

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Year Ended June 30, 2022

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Year Ended June 30, 2022

SOUTHEAST ISLAND SCHOOL DISTRICT

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## **Independent Auditor's Report**

Members of the School Board  
Southeast Island School District  
Thorne Bay, Alaska

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Southeast Island School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Southeast Island School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Southeast Island 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Southeast Island School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Southeast Island 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 Southeast Island 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 schedules of revenues, expenditures, and changes in fund balance - original and final budget and actual for major funds, and the District's proportionate share of the net pension/OPEB liabilities, schedules of the District's contributions and the notes to required supplementary information on pages 45-56 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 our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management, Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Southeast Island School District's basic financial statements. The information listed in the table of contents as "Additional Supplementary Information", which includes the Schedule of Revenues, expenditures and changes in fund balance – budget to actual for major funds, and the combining and individual non-major fund financial statements; Schedule of Compliance- AS 14.17.505 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and Notes to the Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis 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 is not a required part of the basic financial statements. The Schedule of State Financial Assistance and Notes to Schedule of State Financial Assistance are presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and is not a required part of the basic financial statements.



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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2022, on our consideration of the Southeast Island 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 Southeast Island 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 the Southeast Island School District’s internal control over financial reporting and compliance.



Anchorage, Alaska  
October 17, 2022

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Statement of Net Position

June 30, 2022

<u>Assets and Deferred Outflows of Resources</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current:			
Cash and cash equivalents	\$ 2,738,573	43,230	2,781,803
Accounts receivable	1,423,086	-	1,423,086
Inventory	108,311	-	108,311
Internal balances	204,307	(204,307)	-
Notes receivable - due within one year	313,575	-	313,575
Total current	<u>4,787,852</u>	<u>(161,077)</u>	<u>4,626,775</u>
Non-current:			
Capital assets	34,733,199	63,784	34,796,983
Accumulated depreciation	(19,663,138)	(22,323)	(19,685,461)
Net OPEB assets	2,815,721	-	2,815,721
Total non-current	<u>17,885,782</u>	<u>41,461</u>	<u>17,927,243</u>
Deferred outflows of resources-			
Pension/OPEB deferrals	<u>561,932</u>	<u>-</u>	<u>561,932</u>
Total assets and deferred outflows of resources	<u>23,235,566</u>	<u>(119,616)</u>	<u>23,115,950</u>
<u>Liabilities and Deferred Inflows of Resources</u>			
Current liabilities:			
Accounts payable	186,549	-	186,549
Unearned revenue	2,036,222	-	2,036,222
Total current liabilities	<u>2,222,771</u>	<u>-</u>	<u>2,222,771</u>
Long-term liabilities:			
Due within one year - accrued leave	16,709	-	16,709
Due in more than one year - net pension liabilities	2,508,395	-	2,508,395
Total long term liabilities	<u>2,525,104</u>	<u>-</u>	<u>2,525,104</u>
Deferred inflows of resources -			
Pension/OPEB deferrals	<u>3,208,063</u>	<u>-</u>	<u>3,208,063</u>
Total liabilities and deferred inflows of resources	<u>7,955,938</u>	<u>-</u>	<u>7,955,938</u>
<u>Net Position</u>			
Net investment in capital assets	15,070,061	41,461	15,111,522
Unrestricted (deficit)	(104,008)	(161,077)	(265,085)
Total net position	<u>\$ 14,966,053</u>	<u>(119,616)</u>	<u>14,846,437</u>

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Statement of Activities

Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position (Deficit)		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Governmental Activities
<b>Governmental Activities:</b>							
Instruction	\$ 2,108,385	-	359,641	-	(1,748,744)	-	(1,748,744)
Special education instruction	388,820	-	38,169	-	(350,651)	-	(350,651)
Special education support services - students	34,075	-	(5,833)	-	(39,908)	-	(39,908)
Support services - students	612,831	-	588,931	-	(23,900)	-	(23,900)
Support services - instruction	1,474,021	-	215,667	-	(1,258,354)	-	(1,258,354)
School administration	188,550	-	13,969	-	(174,581)	-	(174,581)
School administration support services	15,404	-	(2,328)	-	(17,732)	-	(17,732)
District administration	244,687	-	(56,287)	-	(300,974)	-	(300,974)
District administration support services	290,214	-	92,485	-	(197,729)	-	(197,729)
Operations and maintenance of plant	2,026,998	95,426	26,032	594,312	(1,311,228)	-	(1,311,228)
Student activities	155,700	-	41,124	-	(114,576)	-	(114,576)
Student transportation - to and from school	182,023	-	177,492	-	(4,531)	-	(4,531)
Food services	236,468	772	200,058	-	(35,638)	-	(35,638)
Total governmental activities	\$ 7,958,176	96,198	1,689,120	594,312	(5,578,546)	-	(5,578,546)
<b>Business-type Activities -</b>							
Thorne Bay Restaurant	5,740	5,950	-	-	-	210	210
Total	\$ 7,963,916	102,148	1,689,120	594,312	(5,578,546)	210	(5,578,336)
<b>General revenues:</b>							
E-Rate					\$ 1,047,926	-	1,047,926
Grants not restricted to specific programs					4,645,875	-	4,645,875
Proceeds from promissory note					5,624	-	5,624
Proceeds from sale of capital assets					79,800	-	79,800
Insurance recovery					204,202	-	204,202
Other					25,551	-	25,551
Total general revenues					6,008,978	-	6,008,978
Change in net position					430,432	210	430,642
Net position - beginning					14,535,621	(119,826)	14,415,795
Net position - ending					\$ 14,966,053	(119,616)	14,846,437

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Balance Sheet - Governmental Funds

June 30, 2022

	School Operating Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 2,738,573	-	-	2,738,573
Accounts receivable	313,575	195,035	914,476	1,423,086
Due from other funds	1,036,134	2,021,326	1,026,778	4,084,238
Inventory	104,739	-	3,572	108,311
Total assets	<u>\$ 4,193,021</u>	<u>2,216,361</u>	<u>1,944,826</u>	<u>8,354,208</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	131,728	-	54,821	186,549
Unearned revenue	-	1,936,440	99,782	2,036,222
Due to other funds	3,048,104	-	831,827	3,879,931
Total liabilities	<u>3,179,832</u>	<u>1,936,440</u>	<u>986,430</u>	<u>6,102,702</u>
Deferred Inflows of Resources:				
Unavailable revenues	313,575	-	-	313,575
Fund Balances:				
Nonspendable	418,314	-	3,572	421,886
Committed	-	279,921	954,824	1,234,745
Unassigned	281,300	-	-	281,300
Total fund balances	<u>699,614</u>	<u>279,921</u>	<u>958,396</u>	<u>1,937,931</u>
Total liabilities and fund equity	<u>\$ 4,193,021</u>	<u>2,216,361</u>	<u>1,944,826</u>	<u>8,354,208</u>

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet  
to Statement of Net Position

June 30, 2022

Fund balances - total governmental funds		\$	1,937,931
Total net position reported for governmental activities in the State of Net Position is different because:			
Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.			15,070,061
Other long-term assets are not available to pay current year expenditures and therefore, are deferred inflows in the funds:			
Promissory notes receivable			313,575
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Accrued leave			(16,709)
Proportionate share of the collective net pension liabilities:			
PERS	(1,355,709)		
TRS	(1,152,686)		(2,508,395)
Proportionate share of the collective net OPEB assets:			
PERS	982,632		
TRS	1,833,089		2,815,721
Deferred inflows and outflows 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	127,058		
TRS	434,874		561,932
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources:			
PERS	(1,109,549)		
TRS	(2,098,514)		(3,208,063)
Total net position of governmental activities			<u>14,966,053</u>

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

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

Year Ended June 30, 2022

	School Operating Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Charges for services	\$ -	-	96,198	96,198
E-rate	1,047,926	-	-	1,047,926
Other	25,551	55,508	18,918	99,977
Intergovernmental:				
State of Alaska	4,757,989	538,804	452,366	5,749,159
Federal sources	285,143	-	1,783,228	2,068,371
Total revenues	<u>6,116,609</u>	<u>594,312</u>	<u>2,350,710</u>	<u>9,061,631</u>
Expenditures:				
Current:				
Instruction	1,955,229	-	745,318	2,700,547
Special education instruction	378,325	-	68,658	446,983
Special education support services - students	44,387	-	-	44,387
Support services - students	24,536	-	594,724	619,260
Support services - instruction	1,324,590	-	232,736	1,557,326
School administration	198,951	-	53,853	252,804
School administration support services	53,116	-	-	53,116
District administration	423,599	-	-	423,599
District administration support services	278,891	-	98,272	377,163
Operation and maintenance of plant	1,096,881	64,279	83,669	1,244,829
Student activities	143,179	-	51,309	194,488
Student transportation - to and from school	-	-	108,316	108,316
Food services	-	-	232,439	232,439
Construction and facilities acquisition	-	984,558	-	984,558
Total expenditures	<u>5,921,684</u>	<u>1,048,837</u>	<u>2,269,294</u>	<u>9,239,815</u>
Excess of revenues over expenditures	<u>194,925</u>	<u>(454,525)</u>	<u>81,416</u>	<u>(178,184)</u>
Other financing sources (uses):				
Proceeds from promissory note	5,624	-	-	5,624
Proceeds from sale of capital assets	79,800	-	-	79,800
Insurance recovery	-	204,202	-	204,202
Transfers in	-	195,078	56,704	251,782
Transfers out	<u>(251,782)</u>	<u>-</u>	<u>-</u>	<u>(251,782)</u>
Total other financing sources (uses):	<u>(166,358)</u>	<u>399,280</u>	<u>56,704</u>	<u>289,626</u>
Net change in fund balance	28,567	(55,245)	138,120	111,442
Fund balances, beginning of year	<u>671,047</u>	<u>335,166</u>	<u>820,276</u>	<u>1,826,489</u>
Fund balances, end of year	<u>\$ 699,614</u>	<u>279,921</u>	<u>958,396</u>	<u>1,937,931</u>

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

## SOUTHEAST ISLAND 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	\$	111,442
The change in net position reported for governmental activities in the State of Activities is 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 unfunded net position and OPEB liability and asset:		
PERS	1,790,894	
TRS	<u>1,705,531</u>	3,496,425
Changes in deferred inflow and outflow of resources are the results of timing differences in the actuarial report and adjustments to reflect employer and non-employer contributions based on the measurement date of the liabilities:		
PERS	(1,175,670)	
TRS	<u>(1,622,422)</u>	(2,798,092)
Governmental funds reported only the revenues from the sale of assets to the extent of proceeds received. In the Statement of Activities a gain or loss is reported for each sale. This is the net effect of transactions involving disposal of capital assets		
	<u>(593,364)</u>	(593,364)
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the costs of those assets are allocated over their testimated useful lives. This is the amount by which capital outlay exceeded depreciation in the current period:		
Capital outlays	1,023,041	
Depreciation expense	<u>(802,795)</u>	220,246
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. The net changes in long-term liability balance is the increase in accrued leave.		
		<u>(6,225)</u>
Change in net position of governmental activities	\$	<u><u>430,432</u></u>

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Thorne Bay Restaurant Enterprise Fund

## Statement of Net Position

June 30, 2022

<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ <u>43,230</u>
Property, plant and equipment:	
Plant and improvements	63,784
Accumulated depreciation	<u>(22,323)</u>
Net property, plant and equipment	<u>41,461</u>
Total assets	\$ <u><u>84,691</u></u>
<u>Liabilities and Net Position (Deficit)</u>	
Current liabilities:	
Due to other funds	<u>204,307</u>
Net position (Deficit):	
Net investment in capital assets	41,461
Unrestricted (deficit)	<u>(161,077)</u>
Total net position (Deficit)	<u>(119,616)</u>
Total liabilities and net position	\$ <u><u>84,691</u></u>

See accompanying notes to basic financial statements.



## SOUTHEAST ISLAND SCHOOL DISTRICT

## Thorne Bay Restaurant Enterprise Fund

## Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2022

Revenues:		
Local sources:		
Charges for services - rental revenue	\$	<u>5,950</u>
Expenditures:		
Operations and maintenance of plant:		
Depreciation		<u>3,189</u>
Student activities:		
Other purchased services		<u>2,551</u>
Total expenditures		<u>5,740</u>
Change in net position		210
Beginning net position (deficit)		<u>(119,826)</u>
Ending net position (deficit), end of year	\$	<u><u>(119,616)</u></u>

See accompanying notes to basic financial statements.

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Thorne Bay Restaurant Enterprise Fund

## Statement of Cash Flows

Year Ended June 30, 2022

Cash flows from (for) operating activities:	
Receipts from customers and users	\$ 5,950
Payments to suppliers	<u>(2,551)</u>
Net cash flows from (for) operating activities	<u>3,399</u>
Cash flows from financing activities - change in loan from general fund (due to)	<u>(3,399)</u>
Net increase (decrease) in cash and cash equivalents	-
Beginning cash and cash equivalents	<u>43,230</u>
Ending cash and cash equivalents	\$ <u><u>43,230</u></u>
Reconciliation of income (loss) from operations to net cash from (for) operating activities:	
Change in net position (deficit)	\$ 210
Adjustments to reconcile income (loss) from operations to cash flows from operating activities:	
Depreciation	<u>3,189</u>
Net cash flows from (for) operating activities	\$ <u><u>3,399</u></u>

See accompanying notes to basic financial statements.

SOUTHEAST ISLAND SCHOOL DISTRICT

Statement of Fiduciary Net Position

Custodial Fund - Student Activities

June 30, 2022

Assets

Cash and cash equivalents	\$ <u>156,077</u>
---------------------------	-------------------

Net Position

Net position - assets held for others	\$ <u>156,077</u>
---------------------------------------	-------------------

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

SOUTHEAST ISLAND SCHOOL DISTRICT  
Custodial Fund - Student Activities  
Schedule of Changes in Assets and Liabilities  
Year Ended June 30, 2022

Additions:		
Contributions	\$	<u>16,991</u>
Deductions:		
Program expenses		<u>4,414</u>
Change in net position		<u>12,577</u>
Net position, beginning of year		<u>143,500</u>
Net position, end of year	\$	<u><u>156,077</u></u>

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

# SOUTHEAST ISLAND SCHOOL DISTRICT

## Notes to Basic Financial Statements

June 30, 2022

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The financial statements of the Southeast Island School District (hereafter referred to as the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

On July 1, 1976 the Legislature of the State of Alaska established Southeast Island School District (hereafter referred to as the District). At that time assets were turned over to the District by the State of Alaska through direct transfer and use permits. The District has 8 attendance centers. The District is operated under the exclusive oversight management and control of a locally elected five-member School Board. The School Board, pursuant to Alaska Statute Title 29.43.030, has the responsibility of establishing, maintaining, and operating a system of public schools for any community within its boundaries that is not provided for by any other public school district. Therefore, the District constitutes an independent local government reporting entity and has no oversight over any other component unit.

#### B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 and fiduciary funds, even though the latter are excluded from the Government-Wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

## SOUTHEAST ISLAND 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 unmatured 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. There are three categories of funds: governmental, proprietary and fiduciary. The district maintains all three of these types of funds.

The District reports the following major governmental funds:

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

The *Capital Projects Fund* accounts for all revenue received and expenditures made for the structural repairs for the Thorne Bay K-12 school, the wood fire boiler, school vehicles, teacher housing, and other major repairs and renovations. Revenue is derived primarily from the state.

Additionally, the District reports a Fiduciary Fund and a Proprietary Fund is used to account for Thorne Bay Restaurant on a for-profit basis.

The *Thorne Bay Enterprise Fund* accounts for a student run café in the Thorne Bay School. The café is currently not in operation by the District and is leased out a third party.

The *Student Activity Agency Fund* is custodial in nature and does not present results of operations or have a measurement focus. This fund is used to account for assets that the District holds for students in an agency capacity.

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

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

#### Intergovernmental Revenue

State of Alaska foundation and pupil transportation revenues, and federal aid for the school lunch program are susceptible to accrual and are recorded in the year to which they relate. 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

Proceeds from the sale of lunches and other miscellaneous revenues are recognized in the year received.

The District's policy is when available, to utilize restricted revenues before unrestricted revenues.

#### Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

#### Indirect Costs

The State of Alaska, Department of Education and Early Development annually establish 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 Equity**

#### **1. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. There are no statutory limitations on the type of investment allowed. In addition, the District maintains accounts for specific purposes such as the Student Activity accounts.

#### **2. Receivables and Payables**

During 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.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

**3. Inventories and Prepaid Items**

Teaching and maintenance supplies are recorded as expenditures when purchased rather than as consumed. Accounting for inventory of heating fuel and food supplies is on the consumption method. The consumption method records the expenditure when consumed rather than when purchased. Inventories are valued at the lesser of cost or market using the first-in, first-out (FIFO) method. Reported inventories are equally offset by a portion of fund balance classified as nonspendable in the Fund Financial Statements, which indicates they do not constitute "available spendable resources" even though they are a component of net current assets.

Payments made to vendors for services that are applicable to future accounting periods are recorded as prepaid items. Prepaid items in governmental funds are based on the consumption method. The prepaid assets recorded in the governmental fund types do not reflect current available resources, and thus, an equivalent portion of fund balance is classified as nonspendable in the Fund Financial Statements.

**4. Capital Assets**

Capital assets are recorded in the Government-Wide Financial Statements at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets are capitalized over \$5,000. Maintenance and operational costs are borne by the District. Capital assets in the Government-Wide Financial Statements are depreciated on the straight-line method over useful life of the asset, generally 5 to 30 years for equipment and vehicles and 15 to 30 years for buildings.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized in the Government-Wide Financial Statements and are considered operations and maintenance costs.

**5. Unearned Revenue**

Unearned revenue in Special Revenue Funds represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

**6. Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Unused vacation leave is accrued utilizing current salary cost as earned by the employee and recorded as a liability in the government-wide financial statement of net position. No accrued leave liability is recorded in the fund financial statements.



## SOUTHEAST ISLAND SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

#### **7. Pensions/Other Post Employment Benefit (OPEB) Liability (Asset)**

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) and additions to/from PERS and TRS's fiduciary net position have been determined on the same basis as they are reported by PERS and TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, investments are reported at fair value.

#### **8. Net Position**

In the Government-Wide Financial Statements, 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.

#### **9. 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, and long-term receivables). Such constraint is binding until the legal or contractual requirement is repealed or the amounts become spendable.

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

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

# SOUTHEAST ISLAND SCHOOL DISTRICT

## Notes to Basic Financial Statements, Continued

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

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

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.

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

### **10. Fair Value of Financial Instruments**

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

## **II. DETAILED 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 on the balance sheet of the fund financial statements as "Cash and cash equivalents" or amounts "Due from/to other funds".

#### Custodial Credit Risk

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits will not be returned to the District.

Any amount in excess of the Federal Depository Insurance (FDIC) with a maximum of \$250,000 is collateralized with securities held by the District's agent in the District's name. All deposits are carried at fair market value plus accrued interest. The School District has a deposit and investment policy.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

At June 30, 2022, the District's bank balances totaled \$2,767,865. Deposits in each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The District's collateralized agreement covers \$2,779,736. As of June 30, 2022, the District's bank balances were fully insured or collateralized.

**B. Receivables**

Receivables as of June 30, 2022 are as follows:

	School Operating Fund	Capital Projects Funds	Other Governmental Funds	Total
Grants	\$ -	195,035	914,476	1,109,511
Notes receivable	313,575	-	-	313,575
Total	<u>\$ 313,575</u>	<u>195,035</u>	<u>914,476</u>	<u>1,423,086</u>

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

**C. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Assets not being depreciated:				
Land	\$ 941,798	-	-	941,798
Construction in progress	680,299	1,023,041	(102,748)	1,600,592
Total assets not being depreciated	<u>1,622,097</u>	<u>1,023,041</u>	<u>(102,748)</u>	<u>2,542,390</u>
Assets being depreciated:				
Buildings	29,876,501	84,488	(1,561,277)	28,399,712
Machinery and equipment	2,821,352	18,260	-	2,839,612
Vehicles	1,117,519	-	(166,034)	951,485
Total assets being depreciated	<u>33,815,372</u>	<u>102,748</u>	<u>(1,727,311)</u>	<u>32,190,809</u>
Less accumulated depreciation	<u>(19,680,715)</u>	<u>(802,795)</u>	<u>820,372</u>	<u>(19,663,138)</u>
Total assets being depreciated, net	<u>14,134,657</u>	<u>(700,047)</u>	<u>(906,939)</u>	<u>12,527,671</u>
Total Government Capital Assets Net of Accumulated Depreciation	<u>\$ 15,756,754</u>	<u>322,994</u>	<u>(1,009,687)</u>	<u>15,070,061</u>
<b>Business-type activities:</b>				
Assets being depreciated - buildings	\$ 63,784	-	-	63,784
Accumulated depreciation	<u>(19,134)</u>	<u>(3,189)</u>	<u>-</u>	<u>(22,323)</u>
Total Business-type Capital Assets Net of Accumulated Depreciation	<u>\$ 44,650</u>	<u>(3,189)</u>	<u>-</u>	<u>41,461</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Machinery and equipment	5-30
Vehicles	5-30
Building	15-30

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

Instruction	\$ 131,316
Special education instruction	13,279
Support services students	3,883
School administration	6,537
School administration support services	2,298
District administration	9,708
District administration support services	11,641
Operation and maintenance of plant	566,890
Student activities	3,970
Student transportation – to and from school	49,244
Food services	<u>4,029</u>
Total depreciation expense per function – governmental	<u>\$ 802,795</u>

**D. Interfund Receivables and Payables**

Interfund receivables and payables are shown as “Due To Other Funds” and “Due From Other Funds” in each of the individual funds. These balances at June 30, 2022, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School Operating Fund	Other Governmental Funds	831,827
School Operating Fund	Thorne Bay Enterprise Fund	204,307
Capital Projects Fund	School Operating Fund	2,021,326
Other Governmental Funds	School Operating Fund	<u>1,026,778</u>
		<u>\$ 4,084,238</u>

The outstanding balances between funds result mainly 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.

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
School Operating Fund	Other Governmental Funds	\$ 56,704
School Operating Fund	Capital Projects Fund	<u>195,078</u>
Total		<u>\$ 251,782</u>

Transfers are used to (a) use unrestricted revenues collected in the 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 School Operating Fund to meet local match requirements on State and Federal grants.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

**E. Long-term Obligations**

Accrued leave of governmental activities are also accounted for by the School District. Leave is generally liquidated by the General Fund. Changes in these obligations for the year ended June 30, 2022 are as follows

	Balance July 1, 2021	Change	Balance June 30, 2022	Due within One Year
Accrued Leave	\$ 10,484	6,225	16,709	16,709

**F. Fund Balances**

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

	School Operating Fund	Capital Projects Fund	Nonmajor Funds	Totals
Nonspendable –				
Inventory	\$ 104,739	-	3,572	108,311
Long-term receivables	313,575	-	-	313,575
Total non-spendable	418,314	-	-	421,886
Committed:				
Food service	-	-	105,315	105,315
Pupil transportation	-	-	522,701	522,701
THRIVE program	-	-	2,130	2,130
Teacher housing	-	-	321,744	321,744
RurAL Cap program	-	-	2,934	2,934
Maintenance of buildings	-	279,921	-	279,921
Total committed	-	279,921	954,824	1,234,745
Unassigned	281,300	-	-	281,300
Total Fund Balances	\$ 699,614	279,921	958,396	1,937,931

**G. Promissory Notes Receivable**

Southeast Island School District sold property during the current fiscal year and issued a promissory note for a total of \$319,000. The entity is expected to receive a minimum payment of \$2,287 per month until the October 2022 when a balloon payment is due for the remaining amount of the note plus interest of 6% per annum. The balance as of June 30, 2022 is \$313,575.

**III. OTHER INFORMATION****A. Risk Management**

The District is exposed to various risks of loss related to worker's compensation, torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The District mitigates significant risk of loss through the acquisition of commercial insurance policies. With the exception of fire, earthquake and flood insurance the deductibles are minimal. There were no outstanding claims or liabilities at the end of the current period. The District's employee health costs are covered through commercial insurance policies.

The District has elected the reimbursable method of accounting for Employment Security Compensation (ESC). Under this method, the actual costs of ESC are reimbursed to the State of Alaska, Department of Labor. The District records the liability for the accrued unpaid portion of these claims.

**B. Contingent Liabilities**

Amounts received or receivable from grant or agencies are subject to audit and adjustment by the grantor agencies, principally the federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the School Operating Fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

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

**C. 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.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

**Other Postemployment Benefit Plans (OPEB)**

*Occupational Death and Disability Plan (ODD)*

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 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):

<u>Membership</u>	<u>PERS</u>	<u>TRS</u>
Active plan members	24,481	6,009
Participating employers	151	57

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

*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

*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



# SOUTHEAST ISLAND SCHOOL DISTRICT

## Notes to Basic Financial Statements, Continued

### Investments

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

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

### Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return, net of investment expense, for the year ended June 30, 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>.

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:

<b><u>Asset Class</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
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%

## SOUTHEAST ISLAND SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

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

*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.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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	<u>22.00%</u>	<u>30.11%</u>	<u>8.11%</u>
TRS:			
Pension	6.06%	15.36%	19.29%
OPEB	6.50%	16.49%	0%
Total TRS contribution rates	<u>12.56%</u>	<u>31.85%</u>	<u>19.29%</u>

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

*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.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

TRS Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, RP-2014 white-collar employee table with MP-2017 generational improvement.
PERS Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 91% of male and 96% of female rates of RP-2014 health annuitant table with MP-2017 generational improvement.
TRS Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 93% of male and 90% of female rates of RP-2014 white-collar healthy annuitant table with MP-2017 generational improvement.
Total turnover	Based upon the 2013-2017 actual withdrawal experience.
PERS Disability	Incidence rates based on 2013-2017 actual experience. Post-disability mortality in accordance with the RP-2014 disability table with MP-2017 generational improvement. Disabilities are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for others.
TRS Disability	Incidence rates based on 2013-2017 actual experience. Disabilities are assumed to be occupational 15% of the time. Post-disability mortality in accordance with the RP-2014 disabled table with MP-2017 generational improvement.
Retirement	Retirement rates based upon the 2013-2017 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date.
PERS Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. For others, 75% of male members and 70% of female members are assumed to be married. For peace officers/firefighters, 85% of male members and 60% female members are assumed to be married.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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/dr/pers>.

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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.

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.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

*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 25<sup>th</sup> 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>98,442</u>	<u>20,467</u>	<u>118,909</u>

**Public Employees Retirement Plans**

For the year ended June 30, 2022 the State of Alaska contributed \$74,598 (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 (\$42,134), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

*Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB:* At June 30, 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:		<u>Pension</u>
District's proportionate share of the net pension liability	\$	1,355,709
State's proportionate share of the net pension liability		<u>182,935</u>
Total	\$	<u>1,538,644</u>
		<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (asset)	\$	(953,666)
State's proportionate share of the ARHCT OPEB liability (asset)		<u>(122,193)</u>
Total	\$	<u>(1,075,859)</u>
District's proportionate share of the ODD OPEB liability (asset)	\$	<u>(16,869)</u>
District's proportionate share of the RMP OPEB liability (asset)	\$	<u>(12,097)</u>
Total District's share of net pension and OPEB liabilities and assets	\$	<u>373,077</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.

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
	Measurement	Measurement	
Pension	0.03696%	0.0986%	(0.00290)%
OPEB:			
ARHCT	0.03717%	0.03970%	(0.00253)%
ODD	0.03828%	0.04661%	(0.00833)%
RMP	0.04507%	0.05817%	(0.01310)%



SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2021, the District recognized pension and OPEB expense of (\$162,415) and (\$376,006), 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	\$ -	(6,006)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(534,620)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(44,544)
District contributions subsequent to the measurement date	98,442	-
Total	<u>\$ 98,442</u>	<u>(585,170)</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(10,015)
Changes of assumptions	-	(36,039)
Net difference between projected and actual earnings on OPEB plan investments	-	(446,264)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(2,722)
District contributions subsequent to the measurement date	9,993	-
Total	<u>\$ 9,993</u>	<u>(495,040)</u>
	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(4,608)
Changes of assumptions	-	(128)
Net difference between projected and actual earnings on OPEB plan investments	-	(2,705)
Changes in proportion and differences between District contributions and proportionate share of contributions	2,749	(677)
District contributions subsequent to the measurement date	2,353	-
Total	<u>\$ 5,102</u>	<u>(8,118)</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 900	(576)
Changes of assumptions	3,760	(7,189)
Net difference between projected and actual earnings on OPEB plan investments	-	(10,823)
Changes in proportion and differences between District contributions and proportionate share of contributions	740	(2,633)
District contributions subsequent to the measurement date	8,121	-
Total	<u>\$ 13,521</u>	<u>(21,221)</u>

\$98,442 and \$20,467 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	\$ (174,788)	(153,321)	(1,152)	(3,222)
2023	(122,461)	(102,773)	(1,150)	(3,227)
2024	(132,468)	(110,357)	(1,179)	(3,336)
2025	(155,453)	(128,589)	(1,270)	(3,679)
2026	-	-	(475)	(656)
Thereafter	-	-	(143)	(1,701)
Total	<u>\$ (585,170)</u>	<u>(495,040)</u>	<u>(5,369)</u>	<u>(15,821)</u>

For the year ended June 30, 2022, the District recognized (\$164,621) and (\$6,460) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

*Sensitivity of the Net Pension and OPEB Liabilities and Assets to Changes in the Discount Rate:*

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

	1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability (asset)	\$ 2,007,994	1,355,709	807,706
Net OPEB ARHCT liability (asset)	\$ (623,683)	(953,666)	(1,227,691)
Net OPEB ODD liability (asset)	\$ (16,153)	(16,869)	(17,440)
Net OPEB RMP liability (asset)	\$ 7,896	(12,097)	(27,198)

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

*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:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB ARHCT liability (asset) \$	(1,259,770)	(953,666)	(584,278)
Net OPEB ODD liability (asset)	N/A	(16,869)	N/A
Net OPEB RMP liability (asset)	(29,359)	(12,097)	11,424

**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%

The School District contributed \$82,468 for the year ended June 30, 2022, which included forfeitures of \$3,225 which have been applied against contributions.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

**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.

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ <u>57,969</u>	<u>47,007</u>	<u>104,976</u>

**Teachers Retirement Plans**

For the year ended June 30, 2022 the State of Alaska contributed \$322,659 (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 (\$523,258), 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	\$ 1,152,686
State's proportionate share of the net pension liability	<u>980,351</u>
Total	\$ <u>2,133,037</u>
	<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (1,751,542)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(1,372,899)</u>
Total	\$ <u>(3,124,441)</u>
District's proportionate share of the ODD OPEB liability (asset)	\$ <u>(19,017)</u>
District's proportionate share of the RMP OPEB liability (asset)	\$ <u>(62,530)</u>
Total District's share of net pension and OPEB liabilities and assets	\$ <u>(680,403)</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 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.

SOUTHEAST ISLAND 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, 2021 <u>Measurement</u>	June 30, 2020 <u>Measurement</u>	<u>Change</u>
Pension	0.14481%	0.06425%	0.08056%
OPEB:			
ARHCT	0.15065%	0.06419%	0.08646%
ODD	0.31200%	0.36211%	(0.05011)%
RMP	0.31140%	0.36331%	(0.05191)%

Based on the measurement date of June 30, 2021, the District recognized pension expense of \$573,855 and OPEB expense of (\$1,075,187), 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:

	<u>Pensions</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Defined Benefit:		
Differences between expected and actual experience	\$ -	(11,082)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(1,190,029)
Changes in proportion and differences between District contributions and proportionate share of contributions	307,108	-
District contribution subsequent to the measurement date	<u>57,969</u>	<u>-</u>
Total	<u>\$ 365,077</u>	<u>(1,201,111)</u>
	<u>OPEB ARHCT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	(12,294)
Changes of assumptions	-	(50,568)
Net difference between projected and actual earnings on pension plan investments	-	(684,840)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(92,508)
District contribution subsequent to the measurement date	<u>35,078</u>	<u>-</u>
Total	<u>\$ 35,078</u>	<u>(840,210)</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(2,231)
Changes of assumptions	-	(10)
Net difference between projected and actual earnings on pension plan investments	-	(2,436)
Changes in proportion and differences between District contributions and proportionate share of contributions	2,796	(1,367)
District contribution subsequent to the measurement date	1,049	-
Total	<u>\$ 3,845</u>	<u>(6,044)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,000	(2,024)
Changes of assumptions	4,247	(23,132)
Net difference between projected and actual earnings on pension plan investments	-	(24,590)
Changes in proportion and differences between District contributions and proportionate share of contributions	3,747	(1,403)
District contribution subsequent to the measurement date	10,880	-
Total	<u>\$ 30,874</u>	<u>(51,149)</u>

\$57,969 and \$47,007 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	\$ 20,036	(315,717)	(703)	(6,850)
2023	(271,394)	(157,768)	(700)	(6,860)
2024	(294,988)	(169,409)	(730)	(7,147)
2025	(347,657)	(197,316)	(817)	(7,998)
2026	-	-	(129)	(1,066)
Thereafter	-	-	(169)	(1,234)
Total	<u>\$ (894,003)</u>	<u>(840,210)</u>	<u>(3,248)</u>	<u>(31,155)</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2022, the District recognized \$846,002 and (\$169,792) 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:

	<b>1% Decrease (6.38%)</b>	<b>Current Rate (7.38%)</b>	<b>1% Increase (8.38%)</b>
Net pension liability	\$ 2,330,423	1,152,686	160,756
Net OPEB ARHCT liability (asset)	\$ (1,262,039)	(1,751,542)	(2,156,537)
Net OPEB ODD liability (asset)	\$ (19,063)	(19,017)	(18,995)
Net OPEB RMP liability (asset)	\$ (23,090)	(23,090)	(92,029)

*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:

	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
Net OPEB ARHCT liability (asset)	\$ (2,202,063)	(1,751,542)	(1,205,632)
Net OPEB ODD liability (asset)	\$ N/A	(19,017)	N/A
Net OPEB RMP liability (asset)	\$ (96,005)	(62,530)	(92,029)

**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%



## SOUTHEAST ISLAND SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

The School District contributed \$127,447 for the year ended June 30, 2022, which included forfeitures of \$4,007 which has been applied against contributions.

#### **E. Subsequent Accounting Pronouncements**

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

- GASB 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.

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**

## SOUTHEAST ISLAND SCHOOL DISTRICT

## School Operating Fund

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

Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
E-rate	\$ 1,411,471	1,411,471	1,047,926	(363,545)
Other	25,000	25,000	25,551	551
Intergovernmental:				
State of Alaska	4,786,375	4,793,034	4,757,989	(35,045)
Federal sources	280,000	280,000	285,143	5,143
Total revenues	<u>6,502,846</u>	<u>6,509,505</u>	<u>6,116,609</u>	<u>(392,896)</u>
<b>Expenditures:</b>				
Current:				
Instruction	1,912,441	1,805,179	1,955,229	(150,050)
Special education instruction	344,381	433,101	378,325	54,776
Special education support services - students	162,416	75,192	44,387	30,805
Support services - students	8,068	24,921	24,536	385
Support services - instruction	1,610,602	1,613,627	1,324,590	289,037
School administration	228,197	217,842	198,951	18,891
School administration support services	53,713	53,713	53,116	597
District administration	408,617	420,463	423,599	(3,136)
District administration support services	254,953	254,615	278,891	(24,276)
Operations and maintenance of plant	1,268,590	1,344,234	1,096,881	247,353
Student activities	135,726	135,726	143,179	(7,453)
Total expenditures	<u>6,387,704</u>	<u>6,378,613</u>	<u>5,921,684</u>	<u>456,929</u>
Excess of revenues over expenditures	<u>115,142</u>	<u>130,892</u>	<u>194,925</u>	<u>64,033</u>
<b>Other financing sources (uses):</b>				
Proceeds from promissory note	-	-	5,624	5,624
Proceeds from sale of capital assets	-	-	79,800	79,800
Transfers in (out):				
Capital projects fund	(50,000)	(2,500)	(44,435)	(41,935)
Distance learning special revenue fund	-	-	(12,269)	(12,269)
Food service special revenue fund	(65,142)	(50,000)	(195,078)	(145,078)
Net other financing sources (uses)	<u>(115,142)</u>	<u>(52,500)</u>	<u>(166,358)</u>	<u>(113,858)</u>
Net change in fund balance	\$ <u>-</u>	<u>78,392</u>	28,567	<u>(49,825)</u>
Fund balance, beginning of year			<u>671,047</u>	
Fund balance, end of year			\$ <u>699,614</u>	

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND 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	1.5385%	\$ 717,565	\$ 736,222	\$ 1,453,787	\$ 734,602	97.68%	62.37%
2016	0.0554%	\$ 2,686,427	\$ 717,377	\$ 3,403,804	\$ 988,932	271.65%	63.96%
2017	0.0330%	\$ 1,846,762	\$ 234,848	\$ 2,081,610	\$ 1,101,563	167.65%	59.55%
2018	0.0388%	\$ 2,006,604	\$ 747,577	\$ 2,754,181	\$ 1,154,761	173.77%	63.37%
2019	0.0304%	\$ 1,511,338	\$ 437,051	\$ 1,948,389	\$ 928,250	162.82%	65.19%
2020	0.0333%	\$ 1,821,020	\$ 720,723	\$ 2,541,743	\$ 1,062,332	171.42%	63.42%
2021	0.0399%	\$ 2,352,318	\$ 971,866	\$ 3,324,184	\$ 891,132	263.97%	61.61%
2022	0.0370%	\$ 1,355,709	\$ 182,935	\$ 1,538,644	\$ 806,950	168.00%	74.46%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND 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)
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>							
2018	0.0389%	\$ 328,329	\$ 122,609	\$ 450,938	\$ 1,154,761	28.43%	89.68%
2019	0.0304%	\$ 312,420	\$ 91,225	\$ 403,645	\$ 928,250	33.66%	88.12%
2020	0.0332%	\$ 49,267	\$ 19,556	\$ 68,823	\$ 1,062,332	4.64%	98.13%
2021	0.0397%	\$ (179,768)	\$ (74,435)	\$ (254,203)	\$ 891,132	-20.17%	106.15%
2022	0.0372%	\$ (953,666)	\$ (122,193)	\$ (1,075,859)	\$ 806,950	-118.18%	135.54%
<b>Occupational Death and Disability (ODD):</b>							
2018	0.0535%	\$ (7,590)	\$ -	\$ (7,590)	\$ 1,154,761	-0.66%	212.97%
2019	0.0598%	\$ (11,619)	\$ -	\$ (11,619)	\$ 928,250	-1.25%	270.62%
2020	0.0538%	\$ (13,037)	\$ -	\$ (13,037)	\$ 1,062,332	-1.23%	297.43%
2021	0.0466%	\$ (12,705)	\$ -	\$ (12,705)	\$ 891,132	-1.43%	283.80%
2022	0.0383%	\$ (16,869)	\$ -	\$ (16,869)	\$ 806,950	-2.09%	374.22%
<b>Retiree Medical Plan (RMP):</b>							
2018	0.0535%	\$ 2,790	\$ -	\$ 2,790	\$ 616,628	0.45%	93.98%
2019	0.0598%	\$ 7,612	\$ -	\$ 7,612	\$ 335,600	2.27%	88.71%
2020	0.0676%	\$ 16,181	\$ -	\$ 16,181	\$ 399,705	4.05%	83.17%
2021	0.0582%	\$ 4,126	\$ -	\$ 4,126	\$ 356,427	1.16%	92.23%
2022	0.0451%	\$ (12,097)	\$ -	\$ (12,097)	\$ 316,164	-3.83%	115.10%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND 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	\$ 63,677	\$ (63,677)	\$ -	\$ 988,932	6.44%
2016	\$ 77,283	\$ (77,283)	\$ -	\$ 1,101,563	7.02%
2017	\$ 89,319	\$ (89,319)	\$ -	\$ 1,154,761	7.73%
2018	\$ 95,194	\$ (95,194)	\$ -	\$ 928,250	10.26%
2019	\$ 95,994	\$ (100,564)	\$ (4,570)	\$ 1,062,332	9.04%
2020	\$ 81,626	\$ (72,744)	\$ 8,882	\$ 891,132	9.16%
2021	\$ 84,925	\$ (87,464)	\$ (2,539)	\$ 806,950	10.52%
2022	\$ 98,442	\$ (98,442)	\$ -	\$ 915,350	10.75%

*See accompanying notes to Required Supplementary Information.*

SOUTHEAST ISLAND 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
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>					
2018	\$ 27,132	\$ (27,132)	\$ -	\$ 928,250	2.92%
2019	\$ 35,081	\$ (84,084)	\$ (49,003)	\$ 1,062,332	3.30%
2020	\$ 32,471	\$ (32,471)	\$ -	\$ 891,132	3.64%
2021	\$ 10,103	\$ (10,103)	\$ -	\$ 806,950	1.25%
2022	\$ 9,993	\$ (9,993)	\$ -	\$ 915,350	1.09%
<b>Occupational Death and Disability (ODD):</b>					
2018	\$ 1,083	\$ (1,083)	\$ -	\$ 928,250	0.12%
2019	\$ 2,196	\$ (2,937)	\$ (741)	\$ 1,062,332	0.21%
2020	\$ 2,044	\$ (2,044)	\$ -	\$ 891,132	0.23%
2021	\$ 2,042	\$ (2,042)	\$ -	\$ 806,950	0.25%
2022	\$ 2,353	\$ (2,353)	\$ -	\$ 915,350	0.26%
<b>Retiree Medical Plan (RMP):</b>					
2018	\$ 6,974	\$ (6,974)	\$ -	\$ 335,600	2.08%
2019	\$ 7,937	\$ (7,937)	\$ -	\$ 399,705	1.99%
2020	\$ 10,376	\$ (10,376)	\$ -	\$ 356,427	2.91%
2021	\$ 8,364	\$ (8,364)	\$ -	\$ 316,164	2.65%
2022	\$ 8,121	\$ (8,121)	\$ -	\$ 374,855	2.17%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND 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	0.0316%	\$ 946,423	\$ 6,950,421	\$ 7,896,844	\$ 2,087,865	45.33%	55.70%
2016	0.0899%	\$ 1,671,672	\$ 2,672,087	\$ 4,343,759	\$ 2,267,494	73.72%	73.82%
2017	0.1092%	\$ 2,492,649	\$ 2,962,960	\$ 5,455,609	\$ 2,104,089	118.47%	68.40%
2018	0.0765%	\$ 1,550,361	\$ 2,703,897	\$ 4,254,258	\$ 1,927,170	80.45%	72.39%
2019	0.0904%	\$ 1,729,651	\$ 2,572,515	\$ 4,302,166	\$ 1,786,951	96.79%	74.09%
2020	0.0937%	\$ 1,751,000	\$ 2,599,243	\$ 4,350,243	\$ 1,646,290	106.36%	74.68%
2021	0.0643%	\$ 1,306,179	\$ 2,266,313	\$ 3,572,492	\$ 2,063,989	63.28%	72.81%
2022	0.1448%	\$ 1,152,686	\$ 980,351	\$ 2,133,037	\$ 1,752,540	65.77%	89.43%

See accompanying notes to Required Supplementary Information.



## SOUTHEAST ISLAND 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)
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>							
2018	0.0762%	\$ 140,186	\$ 245,620	\$ 385,806	\$ 1,927,170	7.27%	93.75%
2019	0.0902%	\$ 280,407	\$ 418,170	\$ 698,577	\$ 1,786,951	15.69%	90.23%
2020	0.0935%	\$ (142,907)	\$ (212,886)	\$ (355,793)	\$ 1,646,290	-8.68%	105.50%
2021	0.0642%	\$ (229,621)	\$ (399,340)	\$ (628,961)	\$ 2,063,989	-11.13%	113.78%
2022	0.1507%	\$ (1,751,542)	\$ (1,372,899)	\$ (3,124,441)	\$ 1,752,540	-99.94%	145.41%
<b>Occupational Death and Disability (ODD):</b>							
2018	0.3608%	\$ (11,792)	\$ -	\$ (11,792)	\$ 1,927,170	-0.61%	1342.59%
2019	0.3368%	\$ (11,807)	\$ -	\$ (11,807)	\$ 1,786,951	-0.66%	1304.81%
2020	0.3126%	\$ (12,569)	\$ -	\$ (12,569)	\$ 1,646,290	-0.76%	1409.77%
2021	0.3621%	\$ (15,589)	\$ -	\$ (15,589)	\$ 2,063,989	-0.76%	931.08%
2022	0.3120%	\$ (19,017)	\$ -	\$ (19,017)	\$ 1,752,540	-1.09%	1254.36%
<b>Retiree Medical Plan (RMP):</b>							
2018	0.3608%	\$ (17,103)	\$ -	\$ (17,103)	\$ 1,147,033	-1.49%	118.16%
2019	0.3368%	\$ (10,770)	\$ -	\$ (10,770)	\$ 962,245	-1.12%	109.56%
2020	0.3123%	\$ (11,981)	\$ -	\$ (11,981)	\$ 981,354	-1.22%	110.03%
2021	0.3633%	\$ (35,841)	\$ -	\$ (35,841)	\$ 1,251,409	-2.86%	125.59%
2022	0.3114%	\$ (62,530)	\$ -	\$ (62,530)	\$ 1,103,018	-5.67%	142.54%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND 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	\$ 75,736	\$ (75,736)	\$ -	\$ 2,267,494	3.34%
2016	\$ 67,932	\$ (67,932)	\$ -	\$ 2,104,089	3.23%
2017	\$ 54,175	\$ (54,175)	\$ -	\$ 1,927,170	2.81%
2018	\$ 71,915	\$ (71,915)	\$ -	\$ 1,786,951	4.02%
2019	\$ 55,531	\$ (45,295)	\$ 10,236	\$ 1,646,290	3.37%
2020	\$ 53,564	\$ (53,885)	\$ (321)	\$ 2,063,989	2.60%
2021	\$ 44,198	\$ (44,107)	\$ 91	\$ 1,752,540	2.52%
2022	\$ 57,969	\$ (57,969)	\$ -	\$ 1,850,502	3.13%

*See accompanying notes to Required Supplementary Information.*

## SOUTHEAST ISLAND 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
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>					
2018	\$ 30,659	\$ (30,659)	\$ -	\$ 1,786,951	1.72%
2019	\$ 27,611	\$ (27,611)	\$ -	\$ 1,646,290	1.68%
2020	\$ 29,845	\$ (29,845)	\$ -	\$ 2,063,989	1.45%
2021	\$ 23,214	\$ (23,214)	\$ -	\$ 1,752,540	1.32%
2022	\$ 35,078	\$ (35,078)	\$ -	\$ 1,850,502	1.90%
<b>Occupational Death and Disability (ODD):</b>					
2018	\$ -	\$ -	\$ -	\$ 1,786,951	0.00%
2019	\$ 975	\$ (975)	\$ -	\$ 1,646,290	0.06%
2020	\$ 1,275	\$ (1,275)	\$ -	\$ 2,063,989	0.06%
2021	\$ 1,129	\$ (1,129)	\$ -	\$ 1,752,540	0.06%
2022	\$ 1,049	\$ (1,049)	\$ -	\$ 1,850,502	0.06%
<b>Retiree Medical Plan (RMP):</b>					
2018	\$ 11,016	\$ (11,016)	\$ -	\$ 962,245	1.14%
2019	\$ 9,635	\$ (9,635)	\$ -	\$ 981,354	0.98%
2020	\$ 17,055	\$ (17,055)	\$ -	\$ 1,251,409	1.36%
2021	\$ 13,130	\$ (13,130)	\$ -	\$ 1,103,018	1.19%
2022	\$ 10,880	\$ (10,880)	\$ -	\$ 1,014,705	1.07%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Required Supplementary Information

June 30, 2022

**1. General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance**

**Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles. The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Annual budgets for operation are adopted by the School Board for all operating revenues, expenditures, and interfund transfers. Budgets are prepared and presented on the modified accrual basis of accounting.
2. The adopted School Operating Fund budget is submitted to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.
3. The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs. The originally adopted budget and the final revised and approved budget are presented in these financial statements. Expenditure authority for the School Operating Fund is limited to the total approved budget and functional areas of expenditures are not to be overspent. Annual appropriations for the School Operating Fund lapse at fiscal year end.
4. 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. The amount of encumbrances, if significant, is disclosed in the notes to the Basic Financial Statements as commitments. As of June 30, 2022, the District did not have any encumbrances.

**Excess of Expenditures over Appropriations**

For the year ended June 30, 2022, expenditures exceeded appropriations in the following funds:

School Operating Fund:		
Instruction	\$	(150,050)
District administration		(3,136)
District administration – support services		(24,276)
Student activities		(7,453)

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

**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.
- 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 30<sup>th</sup>, two years prior to the fiscal year in which contributions are reported.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

**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 30<sup>th</sup>, two years prior to the fiscal year in which contributions are reported.

**ADDITIONAL SUPPLEMENTARY  
INFORMATION**

## SOUTHEAST ISLAND SCHOOL DISTRICT

## 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:			
Local sources:			
E-rate	\$ 1,411,471	1,047,926	(363,545)
Other	25,000	25,551	551
Total local	<u>1,436,471</u>	<u>1,073,477</u>	<u>(362,994)</u>
State sources:			
Foundation program	4,423,881	4,347,756	(76,125)
Quality schools	11,731	11,731	-
TRS on-behalf payment	280,863	322,659	41,796
PERS on-behalf payment	76,559	74,598	(1,961)
Other	-	1,245	1,245
Total state sources	<u>4,793,034</u>	<u>4,757,989</u>	<u>(35,045)</u>
Federal sources:			
National forest receipts	<u>280,000</u>	<u>285,143</u>	<u>5,143</u>
Total revenues	<u>6,509,505</u>	<u>6,116,609</u>	<u>(392,896)</u>
Expenditures:			
Current:			
Instruction:			
Certificated salaries	979,953	1,110,215	(130,262)
Non-certificated salaries	9,515	39,727	(30,212)
Employee benefits	687,477	714,620	(27,143)
Professional and technical services	700	165	535
Staff travel	300	582	(282)
Student travel	6,000	1,488	4,512
Utility services	19,745	24,003	(4,258)
Other purchased services	5,000	950	4,050
Supplies, materials and media	96,239	62,952	33,287
Other expenses	250	527	(277)
Total instruction	<u>1,805,179</u>	<u>1,955,229</u>	<u>(150,050)</u>
Special education instruction:			
Certificated salaries	84,984	84,458	526
Non-certificated salaries	214,465	178,217	36,248
Employee benefits	131,952	92,227	39,725
Transportation allowance	-	1,854	(1,854)
Professional and technical services	-	20,415	(20,415)
Supplies, materials and media	1,700	1,154	546
Total special education instruction	<u>433,101</u>	<u>378,325</u>	<u>54,776</u>

(continued)



## SOUTHEAST ISLAND SCHOOL DISTRICT

## School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures, continued:			
Current:			
Special education support services - students:			
Certificated salaries	24,840	16,770	8,070
Employee benefits	12,543	8,567	3,976
Professional and technical services	20,859	16,873	3,986
Staff travel	5,000	551	4,449
Supplies, materials and media	11,950	1,626	10,324
Total special education support services - students	<u>75,192</u>	<u>44,387</u>	<u>30,805</u>
Support services - students:			
Certificated salaries	16,560	16,654	(94)
Employee benefits	8,361	7,882	479
Total support services - students	<u>24,921</u>	<u>24,536</u>	<u>385</u>
Support services - instruction:			
Non-certificated salaries	75,750	77,050	(1,300)
Employee benefits	42,514	48,776	(6,262)
Professional and technical services	12,500	16,380	(3,880)
Staff travel	1,250	1,305	(55)
Utility services	1,434,613	1,153,432	281,181
Other purchased services	5,500	780	4,720
Supplies, materials and media	41,000	24,624	16,376
Other expenses	500	2,243	(1,743)
Total support services - instruction	<u>1,613,627</u>	<u>1,324,590</u>	<u>289,037</u>
School administration:			
Certificated salaries	132,447	114,662	17,785
Employee benefits	82,531	78,086	4,445
Staff travel	-	3,041	(3,041)
Utility services	-	718	(718)
Supplies, materials and media	2,250	2,444	(194)
Other expenses	614	-	614
Total school administration	<u>217,842</u>	<u>198,951</u>	<u>18,891</u>
School administration support services:			
Non-certificated salaries	37,977	37,373	604
Employee benefits	15,236	15,551	(315)
Supplies, materials and media	500	192	308
Total school administration support services	<u>53,713</u>	<u>53,116</u>	<u>597</u>
District administration:			
Certificated salaries	135,000	145,385	(10,385)
Non-certificated salaries	96,792	92,893	3,899
Employee benefits	130,511	144,264	(13,753)
Professional and technical services	28,000	20,565	7,435
Staff travel	5,000	2,073	2,927
Staff travel	1,000	-	1,000
Utility services	1,400	143	1,257
Supplies, materials and media	10,660	10,545	115
Tuition and stipends	2,000	1,000	1,000
Other expenses	10,100	6,731	3,369
Total district administration	<u>420,463</u>	<u>423,599</u>	<u>(3,136)</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures, continued:			
Current:			
District administration support services:			
Non-certificated salaries	103,984	92,909	11,075
Employee benefits	85,618	74,531	11,087
Professional and technical services	120,000	107,841	12,159
Staff travel	1,500	2,133	(633)
Utilities services	5,500	6,650	(1,150)
Other purchased services	4,000	2,430	1,570
Insurance and bond premiums	58,660	62,494	(3,834)
Supplies, materials and media	6,000	6,826	(826)
Other expenses	17,200	21,349	(4,149)
Indirect cost recovery	(147,847)	(98,272)	(49,575)
Total district administration support services	<u>254,615</u>	<u>278,891</u>	<u>(24,276)</u>
Operations and maintenance of plant:			
Certificated salaries	1,176	5,133	(3,957)
Non-certificated salaries	436,721	294,237	142,484
Employee benefits	211,573	179,602	31,971
Professional and technical services	7,000	16,441	(9,441)
Staff travel	6,000	335	5,665
Utility services	33,740	27,520	6,220
Energy	241,970	213,366	28,604
Other purchased services	80,396	50,149	30,247
Insurance and bond premiums	178,000	177,341	659
Supplies, materials and media	136,258	107,174	29,084
Other expenses	1,400	25,583	(24,183)
Equipment	10,000	-	10,000
Total operations and maintenance of plant	<u>1,344,234</u>	<u>1,096,881</u>	<u>247,353</u>
Student activities:			
Certificated salaries	42,720	24,715	18,005
Non-certificated salaries	20,020	25,494	(5,474)
Employee benefits	22,738	25,870	(3,132)
Professional and technical services	-	2,387	(2,387)
Staff travel	6,000	5,829	171
Student travel	33,998	49,966	(15,968)
Other purchased services	-	1,650	(1,650)
Supplies, materials and media	7,000	1,899	5,101
Other expenses	3,250	5,369	(2,119)
Total student activities	<u>135,726</u>	<u>143,179</u>	<u>(7,453)</u>
Total expenditures	<u>6,378,613</u>	<u>5,921,684</u>	<u>456,929</u>
Excess of revenues over expenditures	<u>130,892</u>	<u>194,925</u>	<u>64,033</u>
Other financing sources (uses):			
Proceeds from promissory note	-	5,624	5,624
Proceeds from sale of capital assets	-	79,800	79,800
Transfers in (out):			
Food service special revenue fund	(2,500)	(44,435)	(41,935)
Distance learning special revenue fund	-	(12,269)	(12,269)
Capital projects fund	(50,000)	(195,078)	(145,078)
Total transfers in (out)	<u>(52,500)</u>	<u>(251,782)</u>	<u>(199,282)</u>
Net other financing sources (uses)	<u>(52,500)</u>	<u>(166,358)</u>	<u>(113,858)</u>
Net change in fund balance	<u>\$ 78,392</u>	<u>28,567</u>	<u>(49,825)</u>
Fund balance, beginning of year		<u>671,047</u>	
Fund balance, end of year		<u>\$ 699,614</u>	

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Capital Projects Fund

Schedule of Revenues, Expenditures and Changes  
in Fund Balance

Year Ended June 30, 2022

Revenues:	
Local sources:	
Other	\$ <u>55,508</u>
Intergovernmental:	
State of Alaska	<u>538,804</u>
Total revenues	<u>594,312</u>
Expenditures:	
Operations and maintenance of plant:	
Non-certificated salaries	8,136
Employee benefits	2,538
Professional and technical services	455
Other purchased services	45,564
Supplies, materials and media	<u>7,586</u>
Total operations and maintenance of plant	<u>64,279</u>
Construction and facilities acquisition:	
Non-certificated salaries	7,623
Employee benefits	2,379
Professional and technical services	247,564
Other purchased services	671,151
Supplies, materials and media	54,974
Other expenses	<u>867</u>
Total construction and facilities acquisition	<u>984,558</u>
Total expenditures	<u>1,048,837</u>
Excess (deficiency) of revenues over expenditures	(454,525)
Other financing sources:	
Insurance Recovery	204,202
Transfers in - School Operating Fund	<u>195,078</u>
Total other financing sources	<u>399,280</u>
Net change in fund balance	(55,245)
Fund balance, beginning of year	<u>335,166</u>
Fund balance, end of year	<u>\$ <u>279,921</u></u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2022

	Special Revenue Funds							
	Broadband Assistance Grant	Pupil Transportation	Early Learning	Department of Health & Social Services	Food Service	Fresh Fruit and Vegetables	Alaska Nutritional Foods	Title I-A Basic
<u>Assets</u>								
Accounts receivable	\$ -	-	-	15,120	17,177	851	-	67,913
Due from School Operating Fund	75,034	522,701	19,083	-	88,138	-	732	-
Inventory	-	-	-	-	3,572	-	-	-
	<u>75,034</u>	<u>522,701</u>	<u>19,083</u>	<u>15,120</u>	<u>108,887</u>	<u>851</u>	<u>732</u>	<u>67,913</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	-	-	-	-	-	-	-	-
Unearned revenue	75,034	-	19,083	-	-	-	732	-
Due to School Operating Fund	-	-	-	15,120	-	851	-	67,913
Total liabilities	<u>75,034</u>	<u>-</u>	<u>19,083</u>	<u>15,120</u>	<u>-</u>	<u>851</u>	<u>732</u>	<u>67,913</u>
Fund balances:								
Nonspendable	-	-	-	-	3,572	-	-	-
Committed	-	522,701	-	-	105,315	-	-	-
Total fund balances	<u>-</u>	<u>522,701</u>	<u>-</u>	<u>-</u>	<u>108,887</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>75,034</u>	<u>522,701</u>	<u>19,083</u>	<u>15,120</u>	<u>108,887</u>	<u>851</u>	<u>732</u>	<u>67,913</u>

(Continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

	Special Revenue Funds							
	Title I-C Migrant Education	Migrant Book	Title IV-A Innovative	Title II-A Teacher & Principal Training	Title VI-B IDEA	Section 619 Preschool Disabled	Carl Perkins	
<u>Assets</u>								
Accounts receivable	\$ 41,870	980	21,648	13,431	339	7,903	27,000	20,785
Due from School Operating Fund	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
	<u>41,870</u>	<u>980</u>	<u>21,648</u>	<u>13,431</u>	<u>339</u>	<u>7,903</u>	<u>27,000</u>	<u>20,785</u>
 <u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	-	-	-	1,143	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Due to School Operating Fund	41,870	980	21,648	12,288	339	7,903	27,000	20,785
Total liabilities	<u>41,870</u>	<u>980</u>	<u>21,648</u>	<u>13,431</u>	<u>339</u>	<u>7,903</u>	<u>27,000</u>	<u>20,785</u>
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>41,870</u>	<u>980</u>	<u>21,648</u>	<u>13,431</u>	<u>339</u>	<u>7,903</u>	<u>27,000</u>	<u>20,785</u>

(Continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

	Special Revenue Funds							
	Comprehensive State Literacy Development	ESSER I	ESSER II	ESSER III	Distance Learning	Select - Klawock	A-STRIDE	THRIVE Special Revenue Fund
<u>Assets</u>								
Accounts receivable	\$ 169,674	4,054	97,869	338	205,633	18,467	89,440	48,651
Due from School Operating Fund	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
	<u>169,674</u>	<u>4,054</u>	<u>97,869</u>	<u>338</u>	<u>205,633</u>	<u>18,467</u>	<u>89,440</u>	<u>48,651</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	43,594	-	10,084	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Due to School Operating Fund	126,080	4,054	87,785	338	205,633	18,467	89,440	46,521
Total liabilities	<u>169,674</u>	<u>4,054</u>	<u>97,869</u>	<u>338</u>	<u>205,633</u>	<u>18,467</u>	<u>89,440</u>	<u>46,521</u>
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	2,130
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,130</u>
Total liabilities and fund balances	\$ <u>169,674</u>	<u>4,054</u>	<u>97,869</u>	<u>338</u>	<u>205,633</u>	<u>18,467</u>	<u>89,440</u>	<u>48,651</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

Assets	Special Revenue Funds							Total Other Governmental Funds
	Resolve YKSD	Teacher Housing	CIS CEO	SEIYA	NEA Alaska	Alaska Micro Grants	RurAL Cap	
Accounts receivable	\$ 17,490	8,521	-	-	-	19,322	-	914,476
Due from School Operating Fund	-	313,223	1,320	1,613	2,000	-	2,934	1,026,778
Inventory	-	-	-	-	-	-	-	3,572
	<u>17,490</u>	<u>321,744</u>	<u>1,320</u>	<u>1,613</u>	<u>2,000</u>	<u>19,322</u>	<u>2,934</u>	<u>1,944,826</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	-	-	-	-	-	-	-	54,821
Unearned revenue	-	-	1,320	1,613	2,000	-	-	99,782
Due to School Operating Fund	17,490	-	-	-	-	19,322	-	831,827
Total liabilities	<u>17,490</u>	<u>-</u>	<u>1,320</u>	<u>1,613</u>	<u>2,000</u>	<u>19,322</u>	<u>-</u>	<u>986,430</u>
<b>Fund balances:</b>								
Nonspendable	-	-	-	-	-	-	-	3,572
Committed	-	321,744	-	-	-	-	2,934	954,824
Total fund balances	<u>-</u>	<u>321,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,934</u>	<u>958,396</u>
Total liabilities and fund balances	\$ <u>17,490</u>	<u>321,744</u>	<u>1,320</u>	<u>1,613</u>	<u>2,000</u>	<u>19,322</u>	<u>2,934</u>	<u>1,944,826</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2022

	Special Revenue Funds							
	Broadband Assistance Grant	Pupil Transportation	Early Learning	Department of Health & Social Services	Food Service	Fresh Fruit and Vegetables	Title I-A Basic	Title I-C Migrant Education
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	772	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	144,458	177,492	130,416	-	-	-	-	-
Federal sources:								
Pass through	-	-	-	42,417	164,198	6,666	107,710	79,700
Direct	-	-	-	-	-	-	-	-
Total revenues	<u>144,458</u>	<u>177,492</u>	<u>130,416</u>	<u>42,417</u>	<u>164,970</u>	<u>6,666</u>	<u>107,710</u>	<u>79,700</u>
Expenditures:								
Current:								
Instruction	-	-	122,204	-	-	-	100,928	74,681
Special education instruction	-	-	-	-	-	-	-	-
Support services - students	-	-	-	39,746	-	-	-	-
Support services - instruction	144,458	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-	-
District administration support services	-	-	8,212	2,671	-	-	6,782	5,019
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	108,316	-	-	-	-	-	-
Food services	-	-	-	-	196,579	6,666	-	-
Total expenditures	<u>144,458</u>	<u>108,316</u>	<u>130,416</u>	<u>42,417</u>	<u>196,579</u>	<u>6,666</u>	<u>107,710</u>	<u>79,700</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>69,176</u>	<u>-</u>	<u>-</u>	<u>(31,609)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	44,435	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,435</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>69,176</u>	<u>-</u>	<u>-</u>	<u>12,826</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>453,525</u>	<u>-</u>	<u>-</u>	<u>96,061</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>522,701</u>	<u>-</u>	<u>-</u>	<u>108,887</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)



SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds							Comprehensive State Literacy Development
	Migrant Book	Title IV-A Innovative	Title II-A Teacher & Principal Training	Title VI-B IDEA	Section 619 Preschool Disabled	Carl Perkins	Title I-A School Improvement	
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	-
Federal sources:								
Pass through	980	23,410	23,824	65,369	7,903	27,000	59,000	288,357
Direct	-	-	-	-	-	-	-	-
Total revenues	<u>980</u>	<u>23,410</u>	<u>23,824</u>	<u>65,369</u>	<u>7,903</u>	<u>27,000</u>	<u>59,000</u>	<u>288,357</u>
Expenditures:								
Current:								
Instruction	918	21,936	22,324	-	-	25,714	54,747	270,200
Special education instruction	-	-	-	61,253	7,405	-	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-	-
District administration support services	62	1,474	1,500	4,116	498	1,286	3,715	18,157
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	538	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Total expenditures	<u>980</u>	<u>23,410</u>	<u>23,824</u>	<u>65,369</u>	<u>7,903</u>	<u>27,000</u>	<u>59,000</u>	<u>288,357</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds							
	ESSER I	CARES Act GEER	ESSER II	ESSER III	Distance Learning	Indian Education	REAP	Select - Klawock
<b>Revenues:</b>								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	-
Federal sources:								
Pass through	20,094	28,102	193,543	701	23,548	26,817	-	33,156
Direct	-	-	-	-	-	-	7,405	-
Total revenues	<u>20,094</u>	<u>28,102</u>	<u>193,543</u>	<u>701</u>	<u>23,548</u>	<u>26,817</u>	<u>7,405</u>	<u>33,156</u>
<b>Expenditures:</b>								
Current:								
Instruction	-	-	20,377	317	-	4,711	6,939	-
Special education instruction	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	33,156
Support services - instruction	-	-	52,461	-	35,817	-	-	-
School administration	18,829	26,332	8,692	-	-	-	-	-
District administration support services	1,265	1,770	9,872	44	-	1,689	466	-
Operations and maintenance of plant	-	-	42,593	340	-	-	-	-
Student activities	-	-	30,354	-	-	20,417	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Food services	-	-	29,194	-	-	-	-	-
Total expenditures	<u>20,094</u>	<u>28,102</u>	<u>193,543</u>	<u>701</u>	<u>35,817</u>	<u>26,817</u>	<u>7,405</u>	<u>33,156</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,269)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	12,269	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,269</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds						Total Other Governmental Funds
	A-STRIDE	THRIVE Special Revenue Fund	Resolve YKSD	Teacher Housing	Alaska Micro Grants	RurAL CAP	
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	95,426	-	-	96,198
Other	-	-	17,490	1,428	-	-	18,918
Intergovernmental:							
State of Alaska	-	-	-	-	-	-	452,366
Federal sources:							
Pass through	60,656	-	-	-	19,322	-	1,302,473
Direct	-	473,350	-	-	-	-	480,755
Total revenues	<u>60,656</u>	<u>473,350</u>	<u>17,490</u>	<u>96,854</u>	<u>19,322</u>	<u>-</u>	<u>2,350,710</u>
Expenditures:							
Current:							
Instruction	-	-	-	-	19,322	-	745,318
Special education instruction	-	-	-	-	-	-	68,658
Support services - students	60,656	443,676	17,490	-	-	-	594,724
Support services - instruction	-	-	-	-	-	-	232,736
School administration	-	-	-	-	-	-	53,853
District administration support services	-	29,674	-	-	-	-	98,272
Operations and maintenance of plant	-	-	-	40,736	-	-	83,669
Student activities	-	-	-	-	-	-	51,309
Student transportation - to and from school	-	-	-	-	-	-	108,316
Food services	-	-	-	-	-	-	232,439
Total expenditures	<u>60,656</u>	<u>473,350</u>	<u>17,490</u>	<u>40,736</u>	<u>19,322</u>	<u>-</u>	<u>2,269,294</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,118</u>	<u>-</u>	<u>-</u>	<u>81,416</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	56,704
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,704</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,118</u>	<u>-</u>	<u>-</u>	<u>138,120</u>
Fund balances, beginning of year	<u>-</u>	<u>2,130</u>	<u>-</u>	<u>265,626</u>	<u>-</u>	<u>2,934</u>	<u>820,276</u>
Fund balances, end of year	\$ <u>-</u>	<u>2,130</u>	<u>-</u>	<u>321,744</u>	<u>-</u>	<u>2,934</u>	<u>958,396</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Broadband Assistance Grant 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)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues:			
Intergovernmental:			
State of Alaska	\$ 219,492	144,458	(75,034)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Expenditures - current:			
Support services - instruction			
Utility services	219,492	144,458	75,034
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Excess of revenues over expenditures	\$ <u>                    </u> <u>                    </u>	-	<u>                    </u> <u>                    </u>
Fund balance, beginning of year		<u>                    </u> -	
Fund balance, end of year		\$ <u>                    </u> <u>                    </u>	

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Pupil 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	\$ 177,492	177,492	-
Expenditures - current:			
Student transportation - to and from school:			
Certificated salaries	-	1,204	(1,204)
Non-certificated salaries	66,907	55,192	11,715
Employee benefits	73,059	27,744	45,315
Professional and technical services	1,200	-	1,200
Staff travel	250	-	250
Utility services	-	1,173	(1,173)
Other purchased services	3,600	1,960	1,640
Supplies, materials and media	28,500	19,733	8,767
Tuition and stipends	3,376	-	3,376
Student transportation - in-lieu-of agreements	-	1,040	(1,040)
Other expenses	600	270	330
Total expenditures	<u>177,492</u>	<u>108,316</u>	<u>69,176</u>
Excess of revenues over expenditures	\$ <u>-</u>	69,176	<u>69,176</u>
Fund balance, beginning of year		<u>453,525</u>	
Fund balance, end of year		\$ <u><u>522,701</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Early 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:			
State of Alaska	\$ 130,416	130,416	-
Expenditures - current:			
Instruction:			
Certificated salaries	42,200	42,200	-
Non-certificated salaries	29,012	29,012	-
Employee benefits	35,722	35,722	-
Supplies, materials and media	15,270	15,270	-
Total instruction	<u>122,204</u>	<u>122,204</u>	-
District administration support services:			
Indirect costs	<u>8,212</u>	<u>8,212</u>	-
Total expenditures	<u>130,416</u>	<u>130,416</u>	-
Excess of revenues over expenditures	<u>\$ -</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Department of Health &amp; Social Services 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	\$ 54,496	42,417	(12,079)
Expenditures - current:			
Support services - students:			
Certificated salaries	41,659	7,500	34,159
Non-certificated salaries	-	25,000	(25,000)
Employee benefits	4,963	7,066	(2,103)
Staff travel	1,156	-	1,156
Supplies, materials and media	3,280	180	3,100
Total support students - students	<u>51,058</u>	<u>39,746</u>	<u>11,312</u>
District administration support services:			
Indirect costs	3,438	2,671	767
Total expenditures	<u>54,496</u>	<u>42,417</u>	<u>12,079</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

## SOUTHEAST ISLAND 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	\$ 8,500	772	(7,728)
Intergovernmental:			
Federal sources - passed through the State of Alaska	117,759	164,198	46,439
Total revenues	<u>126,259</u>	<u>164,970</u>	<u>38,711</u>
Expenditures - current:			
Food services:			
Certificated salaries	-	1,035	(1,035)
Non-certificated salaries	83,327	59,880	23,447
Employee benefits	26,890	16,771	10,119
Staff travel	2,500	74	2,426
Other purchased services	-	133	(133)
Supplies, materials and media	121,500	118,676	2,824
Other expenses	600	10	590
Total expenditures	<u>234,817</u>	<u>196,579</u>	<u>38,238</u>
Excess (deficiency) of revenues over expenditures	<u>(108,558)</u>	<u>(31,609)</u>	<u>76,949</u>
Other financing sources:			
Transfers in - School Operating Fund	-	44,435	44,435
Net change in fund balance	<u>\$ (108,558)</u>	12,826	<u>121,384</u>
Fund balance, beginning of year		<u>96,061</u>	
Fund balance, end of year		<u>\$ 108,887</u>	



SOUTHEAST ISLAND SCHOOL DISTRICT

Fresh Fruit and Vegetable 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)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues:			
Intergovernmental:			
Federal sources - passed through the State of Alaska	\$ <u>10,103</u>	<u>6,666</u>	<u>(3,437)</u>
Expenditures - current:			
Food services:			
Supplies, materials and media	<u>10,103</u>	<u>6,666</u>	<u>3,437</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

SOUTHEAST ISLAND 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	\$ 132,602	107,710	(24,892)
Expenditures - current:			
Instruction:			
Certificated salaries	11,927	11,927	-
Non-certificated salaries	22,216	22,216	-
Employee benefits	16,885	16,885	-
Professional and technical services	1,710	1,452	258
Staff travel	20,001	20,001	-
Student travel	769	769	-
Supplies, materials and media	48,644	26,983	21,661
Other expenses	695	695	-
Tuition and stipends	1,500	-	1,500
Total instruction	<u>124,347</u>	<u>100,928</u>	<u>23,419</u>
District administration support services:			
Indirect costs	8,255	6,782	1,473
Total expenditures	<u>132,602</u>	<u>107,710</u>	<u>24,892</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title I-C Migrant 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	\$ 127,348	79,700	(47,648)
Expenditures - current:			
Instruction:			
Certificated salaries	27,780	5,815	21,965
Non-certificated salaries	43,192	27,852	15,340
Employee benefits	23,179	23,097	82
Professional and technical services	7,336	5,645	1,691
Utility services	350	-	350
Supplies, materials and media	17,492	12,272	5,220
Total instruction	119,329	74,681	44,648
District administration support services:			
Indirect costs	8,019	5,019	3,000
Total expenditures	127,348	79,700	47,648
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Migrant Book 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	\$ 980	980	-
Expenditures - current:			
Instruction:			
Supplies, materials and media	918	918	-
District administration support services:			
Indirect costs	62	62	-
Total expenditures	980	980	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title IV-A Innovative 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	\$ 23,410	23,410	-
Expenditures - current:			
Instruction:			
Non-certificated salaries	513	513	-
Employee benefits	678	678	-
Professional and technical services	16,135	16,135	-
Supplies, materials and media	4,610	4,610	-
Total instruction	<u>21,936</u>	<u>21,936</u>	<u>-</u>
District administration support services:			
Indirect costs	1,474	1,474	-
Total expenditures	<u>23,410</u>	<u>23,410</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title II-A Teacher and Principal Training 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)
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues:			
Intergovernmental:			
Federal sources - passed through the State of Alaska	\$ 31,694	23,824	(7,870)
	<u>          </u>	<u>          </u>	<u>          </u>
Expenditures - current:			
Instruction:			
Certificated salaries	3,520	3,520	-
Non-certificated salaries	1,660	1,660	-
Employee benefits	1,552	1,552	-
Transportation allowance	3,621	2,093	1,528
Staff travel	10,695	10,695	-
Supplies, materials and media	6,650	804	5,846
Other expenses	2,000	2,000	-
Total instruction	<u>29,698</u>	<u>22,324</u>	<u>7,374</u>
District administration support services:			
Indirect costs	<u>1,996</u>	<u>1,500</u>	<u>496</u>
Total expenditures	<u>31,694</u>	<u>23,824</u>	<u>7,870</u>
Excess of revenues over expenditures	\$ <u>          </u> <u>          </u>	-	<u>          </u> <u>          </u>
Fund balance, beginning of year		<u>          </u>	
Fund balance, end of year		\$ <u>          </u> <u>          </u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title VI-B IDEA 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	\$ 65,369	65,369	-
Expenditures - current:			
Special education instruction:			
Professional and technical services	57,957	57,957	-
Supplies, materials and media	3,296	3,296	-
Total special education instruction	61,253	61,253	-
District administration support services:			
Indirect costs	4,116	4,116	-
Total expenditures	65,369	65,369	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND 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	\$ 7,903	7,903	-
Expenditures - current:			
Special education instruction:			
Certificated salaries	6,403	6,403	-
Employee benefits	1,002	1,002	-
Total special education instruction	7,405	7,405	-
District administration support services:			
Indirect costs	498	498	-
Total expenditures	7,903	7,903	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	



SOUTHEAST ISLAND 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	\$ 27,000	27,000	-
Expenditures - current:			
Instruction:			
Certificated salaries	19,182	19,182	-
Employee benefits	3,000	3,000	-
Staff travel	3,532	3,532	-
Total instruction	<u>25,714</u>	<u>25,714</u>	<u>-</u>
District administration support services:			
Indirect costs	1,286	1,286	-
Total expenditures	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND 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	\$ 59,000	59,000	-
Expenditures - current:			
Instruction:			
Certificated salaries	20,200	20,200	-
Non-certificated salaries	5,000	4,934	66
Employee benefits	13,646	13,646	-
Professional and technical services	1,375	1,375	-
Staff travel	6,840	6,840	-
Supplies, materials and media	8,224	7,752	472
Total instruction	<u>55,285</u>	<u>54,747</u>	<u>538</u>
District administration support services:			
Indirect costs	3,715	3,715	-
Student activities:			
Supplies, materials and media	-	538	(538)
Total expenditures	<u>59,000</u>	<u>59,000</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Comprehensive State Literacy Development 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	\$ 468,082	288,357	(179,725)
Expenditures - current:			
Instruction:			
Certificated salaries	89,000	74,942	14,058
Non-certificated salaries	17,000	6,000	11,000
Employee benefits	18,777	18,777	-
Professional and technical services	227,037	164,541	62,496
Supplies, materials and media	6,535	5,940	595
Other expenses	80,259	-	80,259
Total instruction	<u>438,608</u>	<u>270,200</u>	<u>168,408</u>
District administration support services:			
Indirect costs	29,474	18,157	11,317
Total expenditures	<u>468,082</u>	<u>288,357</u>	<u>179,725</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

ESSER 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	\$ 20,094	20,094	-
Expenditures - current:			
School administration:			
Certificated salaries	11,937	11,937	-
Employee benefits	6,892	6,892	-
Total school administration	18,829	18,829	-
District administration support services:			
Indirect costs	1,265	1,265	-
Total expenditures	20,094	20,094	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

CARES Act - GEER 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	\$ 28,102	28,102	-
Expenditures - current:			
School administration:			
Certificated salaries	16,694	16,694	-
Employee benefits	9,638	9,638	-
Total school administration	26,332	26,332	-
District administration support services:			
Indirect costs	1,770	1,770	-
Total expenditures	28,102	28,102	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## SOUTHEAST ISLAND SCHOOL DISTRICT

## ESSER 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	\$ 204,805	193,543	(11,262)
Expenditures - current:			
Instruction:			
Certificated salaries	4,796	4,796	-
Employee benefits	148	148	-
Staff travel	10,000	725	9,275
Student travel	9,302	9,302	-
Other purchased services	-	350	(350)
Supplies, materials and media	-	5,056	(5,056)
Total instruction	<u>24,246</u>	<u>20,377</u>	<u>3,869</u>
Support services - instruction:			
Certificated salaries	48,257	34,587	13,670
Employee benefits	11,977	14,144	(2,167)
Utility services	1,480	1,480	-
Supplies, materials and media	2,250	2,250	-
Total support services - instruction	<u>63,964</u>	<u>52,461</u>	<u>11,503</u>
School administration:			
Certificated salaries	6,840	6,840	-
Employee benefits	1,852	1,852	-
Total school administration	<u>8,692</u>	<u>8,692</u>	<u>-</u>
District administration support services:			
Indirect costs	10,531	9,872	659
Operations and maintenance of plant:			
Non-certificated salaries	-	2,114	(2,114)
Employee benefits	235	235	-
Supplies, materials and media	2,729	3,476	(747)
Other capital outlay expenses	37,568	36,768	800
Total operations and maintenance of plant	<u>40,532</u>	<u>42,593</u>	<u>(2,061)</u>
Student activities:			
Student travel	30,698	27,204	3,494
Other purchased services	350	3,150	(2,800)
Total student activities	<u>31,048</u>	<u>30,354</u>	<u>694</u>
Food services:			
Non-certificated salaries	1,600	6,182	(4,582)
Employee benefits	1,929	1,929	-
Professional and technical services	22,263	21,083	1,180
Total food services	<u>25,792</u>	<u>29,194</u>	<u>(3,402)</u>
Total expenditures	<u>204,805</u>	<u>193,543</u>	<u>11,262</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

## SOUTHEAST ISLAND SCHOOL DISTRICT

## ESSER III Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources - passed through the State of Alaska	\$ 227,875	701	(227,174)
Expenditures - current:			
Instruction:			
Certificated salaries	83,658	-	83,658
Non-certificated salaries	42,600	-	42,600
Employee benefits	22,268	-	22,268
Professional and technical services	60,000	-	60,000
Supplies, materials and media	4,660	317	4,343
Total instruction	<u>213,186</u>	<u>317</u>	<u>212,869</u>
District administration support services:			
Indirect costs	<u>14,349</u>	<u>44</u>	<u>14,305</u>
Operations and maintenance of plant:			
Supplies, materials and media	<u>340</u>	<u>340</u>	<u>-</u>
Total expenditures	<u>227,875</u>	<u>701</u>	<u>227,174</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

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:			
Federal - passed through Hydaburg School District	\$ 54,920	23,548	(31,372)
Expenditures - current:			
Support services - instruction:			
Equipment	54,920	35,817	19,103
Excess (deficiency) of revenues over expenditures	-	(12,269)	(12,269)
Other financing sources:			
Transfers in - School Operating Fund	-	12,269	12,269
Net change in fund balance	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	



## SOUTHEAST ISLAND 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:			
Federal sources - direct	\$ 26,817	26,817	-
Expenditures - current:			
Instruction:			
Supplies, materials and media	4,711	4,711	-
District administration support services:			
Indirect costs	1,689	1,689	-
Student activities:			
Non-certificated salaries	4,923	4,923	-
Employee benefits	2,122	2,122	-
Staff travel	2,478	2,478	-
Student travel	240	240	-
Supplies, materials and media	10,654	10,654	-
Total student activities	20,417	20,417	-
Total expenditures	26,817	26,817	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

REAP 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 - direct	\$ 7,405	7,405	-
Expenditures - current:			
Instruction:			
Supplies, materials and media	6,939	6,939	-
District administration support services:			
Indirect costs	466	466	-
Total expenditures	7,405	7,405	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Select - Klawock 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:			
Federal sources - passed through Klawock City School District	\$ 35,300	33,156	(2,144)
Expenditures - current:			
Support services - students:			
Certificated salaries	21,200	21,200	-
Non-certificated salaries	400	400	-
Employee benefits	10,500	10,498	2
Staff travel	971	970	1
Utility services	2,015	88	1,927
Supplies, materials and media	214	-	214
Total expenditures	35,300	33,156	2,144
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

A-STRIDE 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 - passed through The Central Council Tlingit and Haida Indian Tribes of Alaska	\$ 68,262	60,656	(7,606)
Expenditures - current:			
Support services - students:			
Certificated salaries	39,458	39,455	3
Employee benefits	14,714	14,713	1
Utility services	6,890	6,488	402
Supplies, materials and media	1,220	-	1,220
Other expenses	5,980	-	5,980
Total expenditures	<u>68,262</u>	<u>60,656</u>	<u>7,606</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

## SOUTHEAST ISLAND SCHOOL DISTRICT

## THRIVE 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 - direct	\$ 586,315	473,350	(112,965)
Total revenues	<u>586,315</u>	<u>473,350</u>	<u>(112,965)</u>
Expenditures - current:			
Support services - students:			
Certificated salaries	40,000	45,435	(5,435)
Non-certificated salaries	5,000	16,493	(11,493)
Employee benefits	30,000	32,198	(2,198)
Professional and technical services	291,106	214,905	76,201
Staff travel	116,614	68,690	47,924
Student travel	-	9,243	(9,243)
Utility services	20,000	19,688	312
Other purchased services	-	7,943	(7,943)
Supplies, materials and media	18,870	19,014	(144)
Tuition and stipends	-	2,095	(2,095)
Other expenses	22,200	7,972	14,228
Total support services - students	<u>543,790</u>	<u>443,676</u>	<u>100,114</u>
District administration support services:			
Indirect costs	36,919	29,674	7,245
Total expenditures	<u>580,709</u>	<u>473,350</u>	<u>107,359</u>
Excess of revenues over expenditures	\$ <u>5,606</u>	-	<u>(5,606)</u>
Fund balance, beginning of year		<u>2,130</u>	
Fund balance, end of year		\$ <u>2,130</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Resolve YKSD 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	\$ 17,490	17,490	-
Expenditures - current:			
Support services - students:			
Certificated salaries	11,230	11,230	-
Employee benefits	5,240	5,240	-
Staff travel	1,020	1,020	-
Total expenditures	17,490	17,490	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## SOUTHEAST ISLAND 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 services - rental income	\$ 110,000	95,426	(14,574)
Other	-	1,428	1,428
Total revenues	<u>110,000</u>	<u>96,854</u>	<u>(13,146)</u>
Expenditures - current:			
Operations and maintenance of plant:			
Non-certificated salaries	2,600	2,812	(212)
Employee benefits	2,100	2,102	(2)
Utility services	4,100	4,052	48
Energy	8,150	6,743	1,407
Other purchased services	100	6,026	(5,926)
Supplies, materials and media	33,050	19,001	14,049
Total expenditures	<u>50,100</u>	<u>40,736</u>	<u>9,364</u>
Excess of revenues over expenditures	\$ <u>59,900</u>	56,118	<u>(3,782)</u>
Fund balance, beginning of year		<u>265,626</u>	
Fund balance, end of year		\$ <u>321,744</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Alaska Micro Grants 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	\$ 28,229	19,322	(8,907)
Expenditures - current:			
Instruction:			
Non-certificated salaries	10,555	10,482	73
Employee benefits	840	1,185	(345)
Staff travel	694	149	545
Supplies, materials and media	15,168	7,506	7,662
Other expenses	972	-	972
Total expenditures	<u>28,229</u>	<u>19,322</u>	<u>8,907</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	



SOUTHEAST ISLAND SCHOOL DISTRICT

RurAL CAP 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	-	-	-
Net change in fund balance	\$ -	-	-
Fund balance, beginning of year		2,934	
Fund balance, end of year		\$ 2,934	

SOUTHEAST ISLAND SCHOOL DISTRICT

Schedule of Compliance - AS 14.17.505

June 30, 2022

Total fund balance - School Operating Fund	\$ 699,614
less exemptions per 4 AAC 09.160(a)	
Inventory	<u>104,739</u>
<b>Fund Balance Subject to 10% Limitation</b>	<b>\$ <u>594,875</u></b>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	<u>594,875</u>	=	<u>10.05%</u>
Current year expenditures	5,921,684		

SOUTHEAST ISLAND 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 Federal Expended</u>
U.S. Department of Education:			
Passed through the State of Alaska Department of Education and Early Development:			
Title I-A Basic	IP 22.SISS.01	84.010	\$ 107,710
Title I-1 School Improvement, 1003(a)	SI 22.SISS.01	84.010	59,000
Total ALN 84.040			<u>166,710</u>
Title I-C Migrant Education	IP 22.SISS.01	84.011	79,700
Migrant Education Books	MB 22.SISS.01	84.011	980
Total ALN 84.011			<u>80,680</u>
Title II-A Improving Teacher Quality	IP 22.SISS.01	84.367	<u>23,824</u>
Comprehensive State Literacy Development	AL 22.SISS.01	84.371C	<u>288,357</u>
Title IV-A Student Support and Academic Enrichment	IP 22.SISS.01	84.424	<u>23,410</u>
COVID-19 CARES Act Elementary and Secondary School Emergency Relief Fund I	ER 22.SISS.01	84.425D	20,094
COVID-19 CARES Act Governor's Emergency Education Relief Fund	ER 22.SISS.01	84.425C	28,102
COVID-19 CARES Act Elementary and Secondary School Emergency Relief Fund II	ER 22.SISS.01	84.425D	193,543
COVID-19 CARES Act Elementary and Secondary School Emergency Relief Fund III	ER 22.SISS.01	84.425U	701
Total ALN 84.425			<u>242,440</u>
Special Education Cluster:			
Title VI-B Special Education	SE 22.SISS.01	84.027	52,813
COVID-19 Title VI-B IDEA ARP	SE 22.SISS.01	84.173X	12,556
COVID-19 Section 619 IDEA ARP	SE 22.SISS.01	84.173X	1,152
Title VI-B Section 619 Preschool Disabled	SE 22.SISS.01	84.173	6,751
Total Special Education Cluster			<u>73,272</u>
Carl Perkins Vocational Ed Secondary	EK 22.SISS.01	84.048	<u>27,000</u>
Passed through:			
The Central Council Tlingit and Haida Indian Tribes of Alaska:			
A-STRIDE	S356A180036	84.356A	60,656
Klawock City School District:			
SELECT	S356A190012	84.356A	33,156
Total ALN 84.356			<u>93,812</u>
Direct programs:			
Indian Education	S060A212401	84.060A	<u>26,817</u>
Project THRIVE	S299A180022	84.299A	<u>473,350</u>
REAP	S358C210018	84.358C	<u>7,405</u>
Total U.S. Department of Education			<u>1,527,077</u>

(continued)

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards, continued

<u>Grant Title</u>	<u>Grant Number</u>	<u>Assistance Listing Number</u>	<u>Total Federal Expended</u>
U.S. Department of Agriculture:			
Passed through the State of Alaska Department of Education and Early Development:			
Child Nutrition Cluster:			
Commodities	None	10.555	12,827
NSL Breakfast	None	10.553	37,806
NSL Lunch	None	10.555	95,786
Supply Chain Assistance	None	10.555	8,396
Summer Food Service Program	None	10.559	8,769
Fresh Fruit & Vegetable Program	FF 22.SISS.01	10.582	2,950
Fresh Fruit & Vegetable Program	FF 22.SISS.02	10.582	3,716
Total Child Nutrition Cluster			<u>170,250</u>
State Administrative Expense Funds - Food Distribution Fee	FD 22.SISS.01	10.649	<u>614</u>
Passed through the State of Alaska Department of Commerce and Economic Development:			
National Forest Receipts Title I	2022	10.665	<u>285,143</u>
Passed through Hydaburg School District:			
Rural Utilities Service's Distance Learning	AK0745-B16	10.855	<u>23,548</u>
Passed through the State of Alaska Department of Natural Resources:			
Micro Migrants for food security	AM200100XXXXG131	10.179	<u>19,322</u>
Total U.S. Department of Agriculture			<u>498,877</u>
U.S. Department of Health and Human Services			
Passed through the State of Alaska Department of Health and Social Services:			
Screening Testing to Reopen and Keep Schools Operating Safely	601-308-21044	93.323	<u>42,417</u>
Total Expenditure of Federal Awards			<u>\$ 2,068,371</u>

See accompanying notes to the schedule.

# SOUTHEAST ISLAND 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 Southeast Island 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 Southeast Island School District, it is not intended to and does not present the basic financial statements of Southeast Island 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. Southeast Island School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

### **Note 3. Passed Through Awards**

No amounts were passed through to subrecipients.

### **Note 4. Nonmonetary Assistance**

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed at June 30, 2022 the District had food commodities totaling \$12,827.

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Schedule of State Financial Assistance

Year Ended June 30, 2022

<u>Grant Title</u>	<u>Grant Number</u>	<u>Total State Expended</u>
Department of Education and Early Development:		
Direct programs:		
* Public School Foundation Program	FY22	\$ 4,347,756
Pupil Transportation	FY22	177,492
Early Learning	PE 22.SISS.01	130,416
Broadband Assistance Grant	None	144,458
Education Dividend Raffle Funds	None	1,245
Quality Schools	FY22	11,731
* Kasaan K-12 School Covered Play Area	GR-19-005	203,551
Thorne Bay K-12 School Playground Upgrades	GR-19-007	50,451
Hollis K-12 School Replacement Design	GR-20-002	258,158
Total Department of Education and Early Development		<u>5,325,258</u>
Alaska Energy Authority:		
Direct:		
LED Lighting	7510240	8,384
Biomass Project Upgrades	7910076	18,260
Total Alaska Energy Authority		<u>26,644</u>
Total State Expenditures		<u>\$ 5,351,902</u>

See accompanying notes to the schedule.

SOUTHEAST ISLAND 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 Southeast Island 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 Southeast Island School District, it is not intended to and does not present the basic financial statements of Southeast Island 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:

State expenditures per previous page	\$	5,351,902
PERS On-Behalf		322,659
TRS On-Behalf		74,598
Total revenue from State of Alaska per basic financials	\$	<u>5,749,159</u>

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards**

**Independent Auditor's Report**

Members of the School Board  
Southeast Island School District  
Thorne Bay, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Southeast Island School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Southeast Island School District's basic financial statements, and have issued our report thereon dated October 17, 2022.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



Members of the School Board  
Southeast Island School District

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Southeast Island 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.



Anchorage, Alaska  
October 17, 2022

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

**Independent Auditor's Report**

Members of the School Board  
Southeast Island School District  
Thorne Bay, Alaska

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Southeast Island 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 Southeast Island 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 Southeast Island School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Members of the School Board  
Southeast Island School District

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

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

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

*Altman, Rogers & Co.*

Anchorage, Alaska  
October 17, 2022

SOUTHEAST ISLAND SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Financial Statements

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

Is a going concern emphasis-of-matter paragraph included in the audit report?  Yes  No

Internal control over financial reporting:  
 Material weakness identified?  Yes  No  
 Significant deficiency identified?  Yes  None reported

Noncompliance material to the financial statements noted?  Yes  No

Federal Awards

Internal control over major federal programs (2 CFR 200.516(a)(1)):  
 Material weakness identified?  Yes  No  
 Significant deficiency identified?  Yes  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  No

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR 200.516(a)(3) or (4)?  Yes  No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.299A	Indian Education – Project THRIVE

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  Yes  No

SOUTHEAST ISLAND SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

***Section II – Financial Statement Findings***

Southeast Island School District did not have any findings related to the financial statements.

***Section III – Federal Award Findings and Questioned Costs***

Southeast Island School District did not have any findings related to federal awards.

**Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits**

**Independent Auditor's Report**

Members of the School Board  
Southeast Island School District  
Thorne Bay, Alaska

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited Southeast Island 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 Southeast Island School District's major state programs for the year ended June 30, 2022. Southeast Island School District's major state programs are identified on the Schedule of State Financial Assistance.

In our opinion, Southeast Island 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 Southeast Island 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 Southeast Island 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 Southeast Island 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 Southeast Island School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the 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 Southeast Island School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Southeast Island 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 Southeast Island 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 Southeast Island School District's internal control over compliance. Accordingly, no such opinion is expressed.

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



## Report on Internal Control over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

*Altman, Rogers & Co.*

Anchorage, Alaska  
October 17, 2022

SOUTHEAST ISLAND 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 report the auditor issued on whether the  
Financial statements audited were prepared in  
Accordance with GAAP: Unmodified

Internal control over financial reporting:  
Material weakness(es) identified?      Yes   X   No  
Significant deficiency(ies) identified?      Yes   X   None reported

Noncompliance material to financial statements noted?      Yes   X   No

State Awards

Internal control over major programs:  
Material weakness(es) identified?      Yes   X   No  
Significant deficiency(ies) identified?      Yes   X   None reported

Type of auditors’ report issued on compliance  
for major program: 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**

Southeast Island School District did not have any findings related to the financial statements.

**Section III – State Award Findings and Questioned Costs**

Southeast Island School District did not have any findings related to the state awards.