

North Slope Borough School District
(A Component Unit of the North Slope Borough, Alaska)

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

Year Ended June 30, 2022

North Slope Borough School District
(A Component Unit of the North Slope Borough, Alaska)

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

Year Ended June 30, 2022

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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Independent Auditor's Report

Members of the School Board
North Slope Borough School District
Utqiagvik, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Slope Borough School District (District), a component unit of the North Slope Borough, Alaska, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 North Slope Borough School District, as of June 30, 2022, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (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 North Slope Borough 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note XII to the financial statements, in 2022, the District implemented GASB Statement No. 87, *Leases*, which established standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement apply to financial statements of all state and local governments.

The new standard requires the District to recognize certain lease assets and liabilities for leases. It establishes a single model for lease accounting based on the underlying principle that leases are financings of the right to use an underlying asset for a period of time. Under this Statement, a lessee is required to recognize a liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the District's leasing activities. Our opinion is not modified with respect to this matter.

Change Within the Reporting Entity

As discussed in Note XI to the financial statements, in 2022 the District reevaluated its accounting policy related to GASB Statements No. 84, *Fiduciary Activities*. The policy changed the Student Activity Fund from a Fiduciary Fund to a Special Revenue Fund. Our opinion is not modified with respect to this matter.

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 North Slope Borough 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 GAAS 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 GAAS 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 North Slope Borough 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 North Slope Borough 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 Information on page 46, and the Schedules of the District's Proportionate Share of Net Pension and OPEB Liabilities and Assets and Contributions for the Public Employees' Retirement System and Teachers' Retirement System and notes to the Required Supplementary Information on pages 47-56, 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 the 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 Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The information listed in the Table of Contents as "Supplementary Information" which includes; Major Governmental Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual; Other Governmental Funds: Combining Balance Sheet and Combining Statement of Revenues Expenditures and Changes in Fund Balances; Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue Funds; 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and Schedule of State Financial Assistance and related notes as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2022 on our consideration of North Slope Borough 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 North Slope Borough 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 North Slope Borough School District's internal control over financial reporting and compliance.



Anchorage, Alaska
October 31, 2022

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Statement of Net Position

June 30, 2022

<u>Assets and Deferred Outflows of Resources</u>	<u>Governmental Activities</u>
Current:	
Cash and cash equivalents	\$ 29,594,429
Accounts receivable	1,038,095
Grants receivable	2,118,810
Inventories	45,933
Prepaid items	2,513,969
Total current assets	<u>35,311,236</u>
Long-term:	
Capital assets	11,355,676
Accumulated depreciation and amortization	(9,575,709)
Total non-current assets	<u>1,779,967</u>
Net OPEB Assets	27,574,148
Deferred outflows of resources - Pension and OPEB deferrals	<u>5,120,604</u>
Total assets and deferred outflows of resources	<u>\$ 69,785,955</u>
 <u>Liabilities and Deferred Inflows of Resources</u>	
Current:	
Accounts payable	850,029
Accrued payroll liabilities	3,649,782
Self-insurance liability	3,109,770
Unearned revenue	515,483
Current portion of lease liabilities	8,213
Total current	<u>8,133,277</u>
Long-term:	
Lease liability	48,420
Net pension liabilities	27,046,832
Total non-current liabilities	<u>27,095,252</u>
Deferred inflows of resources - Pension and OPEB deferrals	<u>30,485,138</u>
Total liabilities and deferred inflows of resources	<u>65,713,667</u>
 <u>Net Position</u>	
Net investment in capital assets	1,723,334
Unrestricted	2,348,954
Total net position	<u>\$ 4,072,288</u>

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental activities:				
Instruction	\$ 15,699,558	172,763	(2,107,704)	(17,634,499)
Special education instruction	2,480,739	-	(371,804)	(2,852,543)
Special education support services - students	806,860	-	487,456	(319,404)
Support services - students	1,754,393	-	(77,513)	(1,831,906)
Support services - instruction	12,644,973	-	4,012,893	(8,632,080)
School administration	2,271,053	-	(477,456)	(2,748,509)
School administration support services	1,060,243	-	1,648	(1,058,595)
District administration	1,583,131	-	(34,501)	(1,617,632)
District administration support services	3,287,411	-	21,861	(3,265,550)
Operations and maintenance of plant	15,469,167	1,593,562	540,707	(13,334,898)
Student activities	2,167,685	-	356,339	(1,811,346)
Student transportation	2,274,621	-	2,322,178	47,557
Community services	121,496	-	1,650	(119,846)
Food services	3,806,380	9,003	3,122,128	(675,249)
Total governmental activities	\$ 65,427,710	1,775,328	7,797,882	(55,854,500)
General revenues:				
Borough appropriation			\$	41,476,897
State grants and entitlements not restricted to specific programs				17,570,255
Federal grants and entitlements not restricted to specific programs				4,374,448
Unrestricted investment earnings				121,534
E-Rate				4,275,180
Other				655,066
Total general revenues				68,473,380
Change in net position				12,618,880
Net position - beginning of year, as previously stated				(9,119,776)
Cumulative effect of change within the reporting entity				573,184
Net Position, beginning of year, as restated				(8,546,592)
Net position - ending			\$	4,072,288

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2022

	General (School) Operating Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 29,594,429	-	29,594,429
Accounts receivable	1,038,095	-	1,038,095
Grants receivable	-	2,118,810	2,118,810
Inventory	-	45,933	45,933
Prepaid items	1,489,068	1,024,901	2,513,969
Due from other funds	1,605,808	7,204,884	8,810,692
Total assets	<u>\$ 33,727,400</u>	<u>10,394,528</u>	<u>44,121,928</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	612,233	237,796	850,029
Accrued payroll liabilities	3,649,782	-	3,649,782
Self-insurance liability	3,109,770	-	3,109,770
Unearned revenue	-	515,483	515,483
Due to - other funds	7,204,884	1,605,808	8,810,692
Total liabilities	<u>14,576,669</u>	<u>2,359,087</u>	<u>16,935,756</u>
Fund Balances:			
Nonspendable:			
Inventory	-	45,933	45,933
Prepaid items	1,489,068	1,024,901	2,513,969
Committed:			
Pupil Transportation	-	1,521,947	1,521,947
Student activities	-	599,982	599,982
Assigned:			
Community education	-	155,154	155,154
Instruction	8,784,954	1,109,261	9,894,215
Food Services	-	3,578,263	3,578,263
Unassigned	8,876,709	-	8,876,709
Total fund balances	<u>19,150,731</u>	<u>8,035,441</u>	<u>27,186,172</u>
Total liabilities and fund equity	<u>\$ 33,727,400</u>	<u>10,394,528</u>	<u>44,121,928</u>

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

June 30, 2022

Total fund balance - governmental funds		\$	27,186,172
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets in governmental activities are not financial resources and are not reported in the funds, net of accumulated depreciation and amortization of \$9,575,709.			1,779,967
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds			
Lease liability			(56,633)
Proportionate share of the collective net position and OPEB liabilities:			
PERS	13,053,153		
TRS	14,520,995		
			27,574,148
Proportionate share of the collective net position and OPEB liabilities:			
PERS	(18,038,082)		
TRS	(9,008,750)		
			(27,046,832)
Deferred inflow and outflow of resources are the results of timing differences in the actuarial report.			
Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources.			
PERS	2,594,621		
TRS	2,525,983		
			5,120,604
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources.			
PERS	(14,198,060)		
TRS	(16,287,078)		
			(30,485,138)
Net position of governmental activities		\$	<u>4,072,288</u>

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

Year Ended June 30, 2022

	General (School) Operating Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Local sources:			
Intergovernmental:			
Borough appropriation	\$ 41,476,897	-	41,476,897
Earnings on investments	121,534	-	121,534
Charges for services	172,763	1,602,565	1,775,328
E-rate	4,275,180	-	4,275,180
Other	655,066	684,724	1,339,790
Intergovernmental:			
State of Alaska	21,559,541	2,686,956	24,246,497
Federal sources	4,374,448	9,063,769	13,438,217
Total revenues	<u>72,635,429</u>	<u>14,038,014</u>	<u>86,673,443</u>
Expenditures:			
Current:			
Instruction	23,001,473	845,111	23,846,584
Special education instruction	3,697,246	16,966	3,714,212
Special education support services - students	395,753	521,073	916,826
Support services - students	2,681,947	133,560	2,815,507
Support services - instruction	9,970,790	4,113,142	14,083,932
School administration	3,434,316	34,918	3,469,234
School administration support services	1,488,873	-	1,488,873
District administration	1,767,555	-	1,767,555
District administration support services	3,763,849	88,822	3,852,671
Operations and maintenance of plant	13,973,142	3,822,321	17,795,463
Student activities	1,949,968	380,578	2,330,546
Student transportation	-	2,266,050	2,266,050
Community services	-	121,496	121,496
Food services	-	4,521,941	4,521,941
Debt service:			
Interest on long-term debt	-	2,902	2,902
Redemption of principal on long-term debt	-	16,111	16,111
Construction and facilities acquisition	-	72,744	72,744
Total expenditures	<u>66,124,912</u>	<u>16,957,735</u>	<u>83,082,647</u>
Excess (deficiency) of revenues over expenditures	<u>6,510,517</u>	<u>(2,919,721)</u>	<u>3,590,796</u>
Other financing sources (uses):			
Proceeds from issuance of leases	-	72,744	72,744
Transfers in	1,465,963	4,426,256	5,892,219
Transfers out	<u>(4,426,256)</u>	<u>(1,465,963)</u>	<u>(5,892,219)</u>
Net other financing sources (uses)	<u>(2,960,293)</u>	<u>3,033,037</u>	<u>72,744</u>
Net change in fund balances	3,550,224	113,316	3,663,540
Fund balance, beginning of year, as previously stated	15,600,507	7,348,941	22,949,448
Cumulative effect of change within the reporting entity	<u>-</u>	<u>573,184</u>	<u>573,184</u>
Fund balance, beginning of year, as restated	<u>15,600,507</u>	<u>7,922,125</u>	<u>23,522,632</u>
Fund balances, end of year	<u>\$ 19,150,731</u>	<u>8,035,441</u>	<u>27,186,172</u>

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

NORTH SLOPE BOROUGH 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, 2022

Net change in fund balances - total governmental funds	\$ 3,663,540
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Amounts reported for *governmental activities* in the Statement of
Activities are different because:

Some expenses reported in the Statement of Activities do not require
the use of current financial resources and, therefore, are not reported as
expenditures in governmental funds.

Change in the unfunded net pension and OPEB liabilities and assets:	
PERS	17,384,775
TRS	16,955,471
	<u>34,340,246</u>

Changes in deferred inflows and outflows of resources are the result of timing differences in the actuarial report:	
PERS	(13,160,109)
TRS	(13,840,797)
	<u>(27,000,906)</u>

Long-term liabilities reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Similarly, principal payments of long-term debt in the governmental funds are not reported as expenses in the Statement of Activities. Changes in long-term liabilities:	
Proceeds from issuance of leases	(72,744)
Principal payments on long-term debt	16,111
Accrued Internal Revenue Service penalties	490,653
	<u>434,020</u>

The cost of capital assets purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes purchased and constructed capital assets among the assets of the School District as a whole. The cost of those assets is allocated over estimated useful lives (as depreciation and amortization expense) to the various functions reported as governmental activities in the Statement of Activities. Completed building and improvement projects are transferred to the North Slope Borough.	
Capital outlay	1,771,634
Depreciation and amortization expense	(589,654)
	<u>1,181,980</u>

Change in net position of governmental activities	\$ <u>12,618,880</u>
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The notes to the financial statements are an integral part of this statement.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the North Slope Borough School District (the District) have been prepared in conformity with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Pursuant to Alaska Statutes, Title 29.43.030, the North Slope Borough (the Borough) has the responsibility of establishing, maintaining and operating a system of public schools. The Borough has delegated the administrative responsibilities for these functions to the School Board of the North Slope Borough School District. Members of the School Board are elected by the public. The School Board has control over hiring and firing employees and the power to contract and purchase equipment. The School Board is required to submit an annual budget to the Borough Assembly for approval, and all bonded indebtedness is through the Borough. Based on these criteria, financial interdependency, budget approval, responsibility for debt, and financial accountability, the North Slope Borough School District is a component unit of the Borough. The Borough provides utility services to the facilities for the teachers and several schools in the District. The Borough is responsible for assessing and collecting property taxes and remitting the amount approved by the Borough Assembly to the School District.

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 activities of the District. Governmental activities are supported by intergovernmental revenues and other nonexchange transactions. The District does not have any business-type activities or component units.

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*.

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. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

Governmental Fund Financial Statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for un-matured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The District reports the following major governmental funds:

The *School Operating Fund* is the primary operating fund of the District. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

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.

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

Intergovernmental Revenue

State of Alaska foundation, Borough Appropriations pupil transportation and federal aid for the school lunch program are susceptible to accrual and are recorded in the year to which they relate. Federal Impact Aid receipts are recorded as revenues in the year the monies are received. State of Alaska and Federal government cost reimbursable grants and contracts are recorded to the extent of allowable expenditures in the period in which the expenditures were incurred. On-behalf payments from the State of Alaska are recognized in the year to which they relate.

Local Revenue

Interest earned is recorded in the School Operating Fund unless otherwise specified by the funding source. Rental income from District owned property is recorded in the period to which it relates. Both interest and rental income are susceptible to accrual. Proceeds from the sale of lunches and other miscellaneous revenues are recognized in the year received.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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 and 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 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, Liabilities and Net Position/Fund Balance

1. Cash and cash equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash consists of demand deposits associated with the central treasury and does not include cash deposits that are a component of the investment portfolio.

Investments consist of interest-bearing deposits with banks and exchange traded mutual funds. The exchange traded funds are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

2. 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 Statements of Net Position for the above financial instruments closely approximates their fair value due to the short-term nature of these assets and liabilities, except for the District's investments. The carrying amount of the District's investments are determined based on quoted market prices.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

3. Short-term Interfund Receivables and Payables

In the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund financial statements and are eliminated in the preparation of the government-wide financial statements.

4. Inventories

Inventories, consist of food supplies, are stated at cost, which approximates fair value, using the first-in first-out (FIFO) method. Inventories are recorded as expenditures when consumed, except for food inventories, which are recorded as expenditures when purchased. Reported inventories are equally offset by a portion of fund balance classified as non-spendable 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.

5. Prepaid Items

Payments made to vendors for services that are applicable to future accounting periods are recorded as prepaid items. The prepaid assets do not reflect current available resources and, thus, an equivalent portion of fund balance is classified as non-spendable in the fund financial statements. Accounting for prepaid items is on the consumption method. The consumption method records the expenditure when consumed rather than when purchased.

6. Capital Assets

Capital assets are reported in the governmental activities column of the government-wide financial statements.

Capital assets are tangible assets consisting of artwork and equipment and vehicles and 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. School facilities are maintained, managed, and replaced, when applicable, by the Borough. Accordingly, the Borough recognized these capital assets and related debt.

Artwork is not depreciated. Equipment and vehicle depreciation is computed on the straight-line method over the estimated useful life of the assets, generally 3 to 7 years for equipment and vehicles. Maintenance and repairs of a routine nature that do not add to the value of the asset are charged as expenditures as incurred and are not capitalized.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

7. Leases

The District is a lessee for non-cancellable leases of buildings and recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The lease liabilities are recognized with an initial, individual value of \$5,000 or more or immaterial component leases that aggregate to a total value of \$5,000 or more. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If a lease contains a purchase option that the District has determined is reasonably certain of being exercised, the lease asset is amortized over the estimated useful life of the underlying asset. Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- a. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the current borrowing rate is used as the discount rate for leases.
- b. The lease term includes the non-cancellable period of the lease; the term of the lease contract, including options to extend, must be more than 12 months. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a re-measurement of its leases and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

8. Unearned Revenue

Revenue that is received in advance of the period for which it is intended for use and does not meet the requirements for revenue recognition is recognized as unearned revenue.

9. Compensated Absences

All classified and certified twelve-month employees earn and accrue annual leave. All classified school year employees earn and accrue annual leave. All certified school year employees earn personal leave up to 5 days earned and 10 days accrued. Unused annual leave is accrued at current salary cost as earned by employees.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Unused annual leave and salary related payments are accrued as earned by employees and are recorded as a current liability in the period earned. Annual leave is accrued as a current liability when it is expected to be paid with current available resources. Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an Employees' resignation or retirement).

All certified employees earn sick leave, which is available for use while remaining in a permanent position. Sick leave pay is recorded as an expenditure during the period it is used. Employees' unused sick leave balances are carried forward.

10. 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 and OPEB, and pension and 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.

11. 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.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

12. 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 items, 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 – Includes amounts that can be used only for the specific purposes determined by a formal action of the 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 District for specific purposes: intent can be expressed by the Board or by the District Superintendent, having been designated such authority. 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 all amounts not contained in the other classifications. 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.

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.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The District's Special Revenue Funds are used to account for educational, food services, operations and maintenance programs that are restricted or committed.

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 and Special Revenue Funds. Encumbrances outstanding at year end are reported in assigned fund balances since they do not constitute expenditures or liabilities. The amount of encumbrances, if significant, are disclosed in the Notes to the Basic Financial Statements as commitments.

13. Use of Estimates

The preparation of financial statements in accordance 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

Annual budgets of the various Special Revenue Funds are prepared in connection with the application for the special programs' funding and are reviewed and approved by the School Board. Expenditure authority for Special Revenue Fund programs is limited to the actual combined revenues and transfers from other funds. Unexpended balances of grants from the State and federal governments for the Special Revenue Funds lapse at June 30, except for Indian Education which lapse on September 30. Expenditures are reimbursed by the various entities on a cost basis.

B. Excess of Expenditures over Appropriations

The following funds had expenditures in excess of appropriations for the year ended June 30, 2022 were:

Teacher Housing Special Revenue Fund	\$	(421,780)
Student Activities Special Revenue Fund	\$	(11,045)

Excess of expenditures over appropriations were funded through available revenues, fund balance and operating transfers from General (School Operating) Fund.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

III. DETAIL NOTES ON ALL FUNDS

A. Deposits and Investments

The District maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is reported in 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. Any amount in excess of \$250,000 is collateralized with securities held by the District's agent in the District's name. The District held no investments at June 30, 2022.

All deposits are carried at fair market value plus accrued interest. Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits will not be returned to the District. The District limits its custodial credit risk in its deposit and investment policy by requiring all deposits to be fully insured or collateralized.

The District's investment policy as of June 30, 2022 allows for short-term investment in the following:

- United States government obligations.
- Direct obligations of an agency or instrumentality of the United States of America, and obligations on which the timely payment of principal and interest is fully guaranteed by any such agency or instrumentality.
- Repurchase agreements secured by obligations of the United States government, or an agency or instrumentality of the United States government.
- Negotiable certificates of deposit issued by a bank receiving the highest short-term credit rating from two Nationally Recognized Statistical Rating Organizations.
- Shares of a money market mutual fund or other collective investments fund registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933.
- The maximum maturity of any single security shall not exceed five years. The weighted average maturity of the portfolio shall not exceed 2.5 years. The average weighted quality of the portfolio must be at least AA/AA2.

The short-term investment policy allows for the following concentration limits:

	Instrument maximum	Issuer maximum
U.S. Government obligations	100%	100%
Repurchase agreements	100%	100%
U.S. Agency obligations	100%	50%
Bank certificates of deposit	50%	10%
Money Market funds	100%	100%

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

B. Receivables

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

	School Operating Fund	Nonmajor Governmental Funds	Total
Grants receivable	\$ -	2,118,810	2,118,810
Accounts receivable	1,038,095	-	1,038,095
Total	<u>\$ 1,038,095</u>	<u>2,118,810</u>	<u>3,156,905</u>

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

IV. CAPITAL ASSETS

The Borough owns and accounts for all school buildings and land, which are provided to the District without charge. Furniture and equipment are accounted for by the District.

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Governmental activities:				
Capital assets not being depreciated – artwork	\$ 134,956	-	-	134,956
Capital assets, being depreciated:				
Equipment	9,449,086	1,698,890	-	11,147,976
Right-to-use assets	-	72,744	-	72,744
Total capital assets being depreciated and amortized	<u>\$ 9,449,086</u>	<u>1,771,634</u>	<u>-</u>	<u>11,220,720</u>
Less accumulated depreciation and amortization:				
Equipment	(8,986,055)	(589,654)	-	(9,575,709)
Right-to-use assets	-	-	-	-
Total capital assets being depreciated and amortized	<u>463,031</u>	<u>1,181,980</u>	<u>-</u>	<u>1,645,011</u>
Net governmental capital assets	<u>\$ 597,987</u>	<u>1,181,980</u>	<u>-</u>	<u>1,779,967</u>

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Depreciation and amortization expense was charged to functions of the District as follows:

Instruction	\$ 65,859
Special education support services	1,837
Support services – instruction	308,783
Operations and maintenance of plant	65,476
Student activities	6,973
Student transportation	8,572
Food services	<u>132,154</u>
Total depreciation expense	\$ <u>589,654</u>

V. 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 compensation, and (f) medical/dental/vision costs for employees. The District mitigates significant risk of loss through the acquisition of commercial insurance policies. The District currently participates in the Alaska Municipal League/Joint Insurance Association (AML/JIA), a member driven risk pool, which covers property and contents, torts, general and auto liability, school leaders errors and omissions, workers compensation, and earthquake and flood. The District maintains other commercial insurance policies relating to faithful performance blanket bonds covering all employees and travel accidents. Coverage limits and the deductibles for the commercial policies have stayed relatively constant for several years. No losses in excess of insurance coverage have been realized over the past three years.

Additional risk of loss exists for employee health benefits. The District established an Employee Health Care Benefit Plan to provide health insurance for employees and their dependents. The District pays premiums into the Plan based on estimated claims and adjusted for actual claims paid during the year. Stop-loss insurance limits the District's liability for individual claims to \$175,000 and \$1,000,000 in aggregate. Health and medical insurance expense was \$9,059,211 for the year ended June 30, 2022, and consisted of paid claims incurred, stop-loss premiums, and administrative fees.

As of June 30, 2022, an estimated liability for claims payable incurred but unreported claims of approximately \$3,109,770 was recorded in the General (School Operating) Fund. This estimate was calculated based on run-out claims and claims history. Changes in the balances of claim liabilities for years ending June 30, 2022 is as follows:

	<u>2022</u>
Unpaid claims, beginning of year	\$ 2,357,696
Incurred claims (including IBNR's)	8,919,456
Less: claim payments	<u>8,167,382</u>
Unpaid claims (including IBNR's), end of year	\$ <u>3,109,770</u>

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The District has elected the reimbursable method of payment for Employment Security Compensation (ESC). Under this arrangement, the actual costs of ESC are reimbursed to the State of Alaska.

B. Employee Retirement Systems and Plans

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

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

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

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

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

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Other Postemployment Benefit Plans (OPEB)

Occupational Death and Disability Plan (ODD)

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 2022 the employer contribution rate 0.31% for PERS and 0.08% for TRS.

Membership in the plan consisted of the following at June 30, 2021 (latest available report):

Membership	PERS	TRS
Active plan members	24,481	6,009
Participating employers	151	57

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2021 (latest available information) employer contributions were 7.44% for PERS and 4.53% for TRS of annual payroll. Membership in the plan consisted of the following at June 30, 2021 (latest report available):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	36,704	13,225
Inactive plan members entitled to but not yet receiving benefits	5,112	741
Inactive plan members not entitled to benefits	10,366	1,678
Active plan members	10,066	3,492
Total plan membership	62,248	19,136

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 .093% for TRS. Membership in the plan consists of the following at June 30, 2021 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	67	20
Inactive plan members entitled to but not yet receiving benefits	2,082	832
Inactive plan members not entitled to benefits	16,249	2,848
Active plan members	24,481	6,009
Total plan membership	42,879	9,709

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Healthcare Reimbursement Arrangement Plan

The Healthcare Reimbursement Arrangement Plan was established to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants. Employer contributions are 3% of the average annual compensation of all employees in the PERS and TRS plans. Membership in the plan consists of the following at June 30, 2021 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	113	29
Inactive plan members entitled to but not yet receiving benefits	2,082	832
Inactive plan members not entitled to benefits	16,249	2,848
Active plan members	24,481	6,009
Total plan membership	42,925	9,718

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, 2021 (latest available report) for the DB Pension Plan for PERS and TRS is 29.77% and 29.80%, for the ARHCT plan is 30.00% and 29.95%, for the ODD Plan is 29.55% and 29.46%, and for the RMP is 29.54% and 29.41%, respectively.

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

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Domestic Equity	6.63%
Global Equity (non-U.S.)	5.41%
Aggregate bonds	0.76%
Opportunistic	4.39%
Real Assets	3.16%
Private Equity	9.29%
Cash Equivalents	0.13%

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.38%, which represents a decrease of 0.00% since the prior measurement period. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 2.18% as of June 30, 2021.

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

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

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes. Certain actuarial methods and assumptions for this rate calculation are mandated by the *Governmental Accounting Standards Board* (GASB). Medicare Part D subsidies are not reflected in this rate. The rate uses a 7.38% discount rate.

Employer Contribution rates for PERS and TRS for the year ended June 30, 2022 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	15.54%	21.27%	8.11%
OPEB	6.46%	8.84%	0%
Total PERS contribution rates	22.00%	30.11%	8.11%
TRS:			
Pension	6.06%	15.36%	19.29%
OPEB	6.50%	16.49%	0%
Total TRS contribution rates	12.56%	31.85%	19.29%

Termination Costs: If the District decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular District function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The District must pay to have a termination study completed. The purpose of the study is to calculate the District's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The District must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS or TRS Administrator. For fiscal year 2021 the past service rate for PERS is 18.31%.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2021 (latest available) were determined by an actuarial valuation as of June 30, 2019 which was rolled forward to the measurement date June 30, 2021. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017:

Investment return / discount rate	7.38% per year (geometric), compounded annually, net of expenses
Salary scale	Inflation – 2.5% per year Productivity – 0.25% per year
Payroll growth	2.75% per year (inflation + productivity)
Total inflation	Total inflation as measured by the Consumer Price Index for urban and clerical workers from Anchorage is assumed to increase 2.5% annually.
PERS Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, 100% (male and female) of RP-2014 healthy annuitant table with MP-2017 generational improvement.
TRS Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, RP-2014 white-collar employee table with MP-2017 generational improvement.
PERS Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 91% of male and 96% of female rates of RP-2014 health annuitant table with MP-2017 generational improvement.
TRS Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 93% of male and 90% of female rates of RP-2014 white-collar healthy annuitant table with MP-2017 generational improvement.
Total turnover	Based upon the 2013-2017 actual withdrawal experience.
PERS Disability	Incidence rates based on 2013-2017 actual experience. Post-disability mortality in accordance with the RP-2014 disability table with MP-2017 generational improvement. Disabilities are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for others.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

TRS Disability	Incidence rates based on 2013-2017 actual experience. Disabilities are assumed to be occupational 15% of the time. Post-disability mortality in accordance with the RP-2014 disabled table with MP-2017 generational improvement.
Retirement	Retirement rates based upon the 2013-2017 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date.
PERS Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. For others, 75% of male members and 70% of female members are assumed to be married. For peace officers/firefighters, 85% of male members and 60% female members are assumed to be married.
TRS Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. 85% of male members and 75% of female members are assumed to be married at termination from active service.
Healthcare cost trend rates (ARHCT Plan and RMP)	Pre-65 medical: 6.5% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drugs: 8.0% grading down to 4.5% EGWP: 7.5% grading down to 4.5%.

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

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

The DB Plan's membership consisted of the following at June 30, 2021 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	36,704
Inactive plan members entitled to but not receiving benefits	5,112
Inactive members not entitled to benefits	10,366
Active plan members	<u>10,066</u>
Total DB plan membership	<u>62,248</u>

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

Employee Contribution Rate. The District PERS active members are required to contribute 6.75% and if elected to be calculated under TRS, non-teacher school district employees are required to contribute 9.60% of their annual covered salary.

Employer contributions for the year ended June 30, 2022, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	<u>1,584,293</u>	<u>336,967</u>	<u>1,921,260</u>

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Public Employees Retirement Plans

For the year ended June 30, 2022 the State of Alaska contributed \$971,256 (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, 2021 to a total of (\$572,987), 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, 2022, 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	\$	18,038,082
State's proportionate share of the net pension liability		2,444,261
Total	\$	<u>20,482,343</u>
		OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$	(12,667,318)
State's proportionate share of the ARHCT OPEB liability (asset)		(1,661,541)
Total	\$	<u>(14,328,859)</u>
District's proportionate share of the ODD OPEB liability (asset)	\$	<u>(224,715)</u>
District's proportionate share of the RMP OPEB liability (asset)	\$	<u>(161,120)</u>
Total District's share of net pension and OPEB liabilities and assets	\$	<u>4,984,929</u>

The net pension and OPEB liabilities and assets were measured as of June 30, 2021, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities and assets were determined by an actuarial valuation as of that date. The District's proportion of the net pension and OPEB liabilities were based on the present value of contributions for FY2023 through FY2039, as determined by projections based on the June 30, 2021 valuation.

NORTH SLOPE BOROUGH 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, 2020 Measurement	June 30, 2021 Measurement	Change
Pension	0.4124%	0.4917%	0.0793%
OPEB:			
ARHCT	0.4124%	0.4938%	0.0817%
ODD	0.5271%	0.5099%	(0.0172%)
RMP	0.6551%	0.6003%	(0.0548%)

Based on the measurement date of June 30, 2021, the District recognized pension and OPEB expense of \$2,214,869 and (\$5,094,316), respectively, for the year ended June 30, 2022. At June 30, 2022, 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	\$ -	(79,913)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(7,113,272)
Changes in proportion and differences between District contributions and proportionate share of contributions	587,269	-
District contributions subsequent to the measurement date	1,584,293	-
Total	\$ <u>2,171,562</u>	<u>(7,193,185)</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(133,027)
Changes of assumptions	-	(478,701)
Net difference between projected and actual earnings on OPEB plan investments	-	(5,927,627)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(97,598)
District contributions subsequent to the measurement date	216,043	-
Total	\$ <u>216,043</u>	<u>(6,636,953)</u>

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(61,377)
Changes of assumptions	-	(1,707)
Net difference between projected and actual earnings on OPEB plan investments	-	(36,034)
Changes in proportion and differences between District contributions and proportionate share of contributions	21,285	(7,099)
District contributions subsequent to the measurement date	27,159	-
Total	\$ 48,444	(106,217)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,979	(7,661)
Changes of assumptions	50,079	(95,754)
Net difference between projected and actual earnings on OPEB plan investments	-	(144,144)
Changes in proportion and differences between District contributions and proportionate share of contributions	2,749	(14,146)
District contributions subsequent to the measurement date	93,765	-
Total	\$ 158,572	(261,705)

\$1,548,293 and \$336,967 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities or an increase of the net pension and OPEB assets in the year ended June 30, 2022, 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
2022	\$ (1,145,674)	(2,097,984)	(17,019)	(41,159)
2023	(1,629,372)	(1,365,113)	(16,995)	(41,226)
2024	(1,762,529)	(1,465,846)	(17,374)	(42,681)
2025	(2,068,341)	(1,708,010)	(18,576)	(47,273)
2026	-	-	(7,389)	(7,418)
Thereafter	-	-	(7,579)	(17,141)
Total	\$ (6,605,916)	(6,636,953)	(84,932)	(196,898)

For the year ended June 30, 2022, the District recognized \$2,185,501 and (\$172,491) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

		1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability (asset)	\$	26,716,912	18,038,082	10,746,751
Net OPEB ARHCT liability (asset)	\$	(8,284,236)	(12,667,318)	(16,307,142)
Net OPEB ODD liability (asset)	\$	(215,175)	(224,715)	(232,312)
Net OPEB RMP liability (asset)	\$	105,159	(161,120)	(362,241)

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

		1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	\$	(16,733,228)	(12,667,318)	(7,760,825)
Net OPEB ODD liability (asset)		N/A	(224,715)	N/A
Net OPEB RMP liability (asset)		(391,029)	(161,120)	152,146

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

Plan Description and Funding Requirements. School Districts and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.07% for the retiree medical plan (DB), 0.31% for occupational and death and disability benefits (DB) and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is 22%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The School District contributed \$740,810 for the year ended June 30, 2022, which included forfeitures of \$51,463 which have been applied against contributions.

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

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

The DB Plan's membership consisted of the following at June 30, 2021 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	13,225
Inactive plan members entitled to but not receiving benefits	741
Inactive plan members not entitled to benefits	1,678
Active plan members	<u>3,492</u>
Total DB plan membership	<u>19,136</u>

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

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

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

NORTH SLOPE BOROUGH 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, 2022, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	<u>437,709</u>	<u>343,479</u>	<u>781,188</u>

Teachers Retirement Plans

For the year ended June 30, 2022 the State of Alaska contributed \$3,018,030 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date to a total of (\$4,064,580), 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, 2022, the District reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the District. The amount recognized by the District as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that was associated with the District were as follows:

	<u>Pension</u>
Defined Benefit:	
District's proportionate share of the net pension liability	\$ 9,008,750
State's proportionate share of the net pension liability	<u>7,645,854</u>
Total	<u>\$ 16,654,604</u>
	<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (13,674,903)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(10,650,918)</u>
Total	<u>\$ (24,325,821)</u>
District's proportionate share of the ODD OPEB liability (asset)	<u>\$ (195,391)</u>
District's proportionate share of the RMP OPEB liability (asset)	<u>\$ (650,701)</u>
Total District's share of net pension and OPEB liabilities and assets	<u>\$ (5,512,245)</u>

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The net pension and OPEB liabilities and assets were measured as of June 30, 2021, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities and assets were determined by an actuarial valuation as of that date. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2022 through FY2039, as determined by projections based on the June 30, 2021 valuation.

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

	June 30, 2020 Measurement	June 30, 2021 Measurement	Change
Pension	0.7085%	1.1318%	0.4233%
OPEB:			
ARHCT	0.7064%	1.1762%	0.4698%
ODD	3.0538%	3.2058%	0.1520%
RMP	3.0641%	3.2404%	0.1763%

Based on the measurement date of June 30, 2021, the District recognized pension expense of \$1,606,621 and OPEB expense of (\$7,880,326), respectively, for the year ended June 30, 2022. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pensions	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	(86,608)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(9,300,605)
Changes in proportion and differences between District contributions and proportionate share of contributions	1,555,471	-
District contribution subsequent to the measurement date	437,709	-
Total	\$ <u>1,993,180</u>	<u>(9,387,213)</u>

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(95,986)
Changes of assumptions	-	(394,799)
Net difference between projected and actual earnings on pension plan investments	-	(5,346,785)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(469,248)
District contribution subsequent to the measurement date	215,190	-
Total	<u>\$ 215,190</u>	<u>(6,306,818)</u>

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(22,920)
Changes of assumptions	-	(107)
Net difference between projected and actual earnings on pension plan investments	-	(25,031)
Changes in proportion and differences between District contributions and proportionate share of contributions	10,716	(11,717)
District contribution subsequent to the measurement date	11,276	-
Total	<u>\$ 21,992</u>	<u>(59,775)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 124,869	(21,071)
Changes of assumptions	44,200	(240,714)
Net difference between projected and actual earnings on pension plan investments	-	(255,886)
Changes in proportion and differences between District contributions and proportionate share of contributions	9,539	(15,601)
District contribution subsequent to the measurement date	117,013	-
Total	<u>\$ 295,621</u>	<u>(533,272)</u>

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

\$437,709 and \$343,479 are reported as deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liability and as an increase to the net pension and OPEB assets in the year ended June 30, 2022 (actuarial), respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension expense as follows:

Year Ended June 30,		Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2022	\$	(688,120)	(2,211,911)	(9,344)	(75,432)
2023		(2,121,064)	(1,231,754)	(9,293)	(75,542)
2024		(2,305,463)	(1,322,635)	(9,600)	(78,523)
2025		(2,717,095)	(1,540,518)	(10,498)	(87,383)
2026		-	-	(3,426)	(15,248)
Thereafter		-	-	(6,898)	(22,536)
Total	\$	<u>(7,831,742)</u>	<u>(6,306,818)</u>	<u>(49,059)</u>	<u>(354,664)</u>

For the year ended June 30, 2022, the District recognized \$3,738,989 and (\$830,790) of pension and OPEB amortization of the deferred outflows and inflows of resources, respectively.

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

		1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability	\$	<u>18,213,288</u>	<u>9,008,750</u>	<u>1,256,378</u>
Net OPEB ARHCT liability (asset)	\$	<u>(9,853,183)</u>	<u>(13,674,903)</u>	<u>(16,836,848)</u>
Net OPEB ODD liability (asset)	\$	<u>(195,872)</u>	<u>(195,391)</u>	<u>(195,166)</u>
Net OPEB RMP liability (asset)	\$	<u>(240,286)</u>	<u>(650,701)</u>	<u>(957,678)</u>

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

		1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	\$	<u>(17,192,281)</u>	<u>(13,674,903)</u>	<u>(9,412,796)</u>
Net OPEB ODD liability (asset)	\$	<u>N/A</u>	<u>(195,391)</u>	<u>N/A</u>
Net OPEB RMP liability (asset)	\$	<u>(999,060)</u>	<u>(650,701)</u>	<u>(171,976)</u>

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Plan Description and Funding Requirements. School Districts and Public Employers in the State of Alaska have a defined contribution retirement plan for new hires first enrolled on or after July 1, 2006. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. State statutes require the employer to contribute 7% of employees' eligible compensation. Additionally, employers are required to contribute to other post-employment benefits (DB): 0.83% for the retiree medical plan, 0.08% for occupational death and disability, and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The employer effective contribution rate is 12.56%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

The School District contributed \$1,396,074 for the year ended June 30, 2022, which included forfeitures of \$40,843 which has been applied against contributions.

VI. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables are shown as “due from other funds” and “due to other funds” in each of the individual funds. The balances at June 30, 2022 are as follows:

Receivable Fund	Payable Fund	Amount
Other Governmental Funds	General (School Operating) Fund	\$ 7,204,884
General (School Operating) Fund	Other Governmental Funds	1,605,808
		<u>\$ 8,810,692</u>

The outstanding balances between funds result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

		Transfers In	
		General (School) Operating Fund	Nonmajor Governmental Funds
Transfers Out			Total
General (School Operating) Fund	\$	-	4,426,256
Other Governmental Funds		1,465,963	-
Total		<u>1,465,963</u>	<u>5,892,219</u>

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Transfers are used to (a) use unrestricted revenues collected in the General (School Operating) Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or (b) use unrestricted revenues collected in the General (School Operating) Fund to meet local match requirements on State and Federal grants.

VII. Related Party Transactions

The Borough provides utility services to the facilities for the teachers and several schools in the District. During fiscal year 2022, approximately \$3,638,990 of property insurance and heating fuel was recorded as in kind contribution in the operations of the General (School Operating) Fund.

The Borough is responsible for assessing and collecting property taxes and remitting the amount approved by the Borough Assembly to the School District. Property taxes collected and remitted in fiscal year 2022 were \$36,828,052. For fiscal year 2022, the Borough also appropriated money to the District for additional programs, such as vocational educational and student travel that amounted to \$1,185,760.

VIII. Long-term Obligations

Changes in these obligations for the year ended June 30, 2022 are as follows:

	Balances July 1, 2021	Additions	Deletions	Balances June 30, 2022	Due within One Year
Lease liabilities	\$ -	72,744	(16,111)	56,633	8,213

IX. Leases

The District has entered into leases for acquisition and use of buildings and available space. The District was required to make principal and interest payments for these leases in the amount of \$10,800 for the year ended June 30, 2022. The District uses an interest rate of 3.99% for its lease calculations. The buildings are amortized over the lease term. The value of the lease liability at June 30, 2022 was \$56,633. The value of the right-to use assets at June 30, 2022 was \$72,744. The accumulated amortization at June 30, 2022 was \$0.

The future principal and interest lease payments as of June 30, 2022, were as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 8,213	2,587	10,800
2024	8,540	2,260	10,800
2025	8,881	1,919	10,800
2026	9,235	1,565	10,800
2027	9,603	1,196	10,799
2028 - 2029	12,161	1,227	13,388
Total	\$ 56,633	10,754	67,387

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

X. Contingencies and Commitments

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

The District receives a substantial portion of its revenue from state and federal grants. Significant changes in these revenue sources could have a material effect (positive or negative) on the operations of the District. The District provides services solely to those residents of the North Slope Borough as defined by the State of Alaska district boundaries. Significant changes in the local environment or economy could directly affect the District's enrollment. Significant changes in enrollment could have a material effect (positive or negative) on the District's funding and operations.

The District, from time to time, may be a participant in legal proceedings related to the conduct of its business. In the opinion of management, any current legal proceedings, commitments or contingent liabilities will not materially affect the financial position of the District.

The District has been assessed penalties of \$490,653 including accrued interest by the Internal Revenue Service (IRS) for failure to file and provide information related to its 2018 1095 informational returns. The District is in the process of correcting this filing deficiency and expects the penalties to be waived or significantly reduced when correction is complete. The District has accrued these penalties in the government-wide financial statements.

Alaska Statute 14.17.505 (AS), Alaska Administrative Code 4 AAC 09.160 (AAC), and the Borough Municipal Code Section 3.07 (Code) contain laws and regulations that limits the District's accumulation of unreserved fund balance (under pre-GASB 54 standards) to no more than 10 percent of current year general (school operating) fund expenditures. On April 9, 2021, the Governor issued COVID-19 Disaster Order of Suspension No. 3 (the Order) which suspended the AS and AAC laws related to the accumulation of unreserved fund balance. The Order has the power of law and supersedes all conflicting laws during the period of suspension. Additionally, on April 30, 2021, the Governor signed House Bill 76 extending the suspension of the AS and AAC through June 30, 2025.

The Borough has asserted a claim for the excess unreserved fund balance under its Municipal Code and withheld that amount from the District's fiscal year 2022 appropriation. Management and legal counsel for the District are of the opinion that the Borough's claim is without merit and that the suspension order issued by Alaska's Governor supersedes the Borough Code. Management is also of the opinion that the intent of the Borough Code is to protect the District and the Borough from the State of Alaska claiming any excess unreserved fund balance and not to penalize the District. Accordingly, the District has not recognized a liability for the Borough claim.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

XI. Change Within the Reporting Entity

In 2021, the District adopted the provisions GASB Statement No. 84 Fiduciary Activities, which established criteria for identifying fiduciary activities of the District and reporting of said fiduciary activities.

In 2022, the District reevaluated its previously reported Student Activities Fiduciary Fund. Under GASB Statement No. 84, the District determined that this fund no longer meets the criteria for reporting as a Fiduciary Fund due to the extent of administrative involvement over the fund which is also not administered through a trust legally protected from creditors of the District.

As a result of this change, the fund is now presented as a Student Activities Special Revenue Fund of the District, and the previously reported Due to student groups liability of the Student Activities Agency Fund of \$573,184 in 2022 has been restated to fund balance to align with the new principle. Accordingly, the total beginning fund balance of the Governmental Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balance has been updated to reflect the following changes:

		Governmental Activities
Opening fund balance, as originally presented	\$	(9,119,776)
Change within the reporting entity		573,184
Opening fund balance, as restated	\$	<u>(8,546,592)</u>
		Total Governmental Funds
Opening fund balance, as originally presented	\$	22,949,448
Change within the reporting entity		573,184
Opening fund balance, as restated	\$	<u>23,522,632</u>

XII. New Accounting Pronouncement

In 2022, the District implemented GASB Statement No. 87, *Leases*, which established standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement apply to financial statements of all state and local governments.

The new standard requires the District to recognize certain lease assets and liabilities for leases. It establishes a single model for lease accounting based on the underlying principle that leases are financings of the right to use an underlying asset for a period of time. Under this Statement, a lessee is required to recognize a liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the District's leasing activities.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

As a result of adopting this new accounting pronouncement, there were no changes in beginning of year net position or fund balance. The District recognized the following amounts in financial statements with regard to leases:

Statement of Net Position:	<u>Governmental Activities</u>
Right-to-use assets	\$ 72,744
Lease liabilities	72,744
Principal Payments	16,111

XIII. Subsequent Accounting Pronouncements

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

- GASB 94 *Public-Private and Public-Public Partnerships and Availability Payments Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 96 *Subscription-Based Information Technology Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 99 *Omnibus 2022*. Multiple effective dates.
- 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.

Statements 94 and 99 are not expected to have any significant impact on the financial statements of the District.

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

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.

NORTH SLOPE BOROUGH 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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

General (School) Operating Fund

Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Local sources:				
Intergovernmental:				
Borough appropriation	\$ 39,428,052	40,928,052	41,476,897	548,845
Earnings on investments	175,000	175,000	121,534	(53,466)
Charges for services	191,400	161,400	172,763	11,363
E-rate	4,393,440	4,393,440	4,275,180	(118,260)
Other	30,000	30,000	655,066	625,066
Intergovernmental:				
State of Alaska	23,819,992	23,819,992	21,559,541	(2,260,451)
Federal sources	6,974,479	6,974,479	4,374,448	(2,600,031)
Total revenues	<u>75,012,363</u>	<u>76,482,363</u>	<u>72,635,429</u>	<u>(3,846,934)</u>
Expenditures:				
Current:				
Instruction	25,421,258	27,293,948	23,001,473	4,292,475
Special education instruction	4,798,794	4,798,794	3,697,246	1,101,548
Special education support services - students	604,725	605,725	395,753	209,972
Support services - students	3,233,056	3,448,967	2,681,947	767,020
Support services - instruction	10,589,735	10,594,485	9,970,790	623,695
School administration	3,616,456	3,648,665	3,434,316	214,349
School administration support services	1,524,091	1,524,091	1,488,873	35,218
District administration	1,644,086	1,640,586	1,767,555	(126,969)
District administration support services	3,446,395	3,460,295	3,763,849	(303,554)
Operations and maintenance of plant	12,471,059	12,413,300	13,973,142	(1,559,842)
Student activities	2,493,951	3,273,039	1,949,968	1,323,071
Total expenditures	<u>69,843,606</u>	<u>72,701,895</u>	<u>66,124,912</u>	<u>6,576,983</u>
Excess of revenues over expenditures	<u>5,168,757</u>	<u>3,780,468</u>	<u>6,510,517</u>	<u>2,730,049</u>
Other financing sources (uses):				
Transfers	<u>(5,138,757)</u>	<u>(3,880,013)</u>	<u>(2,960,293)</u>	<u>919,720</u>
Net change in fund balance	<u>\$ 30,000</u>	<u>(99,545)</u>	<u>3,550,224</u>	<u>3,649,769</u>
Fund balance, beginning of year			<u>15,600,507</u>	
Fund balance, end of year			<u>\$ 19,150,731</u>	

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2022

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	0.2700%	\$ 12,410,612	\$ 10,669,598	\$ 23,080,210	\$ 6,690,330	185.50%	62.37%
2016	0.4200%	\$ 20,492,879	\$ 5,488,680	\$ 25,981,559	\$ 6,511,486	314.72%	63.96%
2017	0.4900%	\$ 27,181,923	\$ 3,427,838	\$ 30,609,761	\$ 6,342,422	428.57%	59.55%
2018	0.4400%	\$ 22,715,059	\$ 8,463,298	\$ 31,178,357	\$ 5,991,957	379.09%	63.37%
2019	0.4900%	\$ 24,364,821	\$ 7,053,609	\$ 31,418,430	\$ 5,880,048	414.36%	65.19%
2020	0.4700%	\$ 25,558,317	\$ 10,149,508	\$ 35,707,825	\$ 5,001,401	511.02%	63.42%
2021	0.4100%	\$ 24,333,264	\$ 10,070,566	\$ 34,403,830	\$ 4,008,868	606.99%	61.61%
2022	0.4917%	\$ 18,038,082	\$ 2,444,261	\$ 20,482,343	\$ 3,630,989	496.78%	74.46%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2022

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	0.4400%	\$ 3,712,280	\$ 217,422	\$ 3,929,702	\$ 5,991,957	61.95%	89.68%
2019	0.4900%	\$ 5,031,481	\$ 1,459,957	\$ 6,491,438	\$ 5,880,048	85.57%	88.12%
2020	0.4700%	\$ 692,764	\$ 275,453	\$ 968,217	\$ 5,001,401	13.85%	98.13%
2021	0.4100%	\$ (1,866,327)	\$ (774,023)	\$ (2,640,350)	\$ 4,008,868	-46.55%	106.15%
2022	0.4938%	\$ (12,667,318)	\$ (1,661,541)	\$ (14,328,859)	\$ 3,630,989	-348.87%	135.54%
Occupational Death and Disability (ODD):							
2018	0.7000%	\$ (99,788)	\$ -	\$ (99,788)	\$ 5,991,957	-1.67%	212.97%
2019	0.7200%	\$ (14,078)	\$ -	\$ (14,078)	\$ 5,880,048	-0.24%	270.62%
2020	0.5700%	\$ (139,047)	\$ -	\$ (139,047)	\$ 5,001,401	-2.78%	297.43%
2021	0.5300%	\$ (143,699)	\$ -	\$ (143,699)	\$ 4,008,868	-3.58%	283.80%
2022	0.5099%	\$ (224,715)	\$ -	\$ (224,715)	\$ 3,630,989	-6.19%	374.22%
Retiree Medical Plan (RMP):							
2018	0.7000%	\$ 36,676	\$ -	\$ 36,676	\$ 7,318,628	0.50%	93.98%
2019	0.7200%	\$ 92,240	\$ -	\$ 92,240	\$ 8,204,413	1.12%	88.71%
2020	0.7200%	\$ 172,797	\$ -	\$ 172,797	\$ 9,164,709	1.89%	83.17%
2021	0.6600%	\$ 46,466	\$ -	\$ 46,466	\$ 8,900,878	0.52%	92.23%
2022	0.6003%	\$ (161,120)	\$ -	\$ (161,120)	\$ 8,756,936	-1.84%	115.10%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (Pensions)

Public Employees' Retirement System (PERS)

June 30, 2022

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	\$ 1,156,138	\$ (1,156,138)	\$ -	\$ 6,511,486	17.76%
2016	\$ 1,281,138	\$ (1,281,138)	\$ -	\$ 6,342,422	20.20%
2017	\$ 1,490,393	\$ (1,490,393)	\$ -	\$ 5,991,957	24.87%
2018	\$ 1,785,699	\$ (1,785,699)	\$ -	\$ 5,880,048	30.37%
2019	\$ 1,655,804	\$ (1,655,804)	\$ -	\$ 5,001,401	33.11%
2020	\$ 1,401,057	\$ (1,401,057)	\$ -	\$ 4,008,868	34.95%
2021	\$ 1,593,057	\$ (1,593,057)	\$ -	\$ 3,630,989	43.87%
2022	\$ 1,590,257	\$ (1,584,293)	\$ 5,964	\$ 12,100,318	13.14%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2022

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	\$ 509,336	\$ (509,336)	\$ -	\$ 5,880,048	8.66%
2019	\$ 595,625	\$ (595,625)	\$ -	\$ 5,001,401	11.91%
2020	\$ 559,721	\$ (559,721)	\$ -	\$ 4,008,868	13.96%
2021	\$ 269,749	\$ (269,749)	\$ -	\$ 3,630,989	7.43%
2022	\$ 216,043	\$ (216,043)	\$ -	\$ 12,100,318	1.79%
Occupational Death and Disability (ODD):					
2018	\$ 13,127	\$ (13,127)	\$ -	\$ 5,880,048	0.22%
2019	\$ 23,809	\$ (23,809)	\$ -	\$ 5,001,401	0.48%
2020	\$ 23,137	\$ (23,137)	\$ -	\$ 4,008,868	0.58%
2021	\$ 27,228	\$ (27,228)	\$ -	\$ 3,630,989	0.75%
2022	\$ 27,159	\$ (27,159)	\$ -	\$ 12,100,318	0.22%
Retiree Medical Plan (RMP):					
2018	\$ 84,602	\$ (84,602)	\$ -	\$ 8,204,413	1.03%
2019	\$ 86,183	\$ (86,183)	\$ -	\$ 9,164,709	0.94%
2020	\$ 117,538	\$ (117,538)	\$ -	\$ 8,900,878	1.32%
2021	\$ 111,131	\$ (111,131)	\$ -	\$ 8,756,936	1.27%
2022	\$ 93,765	\$ (93,765)	\$ -	\$ 3,367,318	2.78%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2022

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	0.0300%	\$ 8,207,032	\$ 55,971,081	\$ 64,178,113	\$ 8,790,152	93.37%	55.70%
2016	0.0100%	\$ 13,168,117	\$ 21,049,386	\$ 34,217,503	\$ 7,355,691	179.02%	73.82%
2017	0.9100%	\$ 20,675,894	\$ 24,574,393	\$ 45,250,287	\$ 6,963,281	296.93%	68.40%
2018	0.6600%	\$ 13,296,924	\$ 23,209,005	\$ 36,505,929	\$ 6,191,797	214.75%	72.39%
2019	0.7700%	\$ 14,783,598	\$ 21,977,229	\$ 36,760,827	\$ 4,982,771	296.69%	74.09%
2020	0.9300%	\$ 17,315,932	\$ 25,681,701	\$ 42,997,633	\$ 4,177,653	414.49%	74.68%
2021	0.7100%	\$ 14,404,217	\$ 25,005,246	\$ 39,409,463	\$ 4,086,959	352.44%	72.81%
2022	1.1318%	\$ 9,008,750	\$ 7,645,854	\$ 16,654,604	\$ 4,104,919	219.46%	89.43%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2022

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	0.6500%	\$ 1,203,383	\$ 2,110,057	\$ 3,313,440	\$ 6,191,797	19.44%	93.75%
2019	0.7700%	\$ 2,396,367	\$ 3,574,845	\$ 5,971,212	\$ 4,982,771	48.09%	90.23%
2020	0.9300%	\$ (1,412,949)	\$ (2,103,108)	\$ (3,516,057)	\$ 4,177,653	-33.82%	105.50%
2021	0.7100%	\$ (2,527,255)	\$ (4,407,007)	\$ (6,934,262)	\$ 4,086,959	-61.84%	113.78%
2022	1.1762%	\$ (13,674,903)	\$ (10,650,918)	\$ (24,325,821)	\$ 4,104,919	-333.13%	145.41%
Occupational Death and Disability (ODD):							
2018	3.0300%	\$ (99,168)	\$ -	\$ (99,168)	\$ 6,191,797	-1.60%	1342.59%
2019	3.3500%	\$ (117,383)	\$ -	\$ (117,383)	\$ 4,982,771	-2.36%	1304.81%
2020	3.3700%	\$ (135,459)	\$ -	\$ (135,459)	\$ 4,177,653	-3.24%	1409.77%
2021	3.0500%	\$ (131,466)	\$ -	\$ (131,466)	\$ 4,086,959	-3.22%	931.08%
2022	3.2058%	\$ (195,391)	\$ -	\$ (195,391)	\$ 4,104,919	-4.76%	1254.36%
Retiree Medical Plan (RMP):							
2018	3.0300%	\$ (143,836)	\$ -	\$ (143,836)	\$ 10,181,445	-1.41%	118.16%
2019	3.3500%	\$ (107,071)	\$ -	\$ (107,071)	\$ 12,034,621	-0.89%	109.56%
2020	3.3500%	\$ (128,347)	\$ -	\$ (128,347)	\$ 13,037,843	-0.98%	110.03%
2021	3.0600%	\$ (302,270)	\$ -	\$ (302,270)	\$ 13,343,586	-2.27%	125.59%
2022	3.2405%	\$ (650,701)	\$ -	\$ (650,701)	\$ 13,702,849	-4.75%	142.54%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (Pensions)

Teachers' Retirement System (TRS)

June 30, 2022

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	\$ 591,114	\$ (591,114)	\$ -	\$ 7,355,691	8.04%
2016	\$ 538,092	\$ (538,092)	\$ -	\$ 6,963,281	7.73%
2017	\$ 588,274	\$ (588,274)	\$ -	\$ 6,191,797	9.50%
2018	\$ 585,302	\$ (585,302)	\$ -	\$ 4,982,771	11.75%
2019	\$ 538,013	\$ (538,013)	\$ -	\$ 4,177,653	12.88%
2020	\$ 483,629	\$ (483,629)	\$ -	\$ 4,086,959	11.83%
2021	\$ 499,986	\$ (499,986)	\$ -	\$ 4,104,919	12.18%
2022	\$ 450,055	\$ (437,709)	\$ 12,346	\$ 17,334,889	2.60%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2022

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	\$ 509,336	\$ (509,336)	\$ -	\$ 4,982,771	10.22%
2019	\$ 595,625	\$ (595,625)	\$ -	\$ 4,177,653	14.26%
2020	\$ 428,033	\$ (428,033)	\$ -	\$ 4,086,959	10.47%
2021	\$ 286,399	\$ (286,399)	\$ -	\$ 4,104,919	6.98%
2022	\$ 215,190	\$ (215,190)	\$ -	\$ 17,334,889	1.24%
Occupational Death and Disability (ODD):					
2018	\$ 13,127	\$ (13,127)	\$ -	\$ 4,982,771	0.26%
2019	\$ 23,809	\$ (23,809)	\$ -	\$ 4,177,653	0.57%
2020	\$ 10,674	\$ (10,674)	\$ -	\$ 4,086,959	0.26%
2021	\$ 10,963	\$ (10,963)	\$ -	\$ 4,104,919	0.27%
2022	\$ 11,276	\$ (11,276)	\$ -	\$ 17,334,889	0.07%
Retiree Medical Plan (RMP):					
2018	\$ 84,602	\$ (84,602)	\$ -	\$ 12,034,621	0.70%
2019	\$ 86,183	\$ (86,183)	\$ -	\$ 13,037,843	0.66%
2020	\$ 145,626	\$ (145,626)	\$ -	\$ 13,343,586	1.09%
2021	\$ 127,711	\$ (127,711)	\$ -	\$ 13,702,849	0.93%
2022	\$ 117,013	\$ (117,013)	\$ -	\$ 11,115,239	1.05%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Required Supplementary Information

June 30, 2022

1. Budgetary Information

The annual budget for the General (School Operating) Fund is adopted by the School Board for all operating revenues, expenditures, and interfund transfers. The budget, which is prepared and presented on a modified accrual basis of accounting, serves as a formal plan for expenditures and as a proposed means for financing them. No funds may be expended until the budget has been formally approved by the School Board.

The adopted General (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 original and final revised and approved budget is presented in these financial statements. Expenditure authority for the General (School Operating) Fund is limited to the total approved budget. There are no specific line item or category limitations.

Excess of expenditures over appropriations in the General (School Operating) Fund are funded through available fund balance.

Excess of Expenditures over Appropriations

The following functions that had expenditures in excess of appropriations in the School Operating Fund for the year ended June 30, 2022 were:

District administration	\$	(126,969)
District administration support services	\$	(303,554)
Operations and maintenance of plant	\$	(1,559,842)

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

2. Public Employees' Retirement System

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

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

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

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

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

- Pension - 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.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

- OPEB ODD and RMP- 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.

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.

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, 2020 which was rolled forward to June 30, 2021. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

3. Teachers' Retirement System

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

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

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

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

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

- Pension - 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.
- OPEB ODD and RMP- 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.

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.

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, 2020 which was rolled forward to June 30, 2021. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

SUPPLEMENTARY INFORMATION

NORTH SLOPE BOROUGH SCHOOL DISTRICT

General (School) Operating 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)
Revenues:			
Intergovernmental:			
Borough appropriation	\$ 38,328,052	37,837,907	(490,145)
Borough in-kind contribution	2,600,000	3,638,990	1,038,990
Local sources:			
Earnings on investments	175,000	121,534	(53,466)
Charges for services	161,400	172,763	11,363
E-rate revenue	4,393,440	4,275,180	(118,260)
Other	30,000	655,066	625,066
Total local sources	<u>45,687,892</u>	<u>46,701,440</u>	<u>1,013,548</u>
Intergovernmental:			
State of Alaska:			
Foundation program	19,066,248	17,465,795	(1,600,453)
TRS on-behalf	3,555,105	3,018,030	(537,075)
PERS on-behalf	1,104,203	971,256	(132,947)
Other state	-	10,024	10,024
Quality schools	94,436	94,436	-
Total State of Alaska	<u>23,819,992</u>	<u>21,559,541</u>	<u>(2,260,451)</u>
Federal sources:			
Direct sources - Impact Aid	<u>6,974,479</u>	<u>4,374,448</u>	<u>(2,600,031)</u>
Total revenues	<u>76,482,363</u>	<u>72,635,429</u>	<u>(3,846,934)</u>
Expenditures:			
Instruction:			
Certificated salaries	13,733,638	12,674,831	1,058,807
Non-certificated salaries	2,049,915	1,578,749	471,166
Employee benefits	9,249,904	8,126,161	1,123,743
Professional and technical services	634,872	69,118	565,754
Staff travel	56,000	25,864	30,136
Student travel	101,000	53,418	47,582
Utility services	9,800	6,496	3,304
Other purchased services	8,900	2,716	6,184
Supplies, materials and media	1,024,630	464,120	560,510
Tuition and stipends	5,000	-	5,000
Other	420,289	-	420,289
Total instruction	<u>27,293,948</u>	<u>23,001,473</u>	<u>4,292,475</u>
Special education instruction:			
Certificated salaries	1,691,514	1,609,599	81,915
Non-certificated salaries	1,269,926	655,246	614,680
Employee benefits	1,827,354	1,428,957	398,397
Student travel	1,012	2,511	(1,499)
Supplies, materials and media	8,988	933	8,055
Total special education instruction	<u>4,798,794</u>	<u>3,697,246</u>	<u>1,101,548</u>
Special education support services - students:			
Certificated salaries	128,104	132,751	(4,647)
Non-certificated salaries	58,490	7,558	50,932
Employee benefits	109,431	85,451	23,980
Professional and technical services	285,000	164,219	120,781
Staff travel	3,700	2,690	1,010
Utility services	1,000	898	102
Other purchased services	5,000	1,966	3,034
Supplies, materials and media	15,000	220	14,780
Total special education support services - students	<u>605,725</u>	<u>395,753</u>	<u>209,972</u>

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

General (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:			
Support services - students:			
Certificated salaries	1,035,796	684,423	351,373
Non-certificated salaries	908,574	792,439	116,135
Employee benefits	1,492,977	1,205,085	287,892
Staff travel	3,000	-	3,000
Supplies, materials and media	8,620	-	8,620
Total support services - students	<u>3,448,967</u>	<u>2,681,947</u>	<u>767,020</u>
Support services - instruction:			
Certificated salaries	505,603	473,853	31,750
Non-certificated salaries	920,331	1,147,530	(227,199)
Employee benefits	1,052,121	928,794	123,327
Professional and technical services	215,702	164,698	51,004
Staff travel	85,630	41,385	44,245
Utility services	6,152,900	5,821,805	331,095
Other purchased services	265,898	66,109	199,789
Supplies, materials and media	1,248,300	1,177,661	70,639
Other	23,000	8,900	14,100
Equipment	125,000	140,055	(15,055)
Total support services - instruction	<u>10,594,485</u>	<u>9,970,790</u>	<u>623,695</u>
School administration:			
Certificated salaries	2,201,303	2,106,508	94,795
Employee benefits	1,180,953	1,069,845	111,108
Staff travel	15,000	9,375	5,625
Utility services	95,700	100,160	(4,460)
Other purchased services	123,600	108,076	15,524
Supplies, materials and media	32,109	40,352	(8,243)
Total school administration	<u>3,648,665</u>	<u>3,434,316</u>	<u>214,349</u>
School administration support services:			
Non-certificated salaries	831,280	803,289	27,991
Employee benefits	692,811	685,584	7,227
Total school administration support services	<u>1,524,091</u>	<u>1,488,873</u>	<u>35,218</u>
District administration:			
Certificated salaries	323,410	376,063	(52,653)
Non-certificated salaries	364,011	461,276	(97,265)
Employee benefits	394,765	394,231	534
Professional and technical services	298,500	339,343	(40,843)
Staff travel	171,500	145,339	26,161
Student travel	10,000	7,959	2,041
Utility services	8,500	2,975	5,525
Other purchased services	5,500	8,150	(2,650)
Supplies, materials and media	41,500	28,784	12,716
Other	22,900	3,435	19,465
Total district administration	<u>1,640,586</u>	<u>1,767,555</u>	<u>(126,969)</u>

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

General (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:			
District administration support services:			
Certificated salaries	-	3,804	(3,804)
Non-certificated salaries	1,539,788	1,299,774	240,014
Employee benefits	925,197	720,667	204,530
Professional and technical services	792,329	529,971	262,358
Staff travel	94,500	92,689	1,811
Utility services	29,000	11,291	17,709
Other purchased services	57,000	35,753	21,247
Supplies, materials and media	67,306	39,918	27,388
Other	50,175	1,118,804	(1,068,629)
Indirect cost recovery	(95,000)	(88,822)	(6,178)
Total district administration support services	3,460,295	3,763,849	(303,554)
Operations and maintenance of plant:			
Non-certificated salaries	4,488,997	4,390,234	98,763
Employee benefits	3,142,033	2,969,659	172,374
Professional and technical services	136,000	81,482	54,518
Staff travel	64,000	58,251	5,749
Utility services	412,400	303,190	109,210
Energy	2,296,000	2,560,533	(264,533)
Other purchased services	29,000	7,246	21,754
Insurance and bond premiums	1,030,000	2,956,776	(1,926,776)
Supplies, materials and media	739,870	644,670	95,200
Equipment	75,000	1,101	73,899
Total operations and maintenance of plant	12,413,300	13,973,142	(1,559,842)
Student activities:			
Certificated salaries	287,279	245,040	42,239
Non-certificated salaries	124,442	166,893	(42,451)
Employee benefits	293,468	111,704	181,764
Professional and technical services	32,154	35,576	(3,422)
Staff travel	4,540	2,375	2,165
Student travel	2,478,341	1,332,777	1,145,564
Utility services	11,200	6,885	4,315
Supplies, materials and media	29,375	37,968	(8,593)
Other	12,240	10,750	1,490
Total student activities	3,273,039	1,949,968	1,323,071
Total expenditures	72,701,895	66,124,912	6,576,983

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

General (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)
Excess (deficiency) of revenues over expenditures	3,780,468	6,510,517	2,730,049
Other financing sources (uses):			
Transfer in:			
Special Revenue Funds:			
Charter School	-	1,465,963	(1,465,963)
Transfers out:			
Special Revenue Funds:			
Pupil Transportation	(250,000)	(250,000)	-
Community Education	(275,000)	(275,000)	-
Food Service	(2,263,757)	(2,263,757)	-
RUS USDA	(117,544)	(117,544)	-
Major Maintenance	(123,712)	(107,694)	(16,018)
Teacher Housing	(850,000)	(1,412,261)	562,261
Net other financing sources (uses)	(3,880,013)	(2,960,293)	919,720
Net change in fund balance	\$ (99,545)	3,550,224	3,649,769
Fund balance, beginning of year		15,600,507	
Fund balance, end of year		\$ 19,150,731	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Nonmajor Governmental Funds

Combining Balance Sheet

	Special Revenue Funds				
	Student Transportation	Community Education	Suicide Awareness and Prevention	Food Service	Title III-A English Language Acquisition
<u>Assets</u>					
Grants receivable	\$ -	-	22,680	329,411	20,121
Inventory	-	-	-	45,933	-
Prepaid items	-	-	-	-	-
Due from other funds	1,522,504	155,154	-	3,248,919	-
Total assets	<u>\$ 1,522,504</u>	<u>155,154</u>	<u>22,680</u>	<u>3,624,263</u>	<u>20,121</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	557	-	2,990	67	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	19,690	-	20,121
Total liabilities	<u>557</u>	<u>-</u>	<u>22,680</u>	<u>67</u>	<u>20,121</u>
Fund balances:					
Nonspendable:					
Inventory	-	-	-	45,933	-
Prepaid items	-	-	-	-	-
Committed:					
Pupil transportation	1,521,947	-	-	-	-
Student activities	-	-	-	-	-
Assigned:					
Community education	-	155,154	-	-	-
Instruction	-	-	-	-	-
Food services	-	-	-	3,578,263	-
Total fund balances	<u>1,521,947</u>	<u>155,154</u>	<u>-</u>	<u>3,624,196</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,522,504</u>	<u>155,154</u>	<u>22,680</u>	<u>3,624,263</u>	<u>20,121</u>

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Nonmajor Governmental Funds

Combining Balance Sheet, Continued

		Special Revenue Funds						
		Title I-A Basic	Migrant Materials	Title I-C Migrant Education	Title I-A School Improvement	Title II-A Supporting Effective Instruction	Title IV-A Student Support and Academic Enrichment	CARES ACT Government Emergency Education Relief I
<u>Assets</u>								
Grants receivable	\$	274,563	2,099	24,153	144,897	80,814	42,412	10,114
Inventory		-	-	-	-	-	-	-
Prepaid items		-	-	-	-	-	-	-
Due from other funds		-	-	-	-	-	-	-
Total assets	\$	<u>274,563</u>	<u>2,099</u>	<u>24,153</u>	<u>144,897</u>	<u>80,814</u>	<u>42,412</u>	<u>10,114</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Account payable		16,684	-	32	23,971	-	2,732	-
Unearned revenue		-	-	-	-	-	-	-
Due to other funds		<u>257,879</u>	<u>2,099</u>	<u>24,121</u>	<u>120,926</u>	<u>80,814</u>	<u>39,680</u>	<u>10,114</u>
Total liabilities		<u>274,563</u>	<u>2,099</u>	<u>24,153</u>	<u>144,897</u>	<u>80,814</u>	<u>42,412</u>	<u>10,114</u>
Fund balances:								
Nonspendable:								
Inventory		-	-	-	-	-	-	-
Prepaid items		-	-	-	-	-	-	-
Committed:								
Pupil transportation		-	-	-	-	-	-	-
Student activities		-	-	-	-	-	-	-
Assigned:								
Community education		-	-	-	-	-	-	-
Instruction		-	-	-	-	-	-	-
Food service		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$	<u>274,563</u>	<u>2,099</u>	<u>24,153</u>	<u>144,897</u>	<u>80,814</u>	<u>42,412</u>	<u>10,114</u>

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Nonmajor Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds						
	Elementary & Secondary Emergency Relief II	Elementary & Secondary Emergency Relief III	Title VI-B Special Education	Title VI-B Special Education ARP	Alternative School Kiita	Substance Misuse and Addiction Prevention	Carl Perkins
<u>Assets</u>							
Grants receivable	\$ 173,191	171,695	270,303	7,024	24,630	5,127	50,612
Inventory	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>\$ 173,191</u>	<u>171,695</u>	<u>270,303</u>	<u>7,024</u>	<u>24,630</u>	<u>5,127</u>	<u>50,612</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Account payable	9,089	-	-	-	-	4,907	-
Unearned revenue	-	-	-	-	-	-	-
Due to other funds	<u>164,102</u>	<u>171,695</u>	<u>270,303</u>	<u>7,024</u>	<u>24,630</u>	<u>220</u>	<u>50,612</u>
Total liabilities	<u>173,191</u>	<u>171,695</u>	<u>270,303</u>	<u>7,024</u>	<u>24,630</u>	<u>5,127</u>	<u>50,612</u>
Fund balances:							
Nonspendable:							
Inventory	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Committed:							
Pupil transportation	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-
Assigned:							
Community education	-	-	-	-	-	-	-
Instruction	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 173,191</u>	<u>171,695</u>	<u>270,303</u>	<u>7,024</u>	<u>24,630</u>	<u>5,127</u>	<u>50,612</u>

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Nonmajor Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds						
	New Vision	Johnson O'Malley	Indian Education	Alaska Native Education	Higher Pathways	Conoco Phillips Nuiqsit	Point Hope Library
<u>Assets</u>							
Grants receivable	\$ -	-	98,666	253,433	-	-	-
Inventory	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Due from other funds	14,057	328,162	-	-	1,753	11,439	1,000
Total assets	<u>\$ 14,057</u>	<u>328,162</u>	<u>98,666</u>	<u>253,433</u>	<u>1,753</u>	<u>11,439</u>	<u>1,000</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Account payable	2,161	-	-	10,321	-	4,236	-
Unearned revenue	11,896	328,162	-	-	1,753	7,203	1,000
Due to other funds	-	-	98,666	243,112	-	-	-
Total liabilities	<u>14,057</u>	<u>328,162</u>	<u>98,666</u>	<u>253,433</u>	<u>1,753</u>	<u>11,439</u>	<u>1,000</u>
Fund balances:							
Nonspendable:							
Inventory	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Committed:							
Pupil transportation	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-
Assigned:							
Community education	-	-	-	-	-	-	-
Instruction	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 14,057</u>	<u>328,162</u>	<u>98,666</u>	<u>253,433</u>	<u>1,753</u>	<u>11,439</u>	<u>1,000</u>

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Nonmajor Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds						Total
	ASRC Cares Act	ASRC Arctic Stars	Residential Learning Center	Exxon/Mobil Kaktovik General Operations Support	Teacher Housing	Student Activities	
<u>Assets</u>							
Grants receivable	\$ 112,865	-	-	-	-	-	2,118,810
Inventory	-	-	-	-	-	-	45,933
Prepaid items	-	-	-	-	1,024,901	-	1,024,901
Due from other funds	332,724	107,725	547,684	57,744	276,037	599,982	7,204,884
Total assets	<u>\$ 445,589</u>	<u>107,725</u>	<u>547,684</u>	<u>57,744</u>	<u>1,300,938</u>	<u>599,982</u>	<u>10,394,528</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	1,469	-	14,298	-	144,282	-	237,796
Unearned revenue	-	107,725	-	57,744	-	-	515,483
Due to other funds	-	-	-	-	-	-	1,605,808
Total liabilities	<u>1,469</u>	<u>107,725</u>	<u>14,298</u>	<u>57,744</u>	<u>144,282</u>	<u>-</u>	<u>2,359,087</u>
Fund balances:							
Nonspendable:							
Inventory	-	-	-	-	-	-	45,933
Prepaid items	-	-	-	-	1,024,901	-	1,024,901
Committed:							
Pupil transportation	-	-	-	-	-	-	1,521,947
Student activities	-	-	-	-	-	599,982	599,982
Assigned:							
Community education	-	-	-	-	-	-	155,154
Instruction	444,120	-	533,386	-	131,755	-	1,109,261
Food services	-	-	-	-	-	-	3,578,263
Total fund balances	<u>444,120</u>	<u>-</u>	<u>533,386</u>	<u>-</u>	<u>1,156,656</u>	<u>599,982</u>	<u>8,035,441</u>
Total liabilities and fund balances	<u>\$ 445,589</u>	<u>107,725</u>	<u>547,684</u>	<u>57,744</u>	<u>1,300,938</u>	<u>599,982</u>	<u>10,394,528</u>

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2022

	Special Revenue Funds							
	Student Transportation	Community Education	Suicide Awareness and Prevention	Broadband Assistance (BAG)	Title III-A English Language Acquisition	Food Service	Title I-A Basic	Migrant Materials
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	9,003	-	-
Other	-	-	-	-	-	323,641	-	-
Intergovernmental:								
State of Alaska	2,304,902	-	22,680	321,600	-	-	-	-
Federal sources	-	-	-	-	32,102	1,856,828	453,853	2,099
Total revenues	\$ 2,304,902	-	22,680	321,600	32,102	2,189,472	453,853	2,099
Expenditures:								
Current:								
Instruction	-	-	-	-	-	-	393,994	-
Special education instruction	-	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-	-
Support services - students	-	-	21,707	-	-	-	26,169	-
Support services - instruction	-	-	-	321,600	30,726	-	14,229	2,009
School administration support services:	-	-	-	-	-	-	-	-
District administration support services	-	-	973	-	1,376	-	19,461	90
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation	2,248,774	-	-	-	-	-	-	-
Community services	-	119,846	-	-	-	-	-	-
Food services	-	-	-	-	-	3,674,226	-	-
Debt service:								
Interest on long-term debt	-	-	-	-	-	-	-	-
Redemption of principal on long-term debt	-	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-	-
Total expenditures	2,248,774	119,846	22,680	321,600	32,102	3,674,226	453,853	2,099
Excess (deficiency) of revenues over expenditures	56,128	(119,846)	-	-	-	(1,484,754)	-	-
Other financing sources (uses):								
Proceeds from issuance of leases	-	-	-	-	-	-	-	-
Transfers in	250,000	275,000	-	-	-	2,263,757	-	-
Transfers out	-	-	-	-	-	-	-	-
Net other financing sources (uses)	250,000	275,000	-	-	-	2,263,757	-	-
Net change in fund balance	306,128	155,154	-	-	-	779,003	-	-
Fund balance, beginning of year, as previously stated	1,215,819	-	-	-	-	2,845,193	-	-
Cumulative effect of change within the reporting entity	-	-	-	-	-	-	-	-
Fund balance, beginning of year, as restated	1,215,819	-	-	-	-	2,845,193	-	-
Fund balance, end of year	\$ 1,521,947	155,154	-	-	-	3,624,196	-	-

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Nonmajor Governmental Funds

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

	Special Revenue Funds							
	Title I-C Migrant Education	Title I-A School Improvement	Title II-A Supporting Effective Instruction	Title IV-A Student Support and Academic Enrichment	CARES ACT Governor's Emergency Educational Relief I	Elementary & Secondary Emergency Relief I	Elementary & Secondary Emergency Relief II	Elementary & Secondary Emergency Relief III
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	-
Federal sources	24,745	146,242	124,789	43,794	54,605	637	173,191	171,695
Total revenues	\$ 24,745	146,242	124,789	43,794	54,605	637	173,191	171,695
Expenditures:								
Current:								
Instruction	-	69,609	-	7,935	-	-	116,819	-
Special education instruction	-	16,966	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-	-
Support services - students	-	32,854	7,000	2,049	-	-	-	-
Support services - instruction	23,684	15,264	112,438	31,932	-	-	-	-
School administration support services:	-	3,248	-	-	-	-	31,670	-
District administration support services	1,061	6,271	5,351	1,878	2,342	27	7,426	7,362
Operations and maintenance of plant	-	-	-	-	52,263	610	-	164,333
Student activities	-	2,030	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	17,276	-
Community services	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Debt service:								
Interest on long-term debt	-	-	-	-	-	-	-	-
Redemption of principal on long-term debt	-	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-	-
Total expenditures	24,745	146,242	124,789	43,794	54,605	637	173,191	171,695
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-
Other financing sources (uses):								
Proceeds from issuance of leases	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	-
Fund balance, beginning of year, as previously stated	-	-	-	-	-	-	-	-
Cumulative effect of change within the reporting entity	-	-	-	-	-	-	-	-
Fund balance, beginning of year, as restated	-	-	-	-	-	-	-	-
Fund balance, end of year	\$ -	-	-	-	-	-	-	-

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Nonmajor Governmental Funds

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

	Special Revenue Funds						
	Title VI-B Special Education	Title VI-B Special Education ARP	Alternative School Kiita	Substance Misuse and Addiction Prevention	Carl Perkins	Section 619 Preschool Disabled	Artists in School
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	-	-	-	-
Other	-	-	-	-	-	-	2,550
Intergovernmental:							
State of Alaska	-	-	24,630	5,127	-	-	1,225
Federal sources	527,927	7,024	-	-	53,412	13,123	1,225
Total revenues	\$ 527,927	7,024	24,630	5,127	53,412	13,123	5,000
Expenditures:							
Current:							
Instruction	-	-	12,664	-	51,122	-	-
Special education instruction	-	-	-	-	-	-	-
Special education support services - students	505,290	3,223	-	-	-	12,560	-
Support services - students	-	3,500	10,910	-	-	-	-
Support services - instruction	-	-	-	-	-	-	5,000
School administration support services:	-	-	-	-	-	-	-
District administration support services	22,637	301	1,056	220	2,290	563	-
Operations and maintenance of plant	-	-	-	4,907	-	-	-
Student activities	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Debt service:							
Interest on long-term debt	-	-	-	-	-	-	-
Redemption of principal on long-term debt	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-
Total expenditures	527,927	7,024	24,630	5,127	53,412	13,123	5,000
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-
Other financing sources (uses):							
Proceeds from issuance of leases	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-
Fund balance, beginning of year, as previously stated	-	-	-	-	-	-	-
Cumulative effect of change within the reporting entity	-	-	-	-	-	-	-
Fund balance, beginning of year, as restated	-	-	-	-	-	-	-
Fund balance, end of year	\$ -	-	-	-	-	-	-

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Nonmajor Governmental Funds

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

	Special Revenue Funds							
	New Visions	Johnson O'Malley	Indian Education	Alaska Native Education	RUS USDA Telemedicine	RUS USDA Distance Learning	Higher Pathways	Conoco Phillip Nuiqsit
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	17,919	37,797
Intergovernmental:								
State of Alaska	6,792	-	-	-	-	-	-	-
Federal sources	5,000	1,380	189,779	283,380	117,152	499,519	-	-
Total revenues	\$ 11,792	1,380	189,779	283,380	117,152	499,519	17,919	37,797
Expenditures:								
Current:								
Instruction	2,161	-	42,571	58,507	-	-	-	37,797
Special education instruction	-	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-	-
Support services - students	-	-	-	11,452	-	-	17,919	-
Support services - instruction	9,631	-	112,242	213,421	137,825	596,390	-	-
School administration support services:	-	-	-	-	-	-	-	-
District administration support services	-	-	8,137	-	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	1,380	26,829	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Debt service:								
Interest on long-term debt	-	-	-	-	-	-	-	-
Redemption of principal on long-term debt	-	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-	-
Total expenditures	11,792	1,380	189,779	283,380	137,825	596,390	17,919	37,797
Excess (deficiency) of revenues over expenditures	-	-	-	-	(20,673)	(96,871)	-	-
Other financing sources (uses):								
Proceeds from issuance of leases	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	20,673	96,871	-	-
Transfers out	-	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	20,673	96,871	-	-
Net change in fund balance	-	-	-	-	-	-	-	-
Fund balance, beginning of year, as previously stated	-	-	-	-	-	-	-	-
Cumulative effect of change within the reporting entity	-	-	-	-	-	-	-	-
Fund balance, beginning of year, as restated	-	-	-	-	-	-	-	-
Fund balance, end of year	\$ -	-	-	-	-	-	-	-

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Nonmajor Governmental Funds

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

	Special Revenue Funds						
	ASRC Cares Act	ASRC Arctic Stars	Charter School	Major Maintenance	Teacher Housing	Student Activities	Total
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	-	1,593,562	-	1,602,565
Other	-	5,292	-	-	-	297,525	684,724
Intergovernmental:							
State of Alaska	-	-	-	-	-	-	2,686,956
Federal sources	4,280,268	-	-	-	-	-	9,063,769
Total revenues	\$ 4,280,268	5,292	-	-	1,593,562	297,525	14,038,014
Expenditures:							
Current:							
Instruction	-	1,919	50,013	-	-	-	845,111
Special education instruction	-	-	-	-	-	-	16,966
Special education support services - students	-	-	-	-	-	-	521,073
Support services - students	-	-	-	-	-	-	133,560
Support services - instruction	2,413,053	-	73,698	-	-	-	4,113,142
School administration support services:	-	-	-	-	-	-	34,918
District administration support services	-	-	-	-	-	-	88,822
Operations and maintenance of plant	497,491	-	-	107,694	2,995,023	-	3,822,321
Student activities	77,889	1,723	-	-	-	270,727	380,578
Student transportation	-	-	-	-	-	-	2,266,050
Community services	-	1,650	-	-	-	-	121,496
Food services	847,715	-	-	-	-	-	4,521,941
Debt service:							
Interest on long-term debt	-	-	-	-	2,902	-	2,902
Redemption of principal on long-term debt	-	-	-	-	16,111	-	16,111
Construction and facilities acquisition	-	-	-	-	72,744	-	72,744
Total expenditures	3,836,148	5,292	123,711	107,694	3,086,780	270,727	16,957,735
Excess (deficiency) of revenues over expenditures	444,120	-	(123,711)	(107,694)	(1,493,218)	26,798	(2,919,721)
Other financing sources (uses):							
Proceeds from issuance of leases	-	-	-	-	72,744	-	72,744
Transfers in	-	-	-	107,694	1,412,261	-	4,426,256
Transfers out	-	-	(1,465,963)	-	-	-	(1,465,963)
Net other financing sources (uses)	-	-	(1,465,963)	107,694	1,485,005	-	3,033,037
Net change in fund balance	444,120	-	(1,589,674)	-	(8,213)	26,798	113,316
Fund balance, beginning of year, as previously stated	-	-	1,589,674	-	1,164,869	-	7,348,941
Cumulative effect of change within the reporting entity	-	-	-	-	-	573,184	573,184
Fund balance, beginning of year, as restated	-	-	1,589,674	-	1,164,869	573,184	7,922,125
Fund balance, end of year	\$ 444,120	-	-	-	1,156,656	599,982	8,035,441

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Student Transportation 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)
Revenues:			
Intergovernmental:			
State of Alaska	\$ 2,390,107	2,304,902	(85,205)
Expenditures:			
Student transportation - to and from school:			
Non-certificated salaries	1,728,040	1,260,965	467,075
Employee benefits	919,780	795,003	124,777
Professional and technical services	4,300	2,226	2,074
Staff travel	1,500	1,319	181
Utility services	5,700	5,882	(182)
Energy	50,500	71,661	(21,161)
Other purchased services	1,200	1,174	26
Supplies, materials and media	124,450	110,354	14,096
Other	300	190	110
Total expenditures	2,835,770	2,248,774	586,996
Excess (deficiency) of revenues over expenditures	(445,663)	56,128	501,791
Other financing sources:			
Transfers in - School Operating Fund	250,000	250,000	-
Net change in fund balance	\$ (195,663)	306,128	501,791
Fund balance, beginning of year		1,215,819	
Fund balance, end of year		\$ 1,521,947	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Community Education 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)
Revenues	\$ -	-	-
Expenditures:			
Community services:			
Certificated salaries	8,264	4,132	4,132
Non-certificated salaries	22,171	77,504	(55,333)
Employee benefits	8,856	20,416	(11,560)
Professional and technical services	232,709	17,794	214,915
Supplies, materials and media	3,000	-	3,000
Total expenditures	275,000	119,846	155,154
Excess (deficiency) of revenues over expenditures	(275,000)	(119,846)	155,154
Other financing sources:			
Transfers in - School Operating Fund	275,000	275,000	-
Net change in fund balance	\$ -	155,154	155,154
Fund balance, beginning of year		-	
Fund balance, end of year		\$ 155,154	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Suicide Awareness and Prevention 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)
Revenues:			
Intergovernmental:			
State of Alaska	\$ 30,000	22,680	(7,320)
Expenditures:			
Support services - students:			
Other purchase services	6,365	6,365	-
Supplies, material and media	22,349	15,342	7,007
Total support services - students	28,714	21,707	7,007
District administration support services:			
Indirect costs	1,286	973	313
Total expenditures	30,000	22,680	7,320
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Broadband Assistance (BAG) 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)
Revenues:			
Intergovernmental:			
State of Alaska	\$ 321,600	321,600	-
Expenditures:			
Support services - instruction:			
Utility services	321,600	321,600	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title III-A English Language Acquisition 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)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 32,102	32,102	-
Expenditures:			
Support services - instruction:			
Certificated salaries	19,404	19,875	(471)
Employee benefits	8,251	8,050	201
Supplies, materials and media	3,071	2,801	270
Total support services - instruction	30,726	30,726	-
District administration support services:			
Indirect costs	1,376	1,376	-
Total expenditures	32,102	32,102	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Food Service 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)
Revenues:			
Local sources:			
Charges for services	\$ -	9,003	9,003
Other	700,000	323,641	(376,359)
Total local revenue	700,000	332,644	(367,356)
Intergovernmental:			
Federal sources passed through the State of Alaska			
Type A reimbursement	926,823	1,547,358	620,535
USDA commodities	112,000	183,560	71,560
Fresh fruit and vegetable program	97,027	55,334	(41,693)
Federal sources passed through North Slope Borough	50,000	70,576	20,576
Total revenues	1,885,850	2,189,472	303,622
Expenditures:			
Food services:			
Non-certificated salaries	1,127,446	990,305	137,141
Employee benefits	628,792	727,427	(98,635)
Professional and technical services	1,500	1,178	322
Staff travel	15,000	11,200	3,800
Supplies, materials and media	27,850	18,902	8,948
Food	2,220,719	1,876,534	344,185
Milk	128,300	48,680	79,620
Total expenditures	4,149,607	3,674,226	475,381
Excess (deficiency) of revenues over expenditures	(2,263,757)	(1,484,754)	779,003
Other financing sources:			
Transfers in - School Operating Fund	2,263,757	2,263,757	-
Net change in fund balance	\$ -	779,003	779,003
Fund balance, beginning of year		2,845,193	
Fund balance, end of year		\$ 3,624,196	

NORTH SLOPE BOROUGH 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, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 564,098	453,853	(110,245)
Expenditures:			
Instruction:			
Certificated salaries	281,312	285,799	(4,487)
Non-certificated salaries	16,000	6,000	10,000
Employee benefits	109,062	102,195	6,867
Total instruction	406,374	393,994	12,380
Support services - students:			
Supplies, material and media	74,854	26,169	48,685
Support services - instruction:			
Certificated salaries	10,010	10,325	(315)
Employee benefits	6,306	3,904	2,402
Staff travel	1,500	-	1,500
Total support services - instruction	17,816	14,229	3,587
District administration support services:			
Indirect costs	24,188	19,461	4,727
Student activities:			
Certificated salaries	30,000	-	30,000
Employee benefits	10,866	-	10,866
Total student activities	40,866	-	40,866
Total expenditures	564,098	453,853	110,245
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Migrant Materials 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)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 2,538	2,099	(439)
Expenditures:			
Support services - instruction:			
Supplies, material and media	2,429	2,009	420
District administration support services:			
Indirect costs	109	90	19
Total expenditures	2,538	2,099	439
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title I-C Migrant 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)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 37,540	24,745	(12,795)
Expenditures:			
Support services - instruction:			
Non-certificated salaries	14,000	14,000	-
Employee benefits	5,070	3,226	1,844
Supplies, material and media	16,860	6,458	10,402
Total support services - instruction	35,930	23,684	12,246
District administration support services:			
Indirect costs	1,610	1,061	549
Total expenditures	37,540	24,745	12,795
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title I-A School Improvement Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 200,100	146,242	(53,858)
Expenditures:			
Instruction:			
Other purchased service	10,705	5,793	4,912
Supplies, material and media	87,709	63,816	23,893
Total instruction	98,414	69,609	28,805
Special education instruction:			
Professional and technical services	2,000	-	2,000
Supplies, materials and media	21,928	16,966	4,962
Total special education instruction	23,928	16,966	6,962
Support services - students:			
Supplies, materials and media	40,479	32,854	7,625
Support services - instruction:			
Certificated salaries	8,736	8,736	-
Employee benefits	2,249	1,474	775
Professional and technical services	4,807	995	3,812
Staff travel	4,059	4,059	-
Total support services - instruction	19,851	15,264	4,587
School administration support services:			
Supplies, materials and media	3,248	3,248	-
District administration support services:			
Indirect costs	8,580	6,271	2,309
Student activities:			
Supplies, materials and media	5,600	2,030	3,570
Total expenditures	200,100	146,242	53,858
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title II-A Supporting Effective Instruction 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)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 197,207	124,789	(72,418)
Expenditures:			
Support services - students:			
Professional and technical services	7,000	7,000	-
Support services - instruction:			
Certificated salaries	75,082	77,317	(2,235)
Employee benefits	38,741	21,770	16,971
Professional and technical services	67,000	12,427	54,573
Supplies, materials, and media	928	924	4
Total support services - instruction	181,751	112,438	69,313
District administration support services:			
Indirect costs	8,456	5,351	3,105
Total expenditures	197,207	124,789	72,418
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title IV-A Student Support and Academic Enrichment 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)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 87,291	43,794	(43,497)
Expenditures:			
Instruction:			
Non-certificated salaries	24,000	6,000	18,000
Employee benefits	8,688	1,935	6,753
Total instruction	32,688	7,935	24,753
Support services - students:			
Certificated salaries	5,050	2,049	3,001
Other	9,347	-	9,347
Total support services - students	14,397	2,049	12,348
Support services - instruction:			
Professional and technical services	22,863	21,000	1,863
Supplies, materials and media	13,600	10,932	2,668
Total support services - instruction	36,463	31,932	4,531
District administration support services:			
Indirect costs	3,743	1,878	1,865
Total expenditures	87,291	43,794	43,497
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

CARES ACT Governor's Emergency Educational Relief I 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)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 66,063	54,605	(11,458)
Expenditures:			
District administration support services:			
Indirect costs	2,832	2,342	490
Operations and maintenance of plant:			
Non-certificated salaries	47,500	47,500	-
Employee benefits	15,731	4,763	10,968
Total operations and maintenance of plant	63,231	52,263	10,968
Total expenditures	66,063	54,605	11,458
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Elementary and Secondary School Emergency Relief I 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)
Revenues:			
Intergovernmental:			
Federal sources passed through State of Alaska	\$ 637	637	-
Expenditures:			
District administration support services:			
Indirect costs	27	27	-
Operations and maintenance of plant:			
Supplies, materials and media	610	610	-
Total expenditures	637	637	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Elementary and Secondary School Emergency Relief II 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)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 1,398,186	173,191	(1,224,995)
Expenditures:			
Instruction:			
Certificated salaries	70,000	74,669	(4,669)
Non-certificated salaries	50,107	4,748	45,359
Employee benefits	29,879	13,968	15,911
Professional and technical services	367,000	-	367,000
Supplies, materials and media	61,911	23,434	38,477
Total instruction	578,897	116,819	462,078
Support services - instruction:			
Professional and technical	40,000	-	40,000
Supplies, materials and media	13,028	-	13,028
Professional and technical services	150,000	-	150,000
Total support services - instruction	203,028	-	53,028
School administration support services:			
Certificated salaries	30,000	27,097	2,903
Employee benefits	20,107	4,573	15,534
Total school administration support services	50,107	31,670	18,437
District administration support services:			
Indirect costs	59,953	7,426	52,527
Operations and maintenance of plant:			
Non-certificated salaries	75,000	-	75,000
Employee benefits	24,427	-	24,427
Professional and technical services	200,000	-	200,000
Total operations and maintenance of plant	299,427	-	299,427
Student transportation - to and from school:			
Non-certificated salaries	110,000	12,754	97,246
Employee benefits	37,117	4,522	32,595
Total student transportation - to and from school	147,117	17,276	129,841
Food services:			
Non-certificated salaries	45,000	-	45,000
Employee benefits	14,657	-	14,657
Total food services	59,657	-	59,657
Total expenditures	1,398,186	173,191	1,224,995
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Elementary and Secondary School Emergency Relief 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)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 3,430,746	171,695	(3,259,051)
Expenditures:			
Support services - students:			
Supplies, materials and media	338,500	-	338,500
Support services - instruction:			
Utility services	1,347,000	-	1,347,000
District administration support services:			
Indirect costs	147,107	7,362	139,745
Operations and maintenance of plant:			
Staff travel	40,000	-	(40,000)
Supplies, materials and media	1,548,139	164,333	(1,383,806)
Total operations and maintenance of plant	1,588,139	164,333	(1,423,806)
Student activities:			
Student travel	10,000	-	10,000
Total expenditures	3,430,746	171,695	3,259,051
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title VI-B Special Education 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)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 758,687	527,927	(230,760)
Expenditures:			
Special education support services - students:			
Non-certificated salaries	85,812	70,307	15,505
Employee benefits	58,769	46,375	12,394
Professional and technical services	497,617	350,253	147,364
Supplies, materials and media	83,957	38,355	45,602
Total special education support services - students	726,155	505,290	220,865
District administration support services:			
Indirect costs	32,532	22,637	9,895
Total expenditures	758,687	527,927	230,760
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title VI-B Special Education ARP 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)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 156,043	7,024	(149,019)
Expenditures:			
Special education support services - students:			
Supplies, materials and media	118,852	3,223	115,629
Support services -students:			
Professional and technical services	30,500	3,500	27,000
District administration support services:			
Indirect costs	6,691	301	6,390
Total expenditures	156,043	7,024	149,019
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Alternative School Kiita 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)
Revenues:			
Intergovernmental - State of Alaska	\$ 26,000	24,630	(1,370)
Expenditures:			
Instruction:			
Supplies, materials and media	12,750	12,664	86
Support services - students:			
Professional and technical services	1,000	1,000	-
Supplies, materials and media	11,135	9,910	1,225
Total support services -students	12,135	10,910	1,225
District administration support services:			
Indirect costs	1,115	1,056	59
Total expenditures	26,000	24,630	1,370
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Substance Misuse and Addiction Prevention 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)
Revenues:			
Intergovernmental - State Sources	\$ 8,620	5,127	(3,493)
Expenditures:			
Support services - instruction:			
Supplies, materials and media	1,032	-	1,032
District administration support services:			
Indirect costs	370	220	150
Operations and maintenance of plant:			
Professional and technical services	225	125	(100)
Supplies, materials and media	6,993	4,782	(2,211)
Total operations and maintenance of plant	7,218	4,907	(2,311)
Total expenditures	8,620	5,127	3,493
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Carl Perkins 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)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 91,224	53,412	(37,812)
Expenditures:			
Instruction:			
Certificated salaries	4,573	4,573	-
Employee benefits	2,455	1,619	836
Staff travel	7,000	-	7,000
Supplies, materials and media	73,284	44,930	28,354
Total instruction	87,312	51,122	36,190
District administration support services:			
Indirect costs	3,912	2,290	1,622
Total expenditures	91,224	53,412	37,812
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT
Section 619 Preschool Disabled 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)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 13,123	13,123	-
Expenditures:			
Special education support services - students:			
Professional and technical services	12,560	12,560	-
District administration support services:			
Indirect costs	563	563	-
Total expenditures	13,123	13,123	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Artist in School 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)
Revenues:			
Local sources - other	\$ 2,550	2,550	-
Intergovernmental:			
State of Alaska	1,225	1,225	-
Federal sources			
passed through the State of Alaska	1,225	1,225	-
Total revenue	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Expenditures:			
Support services - instruction:			
Professional and technical services	4,750	4,750	-
Supplies, materials and media	250	250	-
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

New Visions Special Revenue Funds

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)
Revenues:			
Intergovernmental -			
State of Alaska	\$ 13,438	6,792	(6,646)
Federal sources:			
passed through the State of Alaska	10,250	5,000	(5,250)
Total revenue	<u>23,688</u>	<u>11,792</u>	<u>(11,896)</u>
Expenditures:			
Instruction:			
Supplies, materials and media	<u>20,500</u>	<u>2,161</u>	<u>18,339</u>
Support services - instruction:			
Certificated salaries	1,262	1,262	-
Employee benefits	221	221	-
Staff travel	845	844	1
Supplies, materials and media	<u>7,672</u>	<u>7,304</u>	<u>368</u>
Total support services - instruction	<u>10,000</u>	<u>9,631</u>	<u>369</u>
Total expenditures	<u>30,500</u>	<u>11,792</u>	<u>18,708</u>
Excess of revenues over expenditures	\$ <u>(6,812)</u>	-	<u>(6,812)</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Johnson O'Malley 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)
Revenues:			
Intergovernmental - direct federal sources	\$ 160,557	1,380	(159,177)
Expenditures:			
Instruction:			
Professional and technical services	49,526	-	49,526
Supplies, materials and media	104,038	-	104,038
Total instruction	153,564	-	153,564
District administration support services:			
Indirect costs	6,993	-	6,993
Student activities:			
Non-certificated salaries	-	1,181	(1,181)
Employee benefits	-	199	(199)
Total student activities	-	1,380	(1,380)
Total expenditures	160,557	1,380	159,177
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Indian Education 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)
Revenues:			
Intergovernmental - direct federal sources	\$ 530,380	189,779	(340,601)
Expenditures:			
Instruction:			
Certificated salaries	98,852	30,021	68,831
Non-certificated salaries	-	4,387	(4,387)
Employee benefits	16,694	8,163	8,531
Student travel	15,000	-	15,000
Total instruction	130,546	42,571	87,975
Support services - students:			
Non-certificated salaries	17,730	-	17,730
Employee benefits	6,422	-	6,422
Professional and technical services	30,557	-	30,557
Supplies, materials and media	7,335	-	7,335
Total support services - students	62,044	-	62,044
Support services- instruction:			
Certificated salaries	126,055	55,768	70,287
Non-certificated salaries	11,818	10,706	1,112
Employee benefits	92,504	28,037	64,467
Supplies, materials, and media	50,000	17,731	32,269
Total support services - instruction	280,377	112,242	168,135
District administration support services:			
Indirect costs	22,742	8,137	14,605
Student activities:			
Student travel	20,000	18,791	1,209
Supplies, materials, and media	14,671	8,038	6,633
Total student activities	34,671	26,829	7,842
Total expenditures	530,380	189,779	340,601
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Alaska Native Education 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)
Revenues:			
Intergovernmental:			
Federal sources passed through Arctic Slope Native Foundation	\$ 506,019	283,380	(222,639)
Expenditures:			
Instruction:			
Certificated salaries	34,198	23,726	10,472
Employee benefits	10,537	6,488	4,049
Professional and technical services	15,000	-	15,000
Staff travel	38,889	-	38,889
Supplies, materials and media	31,293	28,293	3,000
Total instruction	129,917	58,507	71,410
Support services - students:			
Professional and technical services	23,491	-	23,491
Supplies, materials and media	29,300	11,452	17,848
Total support services - students	52,791	11,452	41,339
Support services- instruction:			
Professional and technical services	289,311	213,421	75,890
Supplies, materials and media	34,000	-	34,000
Total support services - instruction	323,311	213,421	109,890
Total expenditures	506,019	283,380	222,639
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

RUS USDA Telemedicine 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)
Revenues:			
Intergovernmental - direct federal sources	\$ 137,826	117,152	(20,674)
Expenditures:			
Support services- instruction:			
Supplies, materials and media	14,626	14,400	226
Equipment	123,200	123,425	(225)
Total expenditures	137,826	137,825	1
Excess (deficiency) of revenues over expenditures	-	(20,673)	(20,673)
Other financing sources:			
Transfers in - School Operating Fund	20,674	20,673	(1)
Net change in fund balance	\$ 20,674	-	(20,674)
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT
 RUS USDA Distance Learning 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)
Revenues:			
Intergovernmental - direct federal sources	\$ 596,390	499,519	(96,871)
Expenditures:			
Support services- instruction:			
Professional and technical services	91,880	105,892	(14,012)
Supplies, materials and media	356,999	358,064	(1,065)
Equipment	147,511	132,434	15,077
Total expenditures	596,390	596,390	-
Excess (deficiency) of revenues over expenditures	-	(96,871)	(96,871)
Other financing sources:			
Transfers in - School Operating Fund	96,871	96,871	-
Net change in fund balance	\$ 96,871	-	(96,871)
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Higher Pathways 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)
Revenues:			
Local sources - other	\$ 19,672	17,919	(1,753)
Expenditures:			
Support services- students:			
Supplies, materials and media	3,000	1,260	1,740
Other	16,672	16,659	13
Total expenditures	19,672	17,919	1,753
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Conoco Phillip Nuiqsit 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)
Revenues:			
Local sources - other	\$ 45,000	37,797	(7,203)
Expenditures:			
Instruction:			
Supplies, materials and media	38,645	31,710	6,935
Equipment	6,355	6,087	268
Total expenditures	45,000	37,797	7,203
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

ASRC CARES Funds 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)
Revenues:			
Intergovernmental:			
Federal sources passed through Arctic Slope Native Corporation	\$ 4,318,542	4,280,268	(38,274)
Expenditures:			
Support services - instruction:			
Professional and technical services	260,000	241,655	18,345
Supplies, materials and media	1,682,270	1,677,242	5,028
Equipment	494,186	494,156	30
Total support services - instruction	2,436,456	2,413,053	23,403
Operations and maintenance of plant:			
Supplies, materials and media	497,500	497,491	9
Student activities:			
Supplies, materials and media	522,000	77,889	444,111
Food services:			
Equipment	862,586	847,715	14,871
Total expenditures	4,318,542	3,836,148	482,394
Excess of revenues over expenditures	\$ -	444,120	(444,120)
Fund balance, beginning of year		-	
Fund balance, end of year		\$ 444,120	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

ASRC Arctic Stars 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)
Revenues:			
Local sources - other	\$ 6,800	5,292	1,508
Expenditures:			
Instruction:			
Non-certificated salaries	35,070	-	35,070
Supplies, materials and media	25,466	1,919	23,547
Other	2,500	-	2,500
Total instruction	63,036	1,919	61,117
Support services - students:			
Supplies, materials, and media	1,345	-	1,345
Student activities:			
Certificated salaries	1,631	-	1,631
Non-certificated salaries	724	-	724
Student travel	5,162	-	5,162
Supplies, materials, and media	21,198	1,723	19,475
Total student activities	28,715	1,723	7,517
Community services:			
Supplies, material and media	19,921	1,650	18,271
Total expenditures	113,017	5,292	88,250
Excess (deficiency) of revenues over expenditures	\$ (106,217)	-	(106,217)
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Charter School 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)
Revenues:			
Local sources - other	\$ -	-	-
Expenditures:			
Instruction:			
Certificated salaries	33,071	33,071	-
Employee benefits	16,942	16,942	-
Total instruction	50,013	50,013	-
Support services - instruction:			
Certificated salaries	56,518	56,518	-
Employee benefits	17,180	17,180	-
Total support services - instruction	73,698	73,698	-
Total expenditures	123,711	123,711	-
Excess (deficiency) of revenues over expenditures	(123,711)	(123,711)	-
Other financing sources (uses):			
Transfers in - School Operating Fund	123,711	-	(123,711)
Transfer out - School Operating Fund	-	(1,465,963)	(1,465,963)
Net other financing sources (uses)	123,711	(1,465,963)	(1,589,674)
Net change in fund balance	\$ -	(1,589,674)	(1,589,674)
Fund balance, beginning of year		1,589,674	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Major Maintenance 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)
Revenues:			
Local sources - other	\$ -	-	-
Expenditures:			
Operations and maintenance of plant:			
Other	108,000	107,694	306
Excess (deficiency) of revenues over expenditures	(108,000)	(107,694)	306
Other financing sources:			
Transfers in - School Operating Fund	108,000	107,694	(306)
Net change in fund balance	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Teacher Housing 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)
Revenues:			
Local sources - charges for service	\$ 1,815,000	1,593,562	(221,438)
Expenditures:			
Operations and maintenance of plant:			
Non-certificated salaries	561,236	538,000	23,236
Employee benefits	248,002	255,455	(7,453)
Professional and technical services	3,000	2,246	754
Utility services	224,906	315,701	(90,795)
Energy	375,500	487,514	(112,014)
Other purchased services	1,045,172	1,085,249	(40,077)
Supplies, materials and media	207,184	310,858	(103,674)
Total operations and maintenance of plant	2,665,000	2,995,023	(330,023)
Debt service:			
Interest on long-term debt	-	2,902	(2,902)
Redemption of principal on long-term debt	-	16,111	(16,111)
Total debt service	-	19,013	(19,013)
Construction and facilities acquisition:			
Buildings and improvements purchased	-	72,744	(72,744)
Total expenditures	2,665,000	3,086,780	(421,780)
Excess (deficiency) of revenues over expenditures	(850,000)	(1,493,218)	(643,218)
Other financing sources:			
Proceeds from issuance of leases	-	72,744	72,744
Transfers in - School Operating Fund	850,000	1,412,261	562,261
Net other financing sources	850,000	1,485,005	635,005
Net change in fund balance	\$ -	(8,213)	(8,213)
Fund balance, beginning of year		1,164,869	
Fund balance, end of year		\$ 1,156,656	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Student Activity 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)
Revenues:			
Local sources - other	\$ <u>259,682</u>	<u>297,525</u>	<u>37,843</u>
Expenditures:			
Student activities:			
Other	<u>259,682</u>	<u>270,727</u>	<u>(11,045)</u>
Excess of revenues over expenditures	\$ <u>-</u>	<u>26,798</u>	<u>26,798</u>
Fund balance, beginning of year, as previously stated		-	
Cumulative effect of change within the reporting entity		<u>573,184</u>	
Fund balance, beginning of year, as restated		<u>573,184</u>	
Fund balance, end of year		\$ <u><u>599,982</u></u>	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Schedule of Compliance - AS 14.17.505

June 30, 2022

Total fund balance - School Operating Fund	\$ 19,150,731
less exemptions per 4 AAC 09.160(a)	
Prepaid items	1,489,068
Encumbrances	8,784,954
Federal impact aid received	<u>4,374,448</u>
Fund Balance Subject to 10% Limitation	\$ <u>4,502,261</u>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	<u>4,502,261</u>	=	<u>6.81%</u>
Current year expenditures	66,124,912		

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

<u>Grant Title</u>	<u>Grant Number</u>	<u>Assistance Listing Number</u>	<u>Total Grant Award</u>	<u>Federal Share of Expenditures</u>
U.S. Department of Education:				
Direct:				
Impact Aid	S041B-2022-0166	84.041	\$ 42,757	42,757
Impact Aid	S041B-2022-0166	84.041	47,033	47,033
Impact Aid	S041B-2022-0166	84.041	2,380,366	2,380,366
Impact Aid	S041B-2022-0166	84.041	1,904,292	1,904,292
Total ALN 84.041			<u>4,374,448</u>	<u>4,374,448</u>
Indian Education	S060A210651	84.060A	<u>530,380</u>	<u>189,779</u>
Total direct programs			<u>4,904,828</u>	<u>4,564,227</u>
Passed through Arctic Slope Community Foundation:				
Alaska Native Education	S356A180018-20	84.356A	594,083	283,380
Passed through the State of Alaska,				
Department of Education and Early Development:				
Title I-A Basic	IP 22.NSSD.01	84.010	564,098	453,853
Title I-A School Improvement	SI 22.NSSD.01	84.010	216,100	146,242
Total ALN 84.01			<u>780,198</u>	<u>600,095</u>
Title I-C Migrant Literacy	MB 22.NSSD.01	84.011	2,538	2,099
Title I-C Migrant Education	IP 22.NSSD.01	84.011	37,540	24,745
Total ALN 84.010			<u>40,078</u>	<u>26,844</u>
Special Education Cluster:				
Title VI-B	SE 22.NSSD.01	84.027	758,687	527,927
Preschool Disabled	SE 22.NSSD.01	84.173	13,123	13,123
Special Education Title VI-B ARP	SE 22.NSSD.01	84.173X	156,043	7,024
Total Special Education Cluster			<u>927,853</u>	<u>548,074</u>
Carl Perkins Vocational Education	EK 22.NSSD.01	84.048	<u>91,224</u>	<u>53,412</u>
Title IV-A Student Support and Academic Enrichment	IP 22.NSSD.01	84.424A	<u>87,291</u>	<u>43,794</u>
Title III-A English Language Acquisition	IP 22.NSSD.01	84.365	<u>32,102</u>	<u>32,102</u>
Title II-A Supporting Effective and Recruitment	IP 22.NSSD.01	84.367	<u>197,207</u>	<u>124,789</u>
COVID-19 GEER I	ER 22.NSSD.01	84.425C	66,063	54,605
COVID-19 ESSER I	ER 22.NSSD.01	84.425D	637	637
COVID-19 ESSER II	ER 22.NSSD.01	84.425D	1,398,186	173,191
COVID-19 ESSER III	ER 22.NSSD.01	84.425U	3,430,746	171,695
Total ALN 84.425			<u>4,895,632</u>	<u>400,128</u>
Total passed through State of Alaska, Department of Education and Early Development			<u>7,645,668</u>	<u>2,112,618</u>
Total Department of Education			<u>12,550,496</u>	<u>6,676,845</u>

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Continued

<u>Grant Title</u>	<u>Grant Number</u>	<u>Assistance Listing Number</u>	<u>Total Grant Award</u>	<u>Federal Share of Expenditures</u>
U.S. Department of Agriculture:				
Passed through the State of Alaska				
Department of Education and Early Development:				
Child Nutrition Cluster:				
National School Breakfast Program	None	10.553	369,487	369,487
National School Lunch Program	None	10.555	1,115,697	1,115,697
Supply Chain Assistance	FD 22.NSSD.02	10.555	50,940	50,940
Emergency Operating Costs	03601	10.555	10,620	10,620
Commodities	None	10.555	183,560	183,560
Fresh Fruit & Vegetable Program	FF 22.NSSD.01/FF 22NSSD.02	10.582	114,100	55,334
Total child nutrition cluster			<u>1,844,404</u>	<u>1,785,638</u>
CNP P-EBT Admin Cost	036-01	10.649	614	614
Direct:				
RUS Distance Learning and Telemedicine	AK 740-B58	10.855	117,152	117,152
RUS Distance Learning and Telemedicine	AK 740-B16	10.855	500,000	499,519
Total ALN 10.855			<u>617,152</u>	<u>616,671</u>
Total Department of Agriculture			<u>2,462,170</u>	<u>2,402,923</u>
U.S. Department of Health and Human Services				
Passed through North Slope Borough Health Department:				
Nutrition Services Incentive	22AKOANT-01	93.053	<u>70,576</u>	<u>70,576</u>
U.S. Department of the Interior:				
Direct:				
Johnson O'Malley	A21AV00530	15.130	<u>88,067</u>	<u>1,380</u>
National Endowment for the Humanities,				
Passed through the State of Alaska				
Department of Education and Early Development,				
Alaska State Council on the Arts -				
New Vision	FY20AUS0010	45.025	1,225	1,225
New Vision	FY20-NV003	45.025	5,000	5,000
Total ALN 45.025			<u>6,225</u>	<u>6,225</u>
U.S. Department of the Treasury				
Passed through Arctic Slope Regional Corporation:				
COVID-19 CARES	SLT2046	21.019	<u>4,318,542</u>	<u>4,280,268</u>
Total federal financial assistance			<u>\$ 19,496,076</u>	<u>13,438,217</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of North Slope Borough School District under programs of the federal government for the year ended June 30, 2022. 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 North Slope Borough School District, it is not intended to and does not present the basic financial statements of North Slope Borough 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. The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform guidance.

Note 3. 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, 2022, the District received \$183,560 in commodities.

Note 3. Passed Through Awards

No Amounts were passed through to subrecipients.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Schedule of State Financial Assistance

Year Ended June 30, 2022

<u>Grant Title</u>	<u>Grant Number</u>	<u>Grant Award</u>	<u>Eligible Expenditures</u>
State of Alaska, Department of Education and Early Development:			
* Foundation	None	\$ 17,465,795	17,465,795
Quality Schools	None	94,436	94,436
PFD Dividend Raffle	None	10,024	10,024
Suicide Awareness and Prevention	SP 22.NSSD.01	30,000	22,680
Substance Misuse and Addiction Prevention	AP 22.NSSD.01	8,620	5,127
Student Transportation	None	2,304,902	2,304,902
* Broadband Assistance Grant	None	321,600	321,600
Alternative School Kiita	BH 22 NSSD 01	26,000	24,630
Total Department of Education and Early Development		<u>20,261,377</u>	<u>20,249,194</u>
State of Alaska, Alaska State Council of the Arts:			
New Visions	FY20AIS0010	1,225	1,225
New Visions	FY20-NV003	8,188	6,792
Total Alaska State Council of the Arts		<u>9,413</u>	<u>8,017</u>
Total state financial assistance		\$ <u>20,270,790</u>	<u>20,257,211</u>

See accompanying notes to the Schedule of Financial Assistance

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2022

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of North Slope Borough School District under programs of the State of Alaska for the year ended June 30, 2022. 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 North Slope Borough School District, it is not intended to and does not present the basic financial statements of North Slope Borough 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. Reconciliation of State Expenditures to the Financial Statements

The following programs are reported as Intergovernmental-State of Alaska revenues, however are not subject to compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*:

Total Schedule of State Financial Assistance	\$20,257,211
PERS On-Behalf	971,256
TRS On-Behalf	<u>3,018,030</u>
Total State Financial Assistance	<u>\$ 24,246,497</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
North Slope Borough School District
Utqiagvik, 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 North Slope Borough School District, a component unit of the North Slope Borough, Alaska, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise North Slope Borough School District's basic financial statements, and have issued our report thereon dated October 31, 2022.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Slope Borough 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
October 31, 2022

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

Independent Auditor's Report

Members of the School Board
North Slope Borough School District
Utqiagvik, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Slope Borough 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 North Slope Borough School District's major federal programs for the year ended June 30, 2022. North Slope Borough School District's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

In our opinion, North Slope Borough 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, 2022.

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 (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 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 North Slope Borough 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 North Slope Borough 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 North Slope Borough 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 North Slope Borough 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 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 North Slope Borough School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, 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 North Slope Borough 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 North Slope Borough 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 North Slope Borough 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

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 designated to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying federal schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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 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.

Government Auditing Standards requires the auditor to perform limited procedures on North Slope Borough School District's response to the internal control over compliance finding identified in our audit described in the accompanying federal schedule of findings and questioned costs. North Slope Borough School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
October 31, 2022

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

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

Material weakness(es) identified?

X Yes ____ 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 program:

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)

21.019

10.555/10.553/10.582

84.425

Name of Federal Program or Cluster

COVID-19 CARES

Child Nutrition Cluster

Education Stabilization Fund

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

\$ 750,000

Auditee qualified as low-risk auditee?

____ Yes X No

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

Section II - Financial Statement Findings

The North Slope Borough School District did not have any findings related to the financial statements.

Section III - Federal Award Findings and Questioned Costs

Finding 2022-001

Lack of Internal Controls over Reporting

Federal Agency:	U.S. Department of Agriculture (passed through the State of Alaska)
Pass-Through Entity:	State of Alaska Department of Education and Early Development
Federal Program:	Child Nutrition Cluster
Assistance Listing Number:	10.553/10.555/10.582
Award Year:	2022
Type of Finding	Material weakness in internal control over compliance

Criteria:	The program requires that each month's claim for reimbursement and all data used in the claims review process be maintained on file. Accurate records must be maintained justifying all meals claimed and documenting that all program funds were spent only on allowable Child Nutrition Program costs.
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Condition/Context:	During our testing of individual monthly claims, we sampled three out of the ten months that were submitted. While reviewing two of these reports, it was noted that the actual meal counts per the District's records disagreed with those which were reported to the State. Both months under reported the number of allowable meals actually served. These errors were caused by improper data entry and were not detected by management during the review process.
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Cause:	Lack of internal control over reporting.
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Effect:	Loss of funding and/or over claiming meals served.
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Questioned Costs:	None. Meals served were under reported to the State of Alaska
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Repeat Finding:	This is a repeat finding of 2021-001, based on the number of deviations we consider this to be a systemic issue.
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Recommendation:	Meal counts should be reviewed by a member of management and compared to the meal claims prior to submission to the State of Alaska.
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Managements Response:	Management agrees with this finding, see Corrective Action Plan.
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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
North Slope Borough School District
Utqiagvik, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited North Slope Borough School District's compliance with the types of compliance requirements identified as subject to audit in the State of Alaska Audit Guide and Compliance Supplements that could have a direct and material effect on each of North Slope Borough School District's major state programs for the year ended June 30, 2022. North Slope Borough School District's major state programs are identified in the accompanying Schedule of State Financial Assistance.

In our opinion, North Slope Borough School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

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 North Slope Borough 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 North Slope Borough 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 North Slope Borough 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 North Slope Borough 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 North Slope Borough 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 North Slope Borough 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 North Slope Borough 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 North Slope Borough 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 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
October 31, 2022

NORTH SLOPE BOROUGH SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness identified?

_____ Yes X No

Significant deficiency identified?

_____ Yes X None reported

Noncompliance material to the financial statements noted?

_____ Yes X No

State Financial Assistance

Internal control over major programs:

Material weakness identified?

_____ Yes X No

Significant deficiency identified?

_____ Yes X None reported

Type of auditor’s report issued on compliance
for major programs:

Unmodified

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II – Financial Statement Findings

North Slope Borough School District did not have any findings that related to the financial statements.

Section III – State Award Findings and Questioned Costs

North Slope Borough School District did not have any findings related to State awards.



NORTH SLOPE BOROUGH SCHOOL DISTRICT

829 Aivik St, Utqiagvik, AK 99723

Status of Prior Year Findings

Year Ended June 30, 2022

Federal Award Findings and Questioned Costs

Finding 2021-001

Lack of Internal Controls over Reporting

Federal Agency:

U.S. Department of Agriculture (passed through the State of Alaska)

Federal Program:

Child Nutrition Cluster

Assistance Listing Number:

10.553/10.555/10.582

Award Year:

2021

Type of Finding

Material weakness in internal control over compliance.

Condition

Controls were not designated and implemented appropriately to ensure the accuracy of meal counts not to support eligibility of meals served prior to the submission of the monthly Claim for Reimbursement.

Status:

This finding has been repeated as finding 2022-001.



NORTH SLOPE BOROUGH SCHOOL DISTRICT

829 Aivik St, Utqiagvik, AK 99723

Corrective Action Plan

June 30, 2022

Section III - Federal Award Findings and Questioned Costs

Finding 2022-001

Lack of Internal Controls over Reporting

Federal Agency:	U.S. Department of Agriculture (passed through the State of Alaska)
Federal Program:	Child Nutrition Cluster
Assistance Listing Number:	10.553/10.555/10.582
Award Year:	2022
Type of Finding	Material weakness in internal control over compliance.

Name of Contact Person:	Dennis Niedermeyer
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Corrective Action Plan:	The District will make changes in personnel to provide for the accurate entry and reporting of meal counts into the state's reporting and claims system. The NSBSD will hire an experienced and qualified food service administrator who will review, monitor and verify compliance with accurate reporting of meal counts.
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Proposed Completion Date:	October 28, 2022.
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