82,146
Fund balances, beginning of year	3,861,414	-	-	-	693,522	4,554,936
Fund balances, end of year	\$ 4,204,484	-	-	-	432,598	4,637,082

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, 2023

Net change in fund balance - total government funds	\$	82,146
---	----	--------

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 liability/assets:

PERS	(1,467,198)	
TRS	<u>(842,085)</u>	(2,309,283)

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	1,908,331	
TRS	<u>1,025,146</u>	2,933,477

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	19,026	
Depreciation expense	<u>(688,562)</u>	<u>(669,536)</u>

Change in net position of governmental activities	\$	<u><u>36,804</u></u>
---	----	----------------------

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, 2023

Assets

Due from School Operating Fund	\$ <u>80,476</u>
--------------------------------	------------------

Liabilities and Fund Balances

Liabilities	-
Fiduciary net position - held for student groups	<u>80,476</u>
Total liabilities and fund balances	\$ <u>80,476</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, 2023

Additions -		
Contributions	\$	112,364
Deductions -		
Student activities		<u>28,612</u>
Change in net position		83,752
Net position, beginning of the year		<u>(3,276)</u>
Net position end of the year	\$	<u><u>80,476</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, 2023

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

The District reports the following major governmental funds:

The *School Operating Fund* is the District's primary operating fund. Major revenue sources include 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 *Distance Learning Special Revenue Fund* supports rural utility services to provide internet access for remote locations.

The *CRSSA - ESSER III Special Revenue Fund* is a COVID-19 relief funding to the District.

The *Title I-A Basic Special Revenue Fund* provides financial assistance to districts with high percentages of low-income families.

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.

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.

KASHUNAMIUT SCHOOL DISTRICT

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.

Notes to Basic Financial Statements, Continued

10. Net Position

Government-wide net position is divided into three components:

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

11. Fund Balance

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

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

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

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

Assigned Fund Balance – amounts intended to be used by the School District for specific purposes: intent can be expressed by the Board or by the Superintendent or designee. Such constraint is binding unless modified or eliminated by the Board or Superintendent. In governmental funds other than the 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.

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.

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, 2023 for the District's individual major funds and other governmental funds are as follows:

	Title I-A Basic Special Revenue Fund	CRSSA - ESSER III Special Revenue Fund	Distance Learning Special Revenue Fund	Other Governmental Funds	Total
Grants	\$ 211,843	460,547	279,514	153,959	1,105,863

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, 2023, 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
School Operating Fund	Title I-A Basic Special Revenue Fund	\$ 211,843
School Operating Fund	CRSSA - ESSER III Special Revenue Fund	460,547
School Operating Fund	Distance Learning Special Revenue Fund	279,514
School Operating Fund	Other Governmental Funds	168,434
Other Governmental Funds	School Operating Fund	599,004
		\$ 1,719,347

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

Transfers Out	Transfers In	Amount
School Operating Fund	Other Governmental Funds	\$ 700,000
School Operating Fund	Distance Learning Special Revenue Fund	49,334
Other Governmental Funds	Other Governmental Funds	5,370
		<u>\$ 754,704</u>

E. Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated -				
Construction in progress	\$ 12,696	13,194	-	25,890
Capital assets, being depreciated:				
Buildings	\$ 32,217,075	-	-	32,217,075
Equipment	1,643,213	5,832	-	1,649,045
Total capital assets being depreciated	33,860,288	5,832	-	33,866,120
Less:				
Accumulated depreciation:				
Buildings	(11,952,324)	(621,367)	-	(13,573,691)
Equipment	(1,300,520)	(67,195)	-	(1,367,715)
Total	(13,252,844)	(688,562)	-	(13,941,406)
Total net governmental activities capital assets	\$ 20,620,140	(699,536)	-	19,950,604

Depreciation expense was charged to the governmental activities as follows:

Instruction	\$ 514,054
District administration support services	12,857
Operations and maintenance of plant	132,915
Student activities	2,310
Community services	10,883
Food services	15,544
Total depreciation expense per function – governmental	<u>\$ 688,562</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

F. Fund Balances

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

	General Fund	Other Governmental Funds	Totals
Non-spendable:			
Inventory	\$ 512,330	-	512,330
Prepaid Items - Teacher Housing			
Special Revenue Fund	-	2,265	2,265
	<u>512,330</u>	<u>2,265</u>	<u>514,595</u>
Restricted -			
Scholarships	-	26,005	26,005
Assigned:			
Pupil Transportation	-	16,130	16,130
Food Service	-	102,933	102,933
AK Public Broadcasting	-	28,315	28,315
KCUK Fundraising	-	6,288	6,288
Teacher Housing	-	3,234	3,234
Employee Scholarship	-	4,076	4,076
District Office Construction	-	208,147	208,147
Impact Aid Construction	-	35,205	35,205
	<u>-</u>	<u>404,328</u>	<u>404,328</u>
Unassigned	3,692,154	-	3,692,154
Total fund balances	\$ <u>4,204,484</u>	<u>432,598</u>	<u>4,637,082</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. 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 Teacher's 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	Cost-sharing, Defined Benefit OPEB
Alaska Retiree Healthcare Trust Plan	Cost-sharing, Defined Benefit OPEB
Retiree Medical Plan	Cost-sharing, Defined Benefit OPEB
Defined Contribution Other Postemployment Benefits (DC):	
Healthcare Reimbursement Arrangement Plan	Defined Contribution OPEB

Other Postemployment Benefit Plans (OPEB)*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, 2022, employer contributions were 6.46% for PERS and 6.50% for TRS.

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, 2022, the employer contribution rates were 0.31% for PERS and 0.08% for TRS.

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, 2022, employer contributions were 1.07% for PERS and 0.83% for TRS.

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.

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, 2022 for PERS and TRS for the DB Pension Plans were 6.00% and 5.91%, the ARHCT Plans were 6.03% and 6.04%, the ODD Plans were 6.30% and 6.21%, and the RMP were 6.28% and 6.21%, respectively.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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 (rates shown below exclude an annual inflation component of 2.88%):

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Domestic Equity	6.51%
Global Equity (non-U.S.)	5.70%
Aggregate Bonds	0.31%
Real Assets	3.71%
Private Equity	9.61%
Cash Equivalents	(0.50)%

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.25%, which represents a decrease of 0.13% 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 4.09% as of June 30, 2022.

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

Employer Effective Rate: This is the actual employer pay-in rate. Under current legislation, these rates are 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.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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 7.25% discount rate.

Employer Contribution rates for the plan year ended 2022 (measurement period) are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	22.00%	24.79%	2.79%
OPEB	0.00%	0.00%	0.00%
Total PERS contribution rates	<u>22.00%</u>	<u>24.79%</u>	<u>2.79%</u>
TRS:			
Pension	12.56%	24.62%	12.06%
OPEB	0.00%	0.00%	0.00%
Total TRS contribution rates	<u>12.56%</u>	<u>24.62%</u>	<u>12.06%</u>

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 and TRS Administrator. For the plan year ended June 30, 2022 (measurement period) the past service rate for PERS and TRS is 16.01%.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2022 (latest available) were determined by an actuarial valuation as of June 30, 2021 which was rolled forward to the measurement date June 30, 2022. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017.

Inflation	2.50% per year.
Salary Increases	Increases range from 2.85% to 7.00% based on service.
Investment return / discount rate	7.25%, net of expenses based on average inflation of 2.50% and a real return of 4.75%.
Mortality	Based upon 2017 - 2021 actual experience study and applicable tables contained in Pub-210, projected with MP-2021 generational improvement.
Healthcare cost trend rates	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Rx/EGWP: 7.5% grading down to 4.5%. Ultimate trend rates reached in FY2050.

The actuarial assumptions used in the June 30, 2021 actuarial valuation are the same as those used in the June 30, 2020 valuation with the following exceptions related to the ARHCT plan:

1. Per capita claims costs were updated to reflect recent experience.
2. Normal cost for administrative expenses were updated to reflect recent two years of actual administrative expenses paid from plan assets.

The changes of assumptions from the latest experience study significantly reduced deferred inflows of resources attributable to the District, as well as a net 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 Employees' 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>.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Currently there are 150 employers participating in PERS defined benefit plan and 151 participating in PERS defined contribution and OPEB plans.

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. The plan has two types of postretirement pension adjustments (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients, when the cost of living increases in the previous calendar year. The discretionary PRPA may be granted to eligible recipients by the DB Plan's administrator if the funding ratio of the DB Plan meets or exceeds 105%. If both an automatic and discretionary PRPA are granted, the retiree is eligible for both adjustments, the one that provides the retiree with the greatest benefit will be paid.

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

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Employee Contribution Rate. PERS active members are required to contribute 6.75%, 7.5% for peace officers and firefighters, and 9.6% for certain school district employees.

Employer contributions for the year ended June 30, 2023, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 334,826	22,047	356,873

Public Employees' Retirement Plans

For the year ended June 30, 2023 the State of Alaska contributed \$64,260 (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, 2023 to a total of \$(71,466) 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, 2023, 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	\$ 3,696,889
State's proportionate share of the net pension liability	1,022,761
Total	\$ 4,719,650
	OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (1,417,720)
State's proportionate share of the ARHCT OPEB liability (asset)	(407,068)
Total	\$ (1,824,788)
District's proportionate share of the ODD OPEB liability (asset)	\$ (36,155)
District's proportionate share of the RMP OPEB liability (asset)	\$ (33,940)
Total District's share of net pension and OPEB liabilities and assets	\$ 2,209,074

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2024 through FY2039, as determined by projections based on the June 30, 2021 valuation.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

	June 30, 2022 Measurement	June 30, 2021 Measurement	Change
Pension	0.0725%	0.0720%	0.0005%
OPEB:			
ARHCT	0.0721%	0.0723%	(0.0002%)
ODD	0.0825%	0.0618%	0.0207%
RMP	0.0977%	0.0727%	0.0250%

Based on the measurement date of June 30, 2022, the District recognized pension and OPEB expense of \$475,071 and (\$617,582), respectively, for the year ended June 30, 2023, 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	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	105,695	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	334,826	-
Total	\$ 440,521	-
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	10,035
Changes of assumptions	-	65,061
Net difference between projected and actual earnings on OPEB plan investments	80,432	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,897	-
District contributions subsequent to the measurement date	-	-
Total	\$ 84,329	75,096

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	\$ -	11,861
Changes of assumptions	-	230
Net difference between projected and actual earnings on OPEB plan investments	1,224	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,958	6,654
District contributions subsequent to the measurement date	4,724	-
Total	\$ <u>7,906</u>	<u>18,745</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,682	1,334
Changes of assumptions	6,572	40,696
Net difference between projected and actual earnings on OPEB plan investments	4,841	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,908	1,134
District contributions subsequent to the measurement date	17,323	-
Total	\$ <u>33,326</u>	<u>43,164</u>

\$334,826 and \$22,047 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 and as an increase to the net pension and OPEB assets in the year ended June 30, 2023 (plan year), 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
2023	\$ (12,566)	(84,707)	(2,743)	(4,704)
2024	(32,208)	(28,208)	(2,804)	(4,939)
2025	(77,320)	(63,545)	(2,999)	(5,687)
2026	227,789	185,693	(1,472)	989
2027	-	-	(2,408)	(5,687)
Thereafter	-	-	(3,137)	(7,133)
Total	\$ <u>105,695</u>	<u>9,233</u>	<u>(15,563)</u>	<u>(27,161)</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2023, the District recognized \$166,759 and (\$5,061) 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 and assets of the plan calculated using the discount rate of 7.25%, as well as what the Plans' net pension and OPEB liabilities and assets would be if they were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 4,976,808	3,696,889	2,617,654
Net OPEB ARHCT liability (asset)	\$ (842,330)	(1,417,720)	(1,900,237)
Net OPEB ODD liability (asset)	\$ (34,058)	(36,155)	(37,796)
Net OPEB RMP liability (asset)	\$ 6,243	(33,940)	(64,584)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability and Assets to Changes in the Healthcare Cost Trend Rates: The following present the District's proportionate share of the net OPEB liability (asset), as well as what the District's proportionate share of the net OPEB liability (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)	\$ (1,956,999)	(1,417,720)	(773,718)
Net OPEB ODD liability (asset)	\$ N/A	(36,155)	N/A
Net OPEB RMP liability (asset)	\$ (68,792)	(33,940)	13,002

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

Plan Description and Funding Requirements. 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 6.75% 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): 1.07% for the retiree medical plan (DB), 0.31% for occupational and death and disability benefits (DB) and 3.00% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is capped at 22% with anything in excess of the previously listed rates being contributed to the Defined Benefit Unfunded Liability (DBUL).

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 District contributed \$162,265 for the year ended June 30, 2023, which included forfeitures of \$2,645 which have been applied as employer contributions.

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

Plan Description. The District participates in the Alaska Teachers' Retirement System (TRS), a cost sharing multiple-employer defined benefit plan. Currently, there are 56 employers participating in TRS, including 52 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>.

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

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

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Employer contributions for the year ended June 30, 2023, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	<u>63,194</u>	<u>13,906</u>	<u>77,100</u>

Teachers' Retirement Plans

For the year ended June 30, 2023 the State of Alaska contributed \$182,205 (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, 2023 to a total of (\$68,520) 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, 2023, 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	\$	<u>1,132,744</u>
State's proportionate share of the net pension liability		<u>1,512,470</u>
Total	\$	<u>2,645,214</u>
		OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$	<u>(606,522)</u>
State's proportionate share of the ARHCT OPEB liability (asset)		<u>(783,491)</u>
Total	\$	<u>(1,390,013)</u>
District's proportionate share of the ODD OPEB liability (asset)	\$	<u>(14,960)</u>
District's proportionate share of the RMP OPEB liability (asset)	\$	<u>(47,951)</u>
Total District's share of net pension and OPEB liabilities and assets	\$	<u>463,311</u>

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2024 through FY2039, as determined by projections based on the June 30, 2021 valuation.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

	June 30, 2022 Measurement	June 30, 2021 Measurement	Change
Pension	0.0680%	0.0742%	(0.0063%)
OPEB:			
ARHCT	0.0692%	0.0773%	(0.0081%)
ODD	0.2477%	0.2704%	(0.0227%)
RMP	0.2476%	0.2699%	(0.0223%)

Based on the measurement date of June 30, 2022, the District recognized pension and OPEB expense of \$149,067 and (\$327,869), respectively, for the year ended June 30, 2023, 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	\$ -	3,686
Changes of assumptions	9,520	-
Net difference between projected and actual earnings on pension plan investments	50,016	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	17,003
District contributions subsequent to the measurement date	63,194	-
Total	\$ 122,730	20,689
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	2,149
Changes of assumptions	-	13,747
Net difference between projected and actual earnings on OPEB plan investments	31,387	-
Changes in proportion and differences between District contributions and proportionate share of contributions	11,518	-
District contributions subsequent to the measurement date	-	-
Total	\$ 42,905	15,896

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	\$ -	2,316
Changes of assumptions	-	40
Net difference between projected and actual earnings on OPEB plan investments	356	-
Changes in proportion and differences between District contributions and proportionate share of contributions	5,948	2,091
District contributions subsequent to the measurement date	1,171	-
Total	<u>\$ 7,475</u>	<u>4,447</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,163	2,263
Changes of assumptions	2,836	28,499
Net difference between projected and actual earnings on OPEB plan investments	3,702	-
Changes in proportion and differences between District contributions and proportionate share of contributions	6,823	2,689
District contributions subsequent to the measurement date	12,735	-
Total	<u>\$ 34,259</u>	<u>33,451</u>

\$63,194 and \$13,906 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 and as an increase to the net pension and OPEB assets in the year ended June 30, 2023 (plan year), 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
2023	\$ (18,789)	(8,771)	319	(2,207)
2024	(18,691)	(9,739)	294	(2,434)
2025	(43,406)	(22,558)	226	(3,111)
2026	119,733	68,081	772	2,400
2027	-	-	239	(2,327)
Thereafter	-	-	7	(4,248)
Total	<u>\$ 38,847</u>	<u>27,009</u>	<u>1,857</u>	<u>(11,927)</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2023, the District recognized (\$60,048) and \$5,115 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 and assets of the plan calculated using the discount rate of 7.25%, as well as what the Plans' net pension and OPEB liabilities and assets would be if they were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 1,694,254	1,132,744	659,067
Net OPEB ARHCT liability (asset)	\$ (395,742)	(606,522)	(782,319)
Net OPEB ODD liability (asset)	\$ (15,007)	(14,960)	(14,935)
Net OPEB RMP liability (asset)	\$ (16,929)	(47,951)	(71,260)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability and Assets to Changes in the Healthcare Cost Trend Rates: The following present the District's proportionate share of the net OPEB liability (asset), as well as what the District's proportionate share of the net OPEB liability (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)	\$ (802,383)	(606,522)	(371,091)
Net OPEB ODD liability (asset)	\$ N/A	(14,960)	N/A
Net OPEB RMP liability (asset)	\$ (74,190)	(47,951)	(12,185)

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

Plan Description and Funding Requirements. 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 8.65% of their base salaries. State statutes require the employer to contribute 7.00% of employees' eligible compensation. Additionally, employers are required to contribute to other post-employment benefits (DB): 0.83% for the retiree medical plan, 0.08% for occupational death and disability, and 3.00% 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.

Members become vested in employers' contributions as follows:

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The District contributed \$142,379 for the year ended June 30, 2023, which included forfeitures of (\$25,987) which have been applied as employer 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. 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.

E. Subsequent Accounting Pronouncements

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

- GASB 100 *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. Effective for fiscal years beginning after June 15, 2023. Multiple effective dates.
- GASB 101 *Compensated Absences*. Effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

GASB Statement No. 101 unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

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, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Local sources:	\$			
Earnings on investment	1,000	1,000	3,323	2,323
E-rate	1,317,482	1,317,482	1,295,222	(22,260)
Other	6,000	35,000	23,417	(11,583)
Intergovernmental:				
State of Alaska	4,747,768	4,532,526	4,552,932	20,406
Federal sources	3,295,427	3,333,133	3,674,284	341,151
Total revenues	<u>9,367,677</u>	<u>9,219,141</u>	<u>9,549,178</u>	<u>330,037</u>
Expenditures:				
Current:				
Instruction	2,328,119	2,373,119	2,576,538	(203,419)
Special education instruction	735,110	868,517	941,827	(73,310)
Special education support services - students	61,150	1,150	-	1,150
Support services - students	407,293	58,567	59,888	(1,321)
Support services - instruction	1,726,729	1,666,729	1,685,689	(18,960)
School administration	156,904	161,863	182,058	(20,195)
School administration support services	101,221	147,006	121,198	25,808
District administration	533,759	526,067	610,169	(84,102)
District administration support services	334,611	461,167	473,046	(11,879)
Operations and maintenance of plant	1,887,304	1,769,360	1,338,007	431,353
Student activities	348,480	388,599	468,354	(79,755)
Total expenditures	<u>8,620,680</u>	<u>8,422,144</u>	<u>8,456,774</u>	<u>(34,630)</u>
Excess of revenues over expenditures	<u>746,997</u>	<u>796,997</u>	<u>1,092,404</u>	<u>295,407</u>
Other financing sources (uses):				
Transfers out	<u>650,000</u>	<u>(797,000)</u>	<u>(749,334)</u>	<u>47,666</u>
Net change in fund balance	<u>\$ 1,396,997</u>	<u>(3)</u>	<u>343,070</u>	<u>343,073</u>
Fund balance, beginning of year			<u>3,861,414</u>	
Fund balance, end of year			<u>\$ 4,204,484</u>	

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

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

Year Ended June 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 808,982	808,982	651,009	(157,973)
Expenditures:				
Current:				
Instruction	764,056	764,056	614,856	149,200
District administration support services	44,926	44,926	36,153	8,773
Total expenditures	808,982	808,982	651,009	157,973
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 Revenues, Expenditures, and Changes in Fund Balance -
Original and Final Budget and Actual - CRSSA - ESSER III Special Revenue Fund

Year Ended June 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -				
Federal sources passed	\$ 1,089,580	1,089,580	1,089,275	(305)
through the State of Alaska				
Expenditures:				
Current:				
Instruction	83,525	83,525	516,781	(433,256)
Special education - support services - students	-	-	83,020	(83,020)
Support services - students	7,500	7,500	20,712	(13,212)
Support services - instruction	186,826	186,826	135,038	51,788
School administration	140,000	140,000	117,008	22,992
District administration	60,000	60,000	102,374	(42,374)
District administration - support services	146,059	146,059	68,492	77,567
Operations and maintenance of plant	434,589	434,589	43,848	390,741
Student activities	31,081	31,081	2,002	29,079
Total expenditures	1,089,580	1,089,580	1,089,275	305
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 Revenues, Expenditures, and Changes in Fund Balance -
Original and Final Budget and Actual - Distance Learning Special Revenue Fund

Year Ended June 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - federal sources - direct	\$ 52,543	52,543	9,791	(42,752)
Expenditures:				
Current:				
Support services - instruction	52,543	52,543	59,125	(6,582)
Excess (deficiency) of revenues over expenditures	\$ -	-	(49,334)	(49,334)
Other financing sources - transfers in - School Operating Fund	-	-	49,334	49,334
Net change in fund balance	\$		-	-
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2023

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	\$ 1,606,479	\$ 3,314,669	\$ 1,975,177	86.48%	62.37%
2016	0.0644%	\$ 3,122,644	\$ 837,874	\$ 3,960,518	\$ 1,722,745	181.26%	63.96%
2017	0.0688%	\$ 3,847,718	\$ 487,488	\$ 4,335,206	\$ 1,593,223	241.51%	59.55%
2018	0.0552%	\$ 2,854,559	\$ 1,060,183	\$ 3,914,742	\$ 1,556,255	183.42%	63.37%
2019	0.0521%	\$ 2,590,865	\$ 750,429	\$ 3,341,294	\$ 1,468,545	176.42%	65.19%
2020	0.0498%	\$ 2,723,379	\$ 1,080,503	\$ 3,803,882	\$ 1,420,527	191.72%	63.42%
2021	0.0478%	\$ 2,812,862	\$ 1,164,350	\$ 3,977,212	\$ 1,736,400	161.99%	61.61%
2022	0.0720%	\$ 2,642,591	\$ 356,813	\$ 2,999,404	\$ 2,007,650	131.63%	76.46%
2023	0.0725%	\$ 3,696,889	\$ 1,022,761	\$ 4,719,650	\$ 2,404,855	153.73%	67.97%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2023

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%
2022	0.0723%	\$ (1,853,959)	\$ (238,768)	\$ (2,092,727)	\$ 2,007,650	-92.34%	135.54%
2023	0.0721%	\$ (1,417,720)	\$ (407,068)	\$ (1,824,788)	\$ 2,404,855	-58.95%	128.51%
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%
2022	0.0618%	\$ (27,231)	\$ -	\$ (27,231)	\$ 2,007,650	-1.36%	374.22%
2023	0.0825%	\$ (36,155)	\$ -	\$ (36,155)	\$ 2,404,855	-1.50%	348.80%
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%
2022	0.0727%	\$ (19,525)	\$ -	\$ (19,525)	\$ 503,577	-3.88%	115.10%
2023	0.0977%	\$ (33,940)	\$ -	\$ (33,940)	\$ 682,614	-4.97%	120.08%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT
Schedule of District's Contributions (Pensions)
Public Employees' Retirement System (PERS)
June 30, 2023

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%
2022	\$ 296,510	\$ (296,510)	\$ -	\$ 2,404,855	12.33%
2023	\$ 335,354	\$ (334,826)	\$ 528	\$ 2,374,141	14.13%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2023

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%
2022	\$ 58,868	\$ (58,868)	\$ -	\$ 2,404,855	2.45%
2023	\$ -	\$ -	\$ -	\$ 2,374,141	0.00%
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%
2022	\$ 4,584	\$ (4,584)	\$ -	\$ 2,404,855	0.19%
2023	\$ 4,724	\$ (4,724)	\$ -	\$ 2,374,141	0.20%
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%
2022	\$ 15,820	\$ (15,820)	\$ -	\$ 682,614	2.32%
2023	\$ 17,323	\$ (17,323)	\$ -	\$ 737,568	2.35%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2023

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	\$ 1,587,409	\$ 2,499,207	\$ 1,329,546	68.58%	72.81%
2022	0.0742%	\$ 590,862	\$ 502,485	\$ 1,093,347	\$ 1,433,033	41.23%	89.43%
2023	0.0680%	\$ 1,132,744	\$ 1,512,470	\$ 2,645,214	\$ 1,428,439	79.30%	78.33%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2023

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%
2022	0.0447%	\$ (898,953)	\$ (703,192)	\$ (1,602,145)	\$ 1,433,033	-62.73%	145.41%
2023	0.0692%	\$ (606,522)	\$ (783,491)	\$ (1,390,013)	\$ 1,428,439	-42.46%	134.84%
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%	\$ (9,568)	\$ -	\$ (9,568)	\$ 1,329,546	-0.72%	931.08%
2022	0.2669%	\$ (16,482)	\$ -	\$ (16,482)	\$ 1,433,033	-1.15%	1254.36%
2023	0.2477%	\$ (14,960)	\$ -	\$ (14,960)	\$ 1,428,439	-1.05%	1268.28%
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%
2022	0.2704%	\$ (54,201)	\$ -	\$ (54,201)	\$ 950,104	-5.70%	142.54%
2023	0.2476%	\$ (47,951)	\$ -	\$ (47,951)	\$ 961,139	-4.99%	140.73%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT
Schedule of District's Contributions (Pensions)
Teachers' Retirement System (TRS)
June 30, 2023

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%
2022	\$ 39,884	\$ (36,772)	\$ 3,112	\$ 1,428,439	2.79%
2023	\$ 49,694	\$ (63,194)	\$ (13,500)	\$ 1,755,629	2.83%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2023

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%
2022	\$ 10,957	\$ (10,957)	\$ -	\$ 1,428,439	0.77%
2023	\$ -	\$ -	\$ -	\$ 1,755,629	0.00%
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%
2022	\$ 964	\$ (964)	\$ -	\$ 1,428,439	0.07%
2023	\$ 1,171	\$ (1,171)	\$ -	\$ 1,755,629	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%
2022	\$ 10,000	\$ (10,000)	\$ -	\$ 961,139	1.04%
2023	\$ 12,735	\$ (12,735)	\$ -	\$ 1,133,591	1.12%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Required Supplementary Information

June 30, 2023

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 with the exception of certain federal funding.

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
Instruction	\$ 203,419
Special education instruction	73,310
Support services – students	1,321
Support services – instruction	18,960
School administration	20,195
District administration	84,102
District administration support services	11,879
Student activities	79,755

The following functions had expenditures in excess of appropriations in the CRSSA - ESSER III Special Revenue Fund:

Instruction	\$ 433,256
Special Education - support services - students	83,020
Support services - students	13,212
District administration	42,374

The following functions had expenditures in excess of appropriations in the Distance Learning Special Revenue Fund:

Support services - instruction	\$ 6,582
--------------------------------	----------

Excess of expenditures over appropriations were funded through available revenues and fund balance or transfers in from available resources from other funds.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

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.

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 Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2020 to June 30, 2021

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2020 to June 30, 2021

Healthcare claim costs are updated annually. Retired member contributions were updated to reflect the 5% decrease from CY20 to CY21. The amounts included in the normal cost for administrative expenses were changed from \$7,223,000 to \$7,625,000 for pension, and from \$4,934,000 to \$5,531,000 for healthcare (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2020 to June 30, 2021

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

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2020 to June 30, 2021

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2020 to June 30, 2021

Healthcare claim costs are updated annually. The amounts included in the normal cost for administrative expenses were changed from \$1,000 to \$16,000 for occupational death and disability, and from \$20,000 to \$24,000 for retiree medical (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2020 to June 30, 2021

There have been no changes in benefit provisions valued since the prior valuation.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

The 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, 2021 which was rolled forward to June 30, 2022. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

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 Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2020 to June 30, 2021

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2020 to June 30, 2021

Healthcare claim costs are updated annually. The amounts included in the normal cost for administrative expenses were changed from \$3,003,000 to \$3,217,000 for pension, and from \$1,362,000 to \$1,604,000 for healthcare (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2020 to June 30, 2021

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

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plans

a) Changes in Methods Since the Prior Valuation – June 30, 2020 to June 30, 2021

There were no changes in the asset or valuation methods since the prior valuation.

b) Changes in Assumptions Since the Prior Valuation – June 30, 2020 to June 30, 2021

Healthcare claim costs are updated annually. The amounts included in the normal cost for administrative expenses were changed from \$0 to \$5,000 for occupational death and disability, and from \$8,000 to \$22,000 for retiree medical (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2020 to June 30, 2021

There have been no changes in benefit provisions valued since the prior valuation.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

The 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, 2021 which was rolled forward to June 30, 2022. 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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Earnings on investments	\$ 1,000	3,323	2,323
E-rate	1,317,482	1,295,222	(22,260)
Other	35,000	23,417	(11,583)
Total local sources	1,353,482	1,321,962	(31,520)
Intergovernmental:			
State of Alaska:			
Foundation program	4,047,951	4,047,951	-
TRS On-behalf payments	191,570	182,205	(9,365)
PERS On-behalf payments	34,985	64,260	29,275
Other	240,623	241,119	496
Quality schools	17,397	17,397	-
Total State of Alaska	4,532,526	4,552,932	20,406
Federal sources -			
Impact aid	3,333,133	3,674,284	341,151
Total revenues	9,219,141	9,549,178	330,037
Expenditures:			
Instruction:			
Certificated salaries	1,303,816	1,380,834	(77,018)
Non-certificated salaries	168,310	228,828	(60,518)
Employee benefits	721,180	772,790	(51,610)
Transportation allowance	20,000	23,000	(3,000)
Professional and technical services	-	7,739	(7,739)
Staff travel	15,000	16	14,984
Student travel	7,500	-	7,500
Utility services	2,500	-	2,500
Other purchased services	12,000	23,545	(11,545)
Supplies, materials and media	122,813	139,786	(16,973)
Total instruction	\$ 2,373,119	2,576,538	(203,419)

(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	\$ 133,502	144,767	(11,265)
Non-certificated salaries	337,615	396,941	(59,326)
Employee benefits	199,400	250,313	(50,913)
Transportation allowance	2,000	-	2,000
Professional and technical services	175,000	146,517	28,483
Travel	5,000	-	5,000
Supplies, material, and media	15,000	3,289	11,711
Other	1,000	-	1,000
Total special education instruction	868,517	941,827	(73,310)
Special education support services - students:			
Certificated salaries	1,000	-	1,000
Employee benefits	150	-	150
Total special education support services - students	1,150	-	1,150
Support services - students:			
Certificated salaries	7,500	16,865	(9,365)
Non-certificated salaries	23,649	22,476	1,173
Employee benefits	21,818	17,426	4,392
Professional and technical services	-	200	(200)
Staff travel	1,000	906	94
Utility services	100	-	100
Supplies, material, and media	2,500	2,015	485
Other purchased services	1,500	-	1,500
Other	500	-	500
Total support services - students	58,567	59,888	(1,321)
Support services - instruction:			
Certificated salaries	-	5,000	(5,000)
Non-certificated salaries	106,994	79,071	27,923
Employee benefits	40,215	32,708	7,507
Professional and technical services	25,000	24,908	92
Staff travel	2,500	3,529	(1,029)
Utility services	1,442,520	1,505,715	(63,195)
Other purchased services	25,000	3,442	21,558
Supplies, material, and media	20,000	28,951	(8,951)
Other	4,500	2,365	2,135
Total support services - instruction	1,666,729	1,685,689	(18,960)
School administration:			
Certificated salaries	107,386	107,386	-
Employee benefits	40,977	44,759	(3,782)
Transportation allowance	1,000	-	1,000
Professional and technical services	1,000	-	1,000
Staff travel	2,500	195	2,305
Utility services	500	-	500
Other purchased services	500	2,434	(1,934)
Supplies, material, and media	6,500	24,884	(18,384)
Other	1,500	2,400	(900)
Total school administration	\$ 161,863	182,058	(20,195)

(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	\$ -	67,704	(67,704)
Non-certificated salaries	89,617	-	89,617
Employee benefits	49,889	48,554	1,335
Supplies, material, and media	7,500	4,940	2,560
Total school administration support services	147,006	121,198	25,808
District administration:			
Certificated salaries	-	127,816	(127,816)
Non-certificated salaries	219,118	90,477	128,641
Employee benefits	150,724	154,557	(3,833)
Professional and technical services	55,000	101,448	(46,448)
Staff travel	50,000	80,278	(30,278)
Utility services	25,100	24,951	149
Other purchased services	-	320	(320)
Supplies, material, and media	5,250	18,387	(13,137)
Other	20,875	11,935	8,940
Total district administration	526,067	610,169	(84,102)
District administration support services:			
Non-certificated salaries	170,371	162,436	7,935
Employee benefits	35,562	73,873	(38,311)
Transportation allowance	1,000	750	250
Professional and technical services	197,000	194,421	2,579
Staff travel	6,000	6,311	(311)
Utility services	22,000	11,293	10,707
Other purchased services	24,000	10,441	13,559
Insurance and bond premiums	96,500	96,408	92
Supplies, material, and media	38,384	30,057	8,327
Other	30,000	16,481	13,519
Indirect cost recovery	(159,650)	(129,425)	(30,225)
Total district administration support services	461,167	473,046	(11,879)
Operations and maintenance of plant:			
Non-certificated salaries	547,546	455,392	92,154
Employee benefits	176,249	167,692	8,557
Professional and technical services	20,000	9,762	10,238
Staff travel	13,000	23,100	(10,100)
Student travel	-	5,760	(5,760)
Utility services	125,000	91,284	33,716
Energy	468,060	308,505	159,555
Other purchased services	120,000	41,738	78,262
Insurance and bond premiums	77,800	88,352	(10,552)
Supplies, material, and media	-	134,821	(134,821)
Other	151,705	11,601	140,104
Equipment	70,000	-	70,000
Total operations and maintenance of plant	\$ 1,769,360	1,338,007	431,353

(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	\$ 55,000	45,871	9,129
Non-certificated salaries	15,000	16,047	(1,047)
Employee benefits	7,800	17,739	(9,939)
Professional and technical services	12,000	15,187	(3,187)
Staff travel	24,000	24,395	(395)
Student travel	225,000	301,884	(76,884)
Other purchased services	6,600	6,767	(167)
Supplies, material, and media	22,000	35,557	(13,557)
Other	4,000	4,907	(907)
Equipment	17,199	-	17,199
Total student activities	<u>388,599</u>	<u>468,354</u>	<u>(79,755)</u>
Total expenditures	<u>8,422,144</u>	<u>8,456,774</u>	<u>(34,630)</u>
Excess of revenues over expenditures	<u>796,997</u>	<u>1,092,404</u>	<u>295,407</u>
Other financing sources (uses):			
Transfers out:			
Teacher Housing Special Revenue Fund	(550,000)	(550,000)	-
Food Service Special Revenue Fund	(150,000)	(150,000)	-
Distance Learning Special Revenue Fund	(97,000)	(49,334)	47,666
Total transfers out	<u>(797,000)</u>	<u>(749,334)</u>	<u>47,666</u>
Net change in fund balance	\$ <u>(3)</u>	343,070	<u>343,073</u>
Fund balance, beginning of year		<u>3,861,414</u>	
Fund balance, end of year		\$ <u>4,204,484</u>	

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 808,982	651,009	(157,973)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	100,651	115,198	(14,547)
Non-certificated salaries	211,213	182,574	28,639
Employee benefits	108,673	98,616	10,057
Professional and technical services	176,554	152,993	23,561
Staff travel	-	3,513	(3,513)
Student travel	26,500	27,112	(612)
Supplies, materials and media	140,465	34,850	105,615
Total instruction	764,056	614,856	149,200
District administration support services - Indirect cost	44,926	36,153	8,773
Total expenditures	808,982	651,009	157,973
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

CRSSA-ESSER III Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 1,089,580	1,089,275	(305)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	-	171,436	(171,436)
Non-certificated salaries	-	97,430	(97,430)
Employee benefits	-	70,924	(70,924)
Professional and technical services	58,525	22,109	36,416
Staff travel	25,000	12,422	12,578
Student travel	-	110,300	(110,300)
Supplies, materials and media	-	32,160	(32,160)
Total instruction	83,525	516,781	(433,256)
Special education support services - students - Professional and technical services	-	83,020	(83,020)
Support services - students:			
Certificated salaries	-	3,690	(3,690)
Employee benefits	-	2,367	(2,367)
Professional and technical services	-	540	(540)
Staff travel	7,500	11,194	(3,694)
Student travel	-	2,921	(2,921)
Total support services - students:	7,500	20,712	(13,212)
Support services - instruction:			
Certificated salaries	70,000	-	70,000
Employee benefits	27,826	5,653	22,173
Professional and technical services	70,000	116,142	(46,142)
Staff travel	-	8,817	(8,817)
Utility services	18,000	4,395	13,605
Other purchased services	1,000	31	969
Total support services - instruction	186,826	135,038	51,788
School administration:			
Non-certificated salaries	70,000	49,031	20,969
Employee benefits	20,000	15,541	4,459
Professional and technical services	50,000	52,436	(2,436)
Total school administration	\$ 140,000	117,008	22,992

(continued)

KASHUNAMIUT SCHOOL DISTRICT

CRSSA-ESSER III Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
District administration -			
Professional and technical services	\$ 60,000	102,374	(42,374)
District administration support services:			
Professional and technical services	-	8,000	(8,000)
Indirect costs	146,059	60,492	85,567
Total district administration support services	146,059	68,492	77,567
Operations and maintenance of plant:			
Non-certificated salaries	59,265	25,271	33,994
Employee benefits	15,000	18,577	(3,577)
Other purchased services	4,045	-	4,045
Other expenses	356,279	-	356,279
Total operations and maintenance of plant	434,589	43,848	390,741
Student activities:			
Supplies, materials and media	-	2,002	(2,002)
Equipment	31,081	-	31,081
Total student activities	31,081	2,002	29,079
Total expenditures	1,089,580	1,089,275	305
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Distance Learning Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - federal sources - direct	\$ 52,543	9,791	(42,752)
Expenditures:			
Current:			
Support services - instruction - Supplies, materials, and media	52,543	59,125	(6,582)
Excess (deficiency) of revenues over expenditures	-	(49,334)	49,334
Other financing sources - transfers in - School Operating Fund	-	49,334	(49,334)
Net change in fund balance	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2023

Special Revenue Funds

<u>Assets</u>	<u>Pupil Transportation</u>	<u>Fresh Fruit and Vegetables</u>	<u>Carrs Safeway</u>	<u>No Hungry Kids</u>	<u>Title VI-B</u>	<u>Title I-C Migrant Book</u>	<u>Title I-C Migrant Education</u>
Cash and cash equivalents	\$ -	-	-	-	-	-	-
Accounts receivable	-	4,193	-	-	23,347	5,740	9,122
Due from School Operating Fund	16,130	-	1,697	3,002	-	-	-
Prepaid items	-	-	-	-	-	-	-
	<u>\$ 16,130</u>	<u>4,193</u>	<u>1,697</u>	<u>3,002</u>	<u>23,347</u>	<u>5,740</u>	<u>9,122</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Due to School Operating Fund	-	4,193	-	-	23,347	5,740	9,122
Unearned revenue	-	-	1,697	3,002	-	-	-
Total liabilities	<u>-</u>	<u>4,193</u>	<u>1,697</u>	<u>3,002</u>	<u>23,347</u>	<u>5,740</u>	<u>9,122</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted - scholarships	-	-	-	-	-	-	-
Assigned	16,130	-	-	-	-	-	-
Total fund balances	<u>16,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 16,130</u>	<u>4,193</u>	<u>1,697</u>	<u>3,002</u>	<u>23,347</u>	<u>5,740</u>	<u>9,122</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

		Special Revenue Funds						
<u>Assets</u>		Carl Perkins	Food Service	CRSSA - ESSER II	AK Public Broadcasting	KCUK Fundraising	Johnson O'Malley	Teacher Housing
Cash and cash equivalents	\$	-	-	-	-	-	-	-
Accounts receivable		26,767	30,933	53,857	-	-	-	-
Due from School Operating Fund		-	72,000	-	28,969	6,288	86,132	3,234
Prepaid items		-	-	-	-	-	-	2,265
	\$	<u>26,767</u>	<u>102,933</u>	<u>53,857</u>	<u>28,969</u>	<u>6,288</u>	<u>86,132</u>	<u>5,499</u>
 <u>Liabilities and Fund Balances</u>								
Liabilities:								
Due to School Operating Fund		26,767	-	53,857	654	-	-	-
Unearned revenue		-	-	-	-	-	86,132	-
Total liabilities		<u>26,767</u>	<u>-</u>	<u>53,857</u>	<u>654</u>	<u>-</u>	<u>86,132</u>	<u>-</u>
Fund balances:								
Non-spendable		-	-	-	-	-	-	2,265
Restricted - scholarships		-	-	-	-	-	-	-
Assigned		-	102,933	-	28,315	6,288	-	3,234
Total fund balances		<u>-</u>	<u>102,933</u>	<u>-</u>	<u>28,315</u>	<u>6,288</u>	<u>-</u>	<u>5,499</u>
	\$	<u>26,767</u>	<u>102,933</u>	<u>53,857</u>	<u>28,969</u>	<u>6,288</u>	<u>86,132</u>	<u>5,499</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

<u>Assets</u>	<u>Special Revenue Funds</u>		<u>Total Special Revenue Funds</u>	<u>Permanent Fund</u>	<u>Capital Project Funds</u>			<u>Total Other Governmental Funds</u>
	<u>CPB Operating</u>	<u>Employee Scholarship</u>		<u>B.A. Weinberg Scholarship</u>	<u>District Office Construction</u>	<u>Impact Aid Construction</u>	<u>Rasmusson</u>	
Cash and cash equivalents	\$ -	-	-	70,764	-	-	-	70,764
Accounts receivable	-	-	153,959	-	-	-	-	153,959
Due from School Operating Fund	130,594	4,076	352,122	-	208,147	35,205	3,530	599,004
Prepaid items	-	-	2,265	-	-	-	-	2,265
	<u>\$ 130,594</u>	<u>4,076</u>	<u>508,346</u>	<u>70,764</u>	<u>208,147</u>	<u>35,205</u>	<u>3,530</u>	<u>825,992</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Due to School Operating Fund	-	-	123,680	44,759	-	-	-	168,439
Unearned revenue	130,594	-	221,425	-	-	-	3,530	224,955
Total liabilities	<u>130,594</u>	<u>-</u>	<u>345,105</u>	<u>44,759</u>	<u>-</u>	<u>-</u>	<u>3,530</u>	<u>393,394</u>
Fund balances:								
Non-spendable	-	-	2,265	-	-	-	-	2,265
Restricted - scholarships	-	-	-	26,005	-	-	-	26,005
Assigned	-	4,076	160,976	-	208,147	35,205	-	404,328
Total fund balances	<u>-</u>	<u>4,076</u>	<u>163,241</u>	<u>26,005</u>	<u>208,147</u>	<u>35,205</u>	<u>-</u>	<u>432,598</u>
	<u>\$ 130,594</u>	<u>4,076</u>	<u>508,346</u>	<u>70,764</u>	<u>208,147</u>	<u>35,205</u>	<u>3,530</u>	<u>825,992</u>

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Year Ended June 30, 2023

	Special Revenue Funds					
	Broadband Assistance Grant	Pupil Transportation	Early Learning Moore Expansion	Fresh Fruit and Vegetables	Title I-A School Improvement	Title VI-B
Revenues:						
Local sources:						
Charges for services	\$ -	-	-	-	-	-
Earnings on investment	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
State of Alaska	22,981	1,555	10,240	-	-	-
Federal sources:						
Passed through	-	-	-	9,889	13,647	78,669
Direct	-	-	-	-	-	-
Total revenues	<u>22,981</u>	<u>1,555</u>	<u>10,240</u>	<u>9,889</u>	<u>13,647</u>	<u>78,669</u>
Expenditures:						
Instruction	-	-	10,240	-	1,551	-
Special education instruction	-	-	-	-	11,338	74,300
Support services - students	-	-	-	-	-	-
Support services - instruction	22,981	-	-	-	-	-
School administration	-	-	-	-	-	-
District administration	-	-	-	-	-	-
District administration support services	-	-	-	-	758	4,369
Operations and maintenance of plant	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Student transportation - to and from school	-	848	-	-	-	-
Community services	-	-	-	-	-	-
Food services	-	-	-	9,889	-	-
Total expenditures	<u>22,981</u>	<u>848</u>	<u>10,240</u>	<u>9,889</u>	<u>13,647</u>	<u>78,669</u>
Excess (deficiency) of revenues over expenditures	-	707	-	-	-	-
Other financing sources -						
Transfers in (out)						
Alaska Public Broadcasting Special Revenue Fund	-	-	-	-	-	-
School Operating Fund	-	-	-	-	-	-
CPB Emergency Relief Special Revenue Fund	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	707	-	-	-	-
Fund balances, beginning of year	-	15,423	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>16,130</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	CRSSA - ESSER II	AK Public Broadcasting
Revenues:						
Local sources:						
Charges for services	-	-	-	3,509	-	-
Earnings on investment	-	-	-	-	-	-
Other	-	-	-	-	-	99,415
Intergovernmental:						
State of Alaska	-	-	-	-	-	-
Federal sources:						
Passed through	5,740	9,532	29,125	402,713	236,349	-
Direct	-	-	-	-	-	-
Total revenues	<u>5,740</u>	<u>9,532</u>	<u>29,125</u>	<u>406,222</u>	<u>236,349</u>	<u>99,415</u>
Expenditures:						
Instruction	5,421	9,003	27,738	-	45,558	-
Special education - instruction	-	-	-	-	2,817	-
Support services - students	-	-	-	-	1,635	-
Support services - instruction	-	-	-	-	11,702	-
School administration	-	-	-	-	7,098	-
District administration	-	-	-	-	22,059	-
District administration - support services	319	529	1,387	-	13,412	-
Operations and maintenance of plant	-	-	-	-	132,068	-
Student activities	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-
Community services	-	-	-	-	-	11,537
Food services	-	-	-	671,518	-	-
Total expenditures	<u>5,740</u>	<u>9,532</u>	<u>29,125</u>	<u>671,518</u>	<u>236,349</u>	<u>11,537</u>
Excess (deficiency) of revenues over expenditures	-	-	-	(265,296)	-	87,878
Other financing sources -						
Transfers in (out)						
Alaska Public Broadcasting Special Revenue Fund	-	-	-	-	-	-
School Operating Fund	-	-	-	150,000	-	-
CPB Emergency Relief Special Revenue Fund	-	-	-	-	-	(5,370)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>(5,370)</u>
Net change in fund balances	-	-	-	(115,296)	-	82,508
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,229</u>	<u>-</u>	<u>(54,193)</u>
Fund balances, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,933</u>	<u>-</u>	<u>28,315</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds						
	KCUK Fundraising	Indian Education	REAP	Johnson O'Malley	Teacher Housing	CPB Emergency Relief	CPB Operating
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	-	115,413	-	-
Earnings on investment	-	-	-	-	-	-	-
Other	-	-	-	-	5,225	20,280	198,068
Intergovernmental:							
State of Alaska	-	-	-	-	-	-	-
Federal sources:							
Passed through	-	-	-	-	-	-	-
Direct	-	131,032	9,514	100,481	-	-	-
Total revenues	-	131,032	9,514	100,481	120,638	20,280	198,068
Expenditures:							
Instruction	-	123,755	8,986	59,444	-	-	-
Special education instruction	-	-	-	132	-	-	-
Support services - students	-	-	-	1,951	-	-	-
Support services - instruction	-	-	-	5,343	-	-	-
School administration	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-
District administration support services	-	7,277	528	3,044	-	-	-
Operations and maintenance of plant	-	-	-	-	888,765	-	-
Student activities	-	-	-	30,567	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-
Community services	4,861	-	-	-	1,371	25,650	198,068
Food services	-	-	-	-	-	-	-
Total expenditures	4,861	131,032	9,514	100,481	890,136	25,650	198,068
Excess (deficiency) of revenues over expenditures	(4,861)	-	-	-	(769,498)	(5,370)	-
Other financing sources -							
Transfers in (out):							
AK Public Broadcasting Special Revenue Fund	-	-	-	-	-	5,370	-
School Operating Fund	-	-	-	-	550,000	-	-
CPB Emergency Relief Special Revenue Fund	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	550,000	5,370	-
Net change in fund balances	(4,861)	-	-	-	(219,498)	-	-
Fund balances, beginning of year	11,149	-	-	-	224,997	-	-
Fund balances, end of year	\$ 6,288	-	-	-	5,499	-	-

(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
	CPB ARA	Employee Scholarship			District Office Construction	Impact Aid Construction		
Revenues:								
Local sources:								
Charges for services	\$ -	-	118,922	-	-	-	-	118,922
Earnings on investment	-	750	750	480	-	-	480	1,230
Other	25,985	-	348,973	-	-	-	-	348,973
Intergovernmental:								
State of Alaska	-	-	34,776	-	-	-	-	34,776
Federal sources:								
Passed through	-	-	785,664	-	-	-	-	785,664
Direct	-	-	241,027	-	-	-	-	241,027
Total revenues	<u>25,985</u>	<u>750</u>	<u>1,530,112</u>	<u>480</u>	<u>-</u>	<u>-</u>	<u>480</u>	<u>1,530,592</u>
Expenditures:								
Instruction	-	-	291,696	-	-	-	-	291,696
Special education instruction	-	-	88,587	-	-	-	-	88,587
Support services - students	-	5,524	9,110	-	-	-	-	9,110
Support services - instruction	-	-	40,026	-	-	-	-	40,026
School administration	-	-	7,098	-	-	-	-	7,098
District administration	-	-	22,059	-	-	-	-	22,059
District administration support services	1,443	-	33,066	-	-	-	-	33,066
Operations and maintenance of plant	-	-	1,020,833	-	190	-	190	1,021,023
Student activities	-	-	30,567	-	-	-	-	30,567
Student transportation - to and from school	-	-	848	-	-	-	-	848
Community services	24,542	-	266,029	-	-	-	-	266,029
Food services	-	-	681,407	-	-	-	-	681,407
Total expenditures	<u>25,985</u>	<u>5,524</u>	<u>2,491,326</u>	<u>-</u>	<u>190</u>	<u>-</u>	<u>190</u>	<u>2,491,516</u>
Excess (deficiency) of revenues over expenditures	-	(4,774)	(961,214)	480	(190)	-	290	(960,924)
Other financing sources (uses) -								
Transfers in (out):								
Alaska Public Broadcasting Special Revenue Fund	-	-	5,370	-	-	-	-	5,370
School Operating Fund	-	-	700,000	-	-	-	-	700,000
CPB Emergency Relief Special Revenue Fund	-	-	(5,370)	-	-	-	-	(5,370)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,000</u>
Net change in fund balances	-	(4,774)	(261,214)	480	(190)	-	290	(260,924)
Fund balances, beginning of year	-	8,850	424,455	25,525	208,337	35,205	269,067	693,522
Fund balances, end of year	<u>\$ -</u>	<u>4,076</u>	<u>163,241</u>	<u>26,005</u>	<u>208,147</u>	<u>35,205</u>	<u>269,357</u>	<u>432,598</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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - State of Alaska	\$ 42,720	22,981	(19,739)
Expenditures:			
Current:			
Support services - instruction - Utility services	22,981	22,981	-
Excess of revenues over expenditures	\$ 19,739	-	(19,739)
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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - State of Alaska	\$ 1,555	1,555	-
Expenditures:			
Current:			
Student transportation - to and from school - in-lieu of agreements	1,555	848	707
Excess of revenues over expenditures	\$ -	707	707
Fund balance, beginning of year		15,423	
Fund balance, end of year		\$ 16,130	

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - State of Alaska	\$ 10,240	10,240	-
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	5,644	5,644	-
Employee benefits	4,542	4,552	(10)
Supplies, materials and media	54	44	10
Total expenditures	10,240	10,240	-
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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 12,746	9,889	(2,857)
Expenditures: Current: Food services - Supplies, materials and media	12,746	9,889	2,857
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Title I-A School Improvement Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 25,000	13,647	(11,353)
Expenditures:			
Current:			
Instruction:			
Staff travel	5,700	-	5,700
Supplies, materials and media	-	1,551	(1,551)
Total instruction	5,700	1,551	4,149
Special education instruction:			
Certificated salaries	6,000	4,864	1,136
Employee benefits	1,968	819	1,149
Supplies, materials and media	9,944	-	9,944
Staff travel	-	5,655	(5,655)
Total special education - instruction	17,912	11,338	6,574
District administration support services - Indirect costs	1,388	758	630
Total expenditures	25,000	13,647	11,353
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year	\$	-	

KASHUNAMIUT SCHOOL DISTRICT

Title VI-B Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 146,281	78,669	(67,612)
Expenditures:			
Current:			
Special education instruction:			
Non-certificated salaries	77,178	45,778	31,400
Employee benefits	29,583	22,417	7,166
Staff travel	2,500	-	2,500
Supplies, materials and media	28,896	6,105	22,791
Total special education instruction	138,157	74,300	63,857
District administration support services - Indirect costs	8,124	4,369	3,755
Total expenditures	146,281	78,669	67,612
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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 5,740	5,740	-
Expenditures:			
Current:			
Instruction - Supplies, materials and media	5,421	5,421	-
District administration support services - Indirect cost	319	319	-
Total expenditures	5,740	5,740	-
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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 472,819	9,532	(463,287)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	36,540	-	36,540
Non-certificated salaries	11,450	6,359	5,091
Employee benefits	8,100	2,644	5,456
Student travel	29,780	-	29,780
Supplies, material and media	30,750	-	30,750
Other expenses	329,941	-	329,941
Total instruction	446,561	9,003	437,558
District administration support services - Indirect costs	26,258	529	25,729
Total expenditures	472,819	9,532	463,287
Excess of revenues over expenditures	\$ -	-	-
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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 31,528	29,125	(2,403)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	2,500	2,500	-
Employee benefits	500	424	76
Professional and technical services	850	850	-
Staff travel	2,650	2,709	(59)
Student travel	5,622	4,081	1,541
Supplies, material, and media	17,905	17,174	731
Total instruction	30,027	27,738	2,289
District administration support services - Indirect costs	1,501	1,387	114
Total expenditures	31,528	29,125	2,403
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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources -			
Charges for services - meal sales	\$ 1,500	3,509	2,009
Total local sources	<u>1,500</u>	<u>3,509</u>	<u>2,009</u>
Intergovernmental - Federal sources passed through the State of Alaska -			
Type A lunch reimbursement	<u>319,700</u>	<u>402,713</u>	<u>83,013</u>
Total revenues	<u>321,200</u>	<u>406,222</u>	<u>85,022</u>
Expenditures:			
Food services:			
Non-certificated salaries	148,200	161,217	(13,017)
Employee benefits	47,500	45,432	2,068
Professional and technical services	-	800	(800)
Staff travel	5,000	4,391	609
Other purchased services	-	6,615	(6,615)
Supplies, materials and media	270,200	424,623	(154,423)
Other expenses	300	2,550	(2,250)
Equipment	-	25,890	(25,890)
Total expenditures	<u>471,200</u>	<u>671,518</u>	<u>(200,318)</u>
Excess (deficiency) of revenues over expenditures	(150,000)	(265,296)	(115,296)
Other financing sources - transfers in - School Operating Fund	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	(115,296)	<u>(115,296)</u>
Fund balance, beginning of year		<u>218,229</u>	
Fund balance, end of year		<u>\$ 102,933</u>	

KASHUNAMIUT SCHOOL DISTRICT
CRSSA-ESSER II Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 236,349	236,349	-
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	5,500	480	5,020
Employee benefits	-	127	(127)
Professional and technical services	20,000	23,255	(3,255)
Staff travel	18,000	16,984	1,016
Supplies, materials and media	2,540	4,712	(2,172)
Total instruction	46,040	45,558	482
Special education instruction:			
Non-certificated salaries	2,000	2,087	(87)
Employee benefits	12,186	730	11,456
Total special education instruction	14,186	2,817	11,369
Support services - students:			
Non-certificated salaries	-	691	(691)
Employee benefits	-	705	(705)
Staff travel	861	239	622
Total support services - students	861	1,635	(774)
Support services - instruction:			
Employee benefits	-	6,004	(6,004)
Professional and technical services	-	2,392	(2,392)
Staff travel	-	1,404	(1,404)
Supplies, materials and media	4,070	1,902	2,168
Total support services - instruction	4,070	11,702	(7,632)
School administration -			
Professional and technical services	15,000	7,098	7,902
District administration:			
Non-certificated salaries	-	226	(226)
Employee benefits	-	60	(60)
Professional and technical services	22,000	21,773	227
Total district administration	22,000	22,059	(59)
District administration support services:			
Non-certificated salaries	-	226	(226)
Employee benefits	-	60	(60)
Indirect costs	13,126	13,126	-
Total district administration support services	13,126	13,412	(286)
Operations and maintenance of plant:			
Non-certificated salaries	66,000	69,790	(3,790)
Employee benefits	18,526	23,112	(4,586)
Professional and technical services	36,540	39,166	(2,626)
Total operations and maintenance of plant	121,066	132,068	(11,002)
Total expenditures	236,349	236,349	-
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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local revenues -			
Donations	\$ 15,600	1,149	(14,451)
Other sources	65,159	98,266	33,107
Total revenues	<u>80,759</u>	<u>99,415</u>	<u>18,656</u>
Expenditures:			
Current:			
Community services:			
Professional and technical services	1,500	11,158	(9,658)
Staff travel	-	379	(379)
Total expenditures	<u>1,500</u>	<u>11,537</u>	<u>(10,037)</u>
Excess of revenues over expenditures	<u>79,259</u>	<u>87,878</u>	<u>8,619</u>
Other financing sources - transfers in (out) -			
CPB Emergency Relief Special Revenue Fund	<u>7,500</u>	<u>(5,370)</u>	<u>(12,870)</u>
Net change in fund balance	\$ <u><u>86,759</u></u>	82,508	<u><u>(4,251)</u></u>
Fund balance, beginning of year		<u>(54,193)</u>	
Fund balance, end of year		\$ <u><u>28,315</u></u>	

KASHUNAMIUT SCHOOL DISTRICT

KCUK Fundraising Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues	\$ -	-	-
Expenditures			
Current:			
Community services:			
Staff travel	4,860	2,430	2,430
Supplies, materials, and media	1,500	2,431	(931)
Total expenditures	6,360	4,861	1,499
Excess (deficiency) of revenues over expenditures	\$ (6,360)	(4,861)	1,499
Fund balance, beginning of year		11,149	
Fund balance, end of year		\$ 6,288	

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - federal sources - direct	\$ 131,032	131,032	-
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	94,067	60,350	33,717
Employee benefits	29,688	63,405	(33,717)
Total instruction	123,755	123,755	-
District administration support services - Indirect costs	7,277	7,277	-
Total expenditures	131,032	131,032	-
Excess of revenues over expenditures	\$ -	-	-
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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - federal sources - direct	\$ 9,514	9,514	-
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	8,986	8,986	-
District administration support services -			
Indirect costs	528	528	-
Total expenditures	9,514	9,514	-
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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -intergovernmental - federal sources - direct	\$ 103,857	100,481	(3,376)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	-	4,400	(4,400)
Non-certificated salaries	-	1,333	(1,333)
Employee benefits	-	598	(598)
Professional and technical services	-	4,975	(4,975)
Staff travel	29,263	2,696	26,567
Student travel	24,594	30,029	(5,435)
Other purchased services	-	3,925	(3,925)
Supplies, materials, and media	-	10,888	(10,888)
Tuition-students and stipends	50,000	600	49,400
Total instruction	103,857	59,444	(4,987)
Special education - instruction:			
Non-certificated salaries	-	114	(114)
Employee benefits	-	18	(18)
Total special education - instruction	-	132	(18)
Support services - students:			
Non-certificated salaries	-	1,563	(1,563)
Employee benefits	-	388	(388)
Total support services - students	-	1,951	-
Support services - instruction:			
Employee benefits	-	106	(106)
Student travel	3,423	5,237	(1,814)
Total support services - instruction	3,423	5,343	(1,814)
District administration support services -			
Indirect costs	-	3,044	(3,044)
Student activities:			
Student travel	-	28,981	(28,981)
Other purchased services	-	1,020	(1,020)
Supplies, materials, and media	-	267	(267)
Other	-	299	(299)
Total student activities	-	30,567	(30,567)
Total expenditures	103,857	100,481	(38,598)
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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Charges for services - rental	\$ 100,000	115,413	15,413
Other	-	5,225	5,225
Total revenues	100,000	120,638	20,638
Expenditures:			
Current:			
Operations and maintenance of plant:			
Non-certificated salaries	70,000	19,765	50,235
Employee benefits	20,000	5,648	14,352
Staff travel	-	424	(424)
Utility services	-	301,978	(301,978)
Energy	56,000	63,628	(7,628)
Other purchased services	-	384,773	(384,773)
Supplies, materials, and media	100,000	108,011	(8,011)
Other	500	4,538	(4,038)
Total operations and maintenance of plant	246,500	888,765	(642,265)
Community services -			
Energy	-	1,371	(1,371)
Total expenditures	246,500	890,136	(643,636)
Excess (deficiency) of revenues over expenditures	(146,500)	(769,498)	(622,998)
Other financing sources - transfers in -			
School Operating Fund	146,500	550,000	403,500
Net change in fund balance	\$ -	(219,498)	(219,498)
Fund balance, beginning of year		224,997	
Fund balance, end of year		\$ 5,499	

KASHUNAMIUT SCHOOL DISTRICT

CPB Emergency Relief Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 20,280	20,280	-
Expenditures:			
Current:			
Community services:			
Professional and technical services	2,695	-	2,695
Staff travel	1,381	-	1,381
Other purchased services	2,545	19,818	(17,273)
Supplies, materials and media	6,944	-	6,944
Equipment	6,100	5,832	268
Total expenditures	19,665	25,650	(5,985)
Excess (deficiency) of revenues over expenditures	615	(5,370)	5,985
Other financing sources - transfers in - AK Public Broadcasting	-	5,370	5,370
Net change in fund balance	\$ 615	-	(615)
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

CPB Operating Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local - other	\$ 207,156	198,068	(9,088)
Expenditures:			
Current:			
Community services:			
Non-certificated salaries	50,832	128,050	(77,218)
Employee benefits	16,043	41,105	(25,062)
Professional and technical services	-	6,420	(6,420)
Staff travel	-	4,134	(4,134)
Utility services	-	5,829	(5,829)
Energy	-	9,139	(9,139)
Supplies, materials and media	-	2,725	(2,725)
Other	140,281	666	139,615
Total expenditures	207,156	198,068	9,088
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

CPB ARA Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 25,985	25,985	-
Expenditures			
District administration and support services - Indirect costs	-	1,443	(1,443)
Community services:			
Non-certificated salaries	25,985	14,708	11,277
Employee benefits	-	5,398	(5,398)
Professional and technical services	-	1,705	(1,705)
Staff travel	-	230	(230)
Utility services	-	1,321	(1,321)
Energy	-	62	(62)
Other expenses	-	1,118	(1,118)
Total community services	25,985	24,542	1,443
Total expenditures	25,985	25,985	-
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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources -			
Earnings on investment	\$ 1,000	750	250
Expenditures -			
Support services - students -			
Tuition - students and stipends	5,524	5,524	-
Excess (deficiency) of revenues over expenditures	\$ (4,524)	(4,774)	250
Fund balance, beginning of year		8,850	
Fund balance, end of year		\$ 4,076	

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, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - Earnings on investment	\$ 480	480	-
Expenditures	-	-	-
Excess of revenues over expenditures	\$ 480	480	-
Fund balance, beginning of year		25,525	
Fund balance, end of year		\$ 26,005	

KASHUNAMIUT SCHOOL DISTRICT

District Office Construction Capital Project Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2023

Revenues	\$ <u>-</u>
Expenditures	
Current:	
Operations and maintenance of plant -	
Other purchased services	<u>190</u>
Excess (deficiency) of revenues over expenditures	(190)
Fund balance, beginning of year	<u>208,337</u>
Fund balance, end of year	\$ <u><u>208,147</u></u>

KASHUNAMIUT SCHOOL DISTRICT

Impact Aid Construction Capital Project Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2023

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

KASHUNAMIUT SCHOOL DISTRICT

Schedule of Compliance AS 14.17.505

Year Ended June 30, 2023

Total fund balance - School Operating Fund	\$	4,204,484
less exemptions per 4 AAC 09.160(a)		
Reserved:		
Inventory		512,330
Impact Aid		3,372,294
Fund Balance Subject to 10% Limitation	\$	<u>319,860</u>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	<u>319,860</u>	=	<u>3.78%</u>
Current year expenditures	8,456,774		

KASHUNAMIUT SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

<u>Federal Grant Title</u>	<u>Grant Number / ID</u>	<u>Assistance Listing Number</u>	<u>Total Grant Award</u>	<u>Total Federal Expenditures</u>
U.S. Department of Education:				
Direct programs:				
REAP - RLIS Special Qualified Agencies	S358C220003	84.358C	\$ 9,514	9,514
Indian Education	S060A220616	84.060A	131,032	131,032
Impact Aid	11-AK-2021-3702-1	84.041	301,990	301,990
Impact Aid	11-AK-2023-3702-2	84.041	3,372,294	3,372,294
Total ALN 84.041			3,674,284	3,674,284
Total direct programs			3,814,830	3,814,830
Passed through the State of Alaska				
Department of Education and Early Development:				
Title I-A Consolidated	IP 23.KASH.01	84.010	641,209	515,998
Title I-A Consolidated	IP 23.KASH.01	84.010A	167,773	135,011
Title I-A	SI 23.KASH.01	84.010	25,000	13,647
Total ALN 84.010			833,982	664,656
Migrant Literacy	MB 23.KASH.01	84.011	5,740	5,740
Title I-C Migrant Education	IP 23.KASH.01	84.011	9,532	9,532
Total ALN 84.011			15,272	15,272
Special Education Cluster:				
Title VI-B	SE 23.KASH.01	84.027	24,543	24,543
Title VI-B	SE 23.KASH.01	84.027A	108,009	49,222
Section 619	SE 23.KASH.01	84.173	2,408	2,408
COVID-19 Section 619 IDEA ARP	SE 23.KASH.01	84.173X	2,496	2,496
Total Special Education Cluster			137,456	78,669
Carl Perkins	EK 23.KASH.01	84.048A	31,528	29,125
COVID-19 CRRSA-ESSER II	ER 23.KASH.01	84.425D	236,349	236,349
COVID-19 ARPA-ESSER III	ER 23.KASH.01	84.425U	3,027,412	1,089,275
Total ALN 84.425			3,263,761	1,325,624
Total U.S. Department of Education passed through the State of Alaska			4,281,999	2,113,346
Total U.S. Department of Education			8,096,829	5,928,176
U.S. Department of Agriculture:				
Passed through the State of Alaska				
Department of Education and Early Development:				
Child Nutrition Cluster:				
National School Breakfast Program	MA.23.KASH.01	10.553	94,960	94,960
National School Lunch Program	MA.23.KASH.01	10.555	265,912	265,912
Commodities	MA.23.KASH.01	10.555	20,379	20,379
Supply Chain Assistance	FD 23.KASH.02	10.555	21,462	21,462
Fresh Fruit & Vegetables	FF 23.KASH.02	10.582	10,815	9,889
Total Child Nutrition Cluster			413,528	412,602
Rural Utilities Service	AK0756-A16	10.754	322,266	9,791
Total U.S. Department of Agriculture			735,794	422,393
U.S. Department of Interior:				
Direct:				
Johnson O'Malley	A21AV00928	15.130	82,756	100,481
Total Expenditures of Federal Awards			\$ 8,915,379	6,451,050

See accompanying notes to the Schedule.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

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, 2023. 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, 2023, the District received \$20,379 in commodities.

KASHUNAMIUT SCHOOL DISTRICT

Schedule of State Financial Assistance

Year Ended June 30, 2023

<u>Name of Award</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>Total State Expenditures</u>
Department of Education and Early Development:			
* Foundation	None	\$ 4,047,952	4,047,951
Early Learning - Moore Expansion Grant	PE 20.KASH.01	149,597	10,240
Pupil Transportation	None	1,555	1,555
Quality Schools	None	17,397	17,397
Dividend Raffle	None	1,838	1,838
* One Time HB 281 \$57M Funding	FY2023	239,281	239,281
Alaska Broadband Assistance Grant (BAG)	None	22,981	22,981
Total State of Alaska financial assistance		<u>\$ 4,480,601</u>	<u>4,341,243</u>

See accompanying notes to the Schedule.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2023

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, 2023. 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.

Note 5. Reconciliations

Reconciliation to Basic Financial Statements:

State expenditures per previous page	\$ 4,341,243
Adjustments:	
TRS On-Behalf Relief	182,205
PERS On-Behalf Relief	<u>64,260</u>
Total revenue from State of Alaska per basic financials	\$ <u>4,587,708</u>

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, 2023, 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 11, 2023.

Report on 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 11, 2023

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

Members of the School Board
Kashunamiut School District
Chevak, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kashunamiut School District's compliance with the types of compliance requirements identified as subject to audit 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, 2023. Kashunamiut School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Kashunamiut School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Kashunamiut School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Kashunamiut School District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Kashunamiut School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and State of Alaska Audit Guide requirements will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Kashunamiut School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the State of Alaska Audit Guide, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Kashunamiut School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Kashunamiut School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of Kashunamiut School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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. Accordingly, this report is not suitable for any other purpose.



Anchorage, Alaska
November 11, 2023

KASHUNAMIUT SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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:

Assistance Listing Number(s)

10.555/10.553/10.582
84.425

Name of Federal Program or Cluster

Child Nutrition Cluster
COVID-19 ESSER

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

Opinion on Each Major State Program

We have audited Kashunamiut School District's compliance with the types of compliance requirements identified as subject to audit in State of Alaska Audit Guide and Compliance Supplements that could have a direct and material effect on each of Kashunamiut School District's major state programs for the year ended June 30, 2023. Kashunamiut School District's major state programs are identified on the Schedule of State Financial Assistance.

In our opinion, Kashunamiut School District complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements in the State of Alaska Audit Guide. Our responsibilities under those standards and the State of Alaska Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Kashunamiut School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Kashunamiut School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Kashunamiut School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Kashunamiut School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Kashunamiut School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Kashunamiut School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Kashunamiut School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Kashunamiut School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Anchorage, Alaska
November 11, 2023

KASHUNAMIUT SCHOOL DISTRICT
State Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

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 between a type A and B program:

\$ 750,000

Auditee qualified as low-risk auditee?

X Yes ____ No

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.