

CRAIG CITY SCHOOL DISTRICT
(A Component Unit of the City of Craig)

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

Year Ended June 30, 2022

CRAIG CITY SCHOOL DISTRICT
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Basic Financial Statements, Required
Supplementary Information, Supplementary
Information and Compliance Reports

Year Ended June 30, 2022

CRAIG CITY SCHOOL DISTRICT

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Independent Auditor's Report

Members of the School Board
Craig City School District
Hoonah, Alaska

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Craig City 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 Craig City 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 Craig City 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 Craig City 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 Craig City 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.

New Accounting Pronouncement

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

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

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 43-53 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 the Craig City School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the Pace Statewide Correspondence Program – budget to actual, the schedule of compliance – AS 14.17.505, and schedule of expenditures of federal awards and the notes to schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; the schedule of state financial assistance and notes to the schedule of state financial assistance as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information listed in the table of contents as "Additional Supplementary Information" collectively are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2022, on our consideration of the Craig City 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 Craig City 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 Craig City School District's internal control over financial reporting and compliance.



Anchorage, Alaska
October 10, 2022

CRAIG CITY SCHOOL DISTRICT

Statement of Net Position

June 30, 2022

<u>Assets and Deferred Outflows of Resources</u>	<u>Governmental Activities</u>
Current assets:	
Cash and cash equivalents	\$ 4,360,306
Accounts receivable	603,333
Inventory	59,724
Total current assets	<u>5,023,363</u>
Long-term assets:	
Capital assets	1,340,732
Accumulated depreciation and amortization	(1,048,208)
OPEB assets	3,279,457
Total long-term assets	<u>3,571,981</u>
Deferred outflows of resources -	
Pension and OPEB deferrals	<u>672,291</u>
Total assets and deferred outflows of resources	<u>9,267,635</u>
<u>Liabilities and Deferred Inflows of Resources</u>	
Current liabilities:	
Accounts payable	39,369
Payroll accruals and liabilities	254,190
Accrued leave	10,173
Due to Scholarships Custodial Fund	4,956
Unearned revenue	12,154
Current portion of lease liabilities	73,758
Total current liabilities	<u>394,600</u>
Non-current liabilities:	
Lease liabilities	63,280
Net pension and OPEB liabilities	2,837,908
Total non-current liabilities	<u>2,901,188</u>
Deferred inflows of resources -	
Pension and OPEB deferrals	<u>3,657,327</u>
Total liabilities and deferred inflows of resources	<u>6,953,115</u>
<u>Net Position</u>	
Net investment in capital assets	155,486
Unrestricted	2,159,034
Total net position	<u>\$ 2,314,520</u>

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

CRAIG CITY SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental Activities:				
Instruction	\$ 2,772,169	-	(193,878)	(2,966,047)
Special education instruction	381,832	-	133,670	(248,162)
Special education support services - students	170,319	-	42,003	(128,316)
Support services - students	56,796	-	54,738	(2,058)
Support services - instruction	1,965,153	-	742,236	(1,222,917)
School administration	323,848	-	(59,264)	(383,112)
School administration support services	203,009	-	(1,793)	(204,802)
District administration	111,489	-	(18,645)	(130,134)
District administration support services	223,245	-	65,025	(158,220)
Operations and maintenance of plant	988,257	22,387	5,318	(960,552)
Student activities	264,089	-	(14,276)	(278,365)
Student transportation services	143,496	-	102,992	(40,504)
Food services	350,010	-	388,470	38,460
Total governmental activities	\$ 7,953,712	22,387	1,246,596	(6,684,729)
General revenues:				
City of Craig appropriations				\$ 654,577
Grants not restricted to specific programs				6,107,620
Unrestricted investments and interest earnings				16,357
E-rate				90,804
Other				24,910
Total general revenues				6,894,268
Change in net position				209,539
Net position, beginning of year				2,104,981
Net position, end of year				\$ 2,314,520

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

CRAIG CITY SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2022

	School Operating Fund	Special Projects Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 3,334,738	1,025,568	-	4,360,306
Accounts receivable	14,891	-	588,442	603,333
Due from other funds	588,442	1,762,328	210,703	2,561,473
Inventory	53,046	-	6,678	59,724
Total assets	<u>\$ 3,991,117</u>	<u>2,787,896</u>	<u>805,823</u>	<u>7,584,836</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	27,608	-	11,761	39,369
Payroll accruals and liabilities	254,190	-	-	254,190
Due to Scholarships Custodial Fund	4,956	-	-	4,956
Due to other funds	1,973,031	-	588,442	2,561,473
Unearned revenue	-	-	12,154	12,154
Total liabilities	<u>2,259,785</u>	<u>-</u>	<u>612,357</u>	<u>2,872,142</u>
Fund balances:				
Nonspendable	53,046	-	6,678	59,724
Committed	373,373	2,787,896	186,788	3,348,057
Unassigned	1,304,913	-	-	1,304,913
Total fund balances	<u>1,731,332</u>	<u>2,787,896</u>	<u>193,466</u>	<u>4,712,694</u>
Total liabilities and fund balances	<u>\$ 3,991,117</u>	<u>2,787,896</u>	<u>805,823</u>	<u>7,584,836</u>

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

CRAIG CITY SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position

June 30, 2022

Fund balances - total governmental funds		\$	4,712,694
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:			
Capital assets used in governmental activities are not financial resources and are not reported in the funds.			292,524
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Accrued leave	(10,173)		
Lease liabilities	<u>(137,038)</u>		(147,211)
Proportionate share of the collective net pension and OPEB assets:			
PERS	1,015,349		
TRS	<u>2,264,108</u>		3,279,457
Proportionate share of the collective net pension and OPEB liabilities:			
PERS	(1,397,367)		
TRS	<u>(1,440,541)</u>		(2,837,908)
Deferred inflow and outflow of resources are the results of timing differences in the actuarial report:			
Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources:			
PERS	166,061		
TRS	<u>506,230</u>		672,291
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources:			
PERS	(1,106,602)		
TRS	<u>(2,550,725)</u>		(3,657,327)
Net position of governmental activities		\$	<u>2,314,520</u>

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

CRAIG CITY SCHOOL DISTRICT

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

Year Ended June 30, 2022

	School Operating Fund	Special Projects Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Charges for services	\$ -	-	22,387	22,387
E-rate	90,804	-	-	90,804
Other	38,401	2,866	3,400	44,667
Intergovernmental:				
City of Craig	654,577	-	-	654,577
State of Alaska	6,209,570	-	99,592	6,309,162
Federal sources	490,714	-	1,836,839	2,327,553
Total revenues	<u>7,484,066</u>	<u>2,866</u>	<u>1,962,218</u>	<u>9,449,150</u>
Expenditures:				
Current:				
Instruction	3,473,617	-	261,757	3,735,374
Special education instruction	355,973	-	195,728	551,701
Special education support services - students	141,028	-	52,505	193,533
Support services - students	78,061	-	80,767	158,828
Support services - instruction	1,332,596	-	776,772	2,109,368
School administration	457,092	-	5,052	462,144
School administration support services	242,264	-	2,861	245,125
District administration	151,546	-	-	151,546
District administration support services	203,498	-	69,296	272,794
Operations and maintenance of plant	886,354	80,241	11,973	978,568
Student activities	295,542	-	-	295,542
Student transportation services	-	-	115,756	115,756
Food services	-	-	350,010	350,010
Debt service:				
Interest on long-term debt	8,066	-	-	8,066
Redemption of principal on long-term debt	69,604	-	-	69,604
Construction and facilities acquisition	213,464	-	-	213,464
Total expenditures	<u>7,908,705</u>	<u>80,241</u>	<u>1,922,477</u>	<u>9,911,423</u>
Excess (deficiency) of revenues over expenditures	<u>(424,639)</u>	<u>(77,375)</u>	<u>39,741</u>	<u>(462,273)</u>
Other financing sources (uses):				
Proceeds from issuance of leases	206,642	-	-	206,642
Transfers in	-	-	109,008	109,008
Transfers out	(55,000)	-	(54,008)	(109,008)
Net other financing sources (uses)	<u>151,642</u>	<u>-</u>	<u>55,000</u>	<u>206,642</u>
Net change in fund balances	<u>(272,997)</u>	<u>(77,375)</u>	<u>94,741</u>	<u>(255,631)</u>
Fund balances, beginning of year	<u>2,004,329</u>	<u>2,865,271</u>	<u>98,725</u>	<u>4,968,325</u>
Fund balances, end of year	<u>\$ 1,731,332</u>	<u>2,787,896</u>	<u>193,466</u>	<u>4,712,694</u>

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

CRAIG CITY 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 balance - total government funds	\$	(255,631)
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Amounts reported for *governmental activities* in the statement of activities are different because:

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

Change in unfunded net pension and OPEB liability and asset:

PERS	1,369,090	
TRS	<u>2,566,498</u>	3,935,588

Deferred inflows and outflows of resources are the result of timing differences in the actuarial report:

Pension and OPEB related assets in the current fiscal year are presented as a change in deferred outflows of resources:

PERS	(1,098,595)	
TRS	<u>(2,332,833)</u>	(3,431,428)

Long-term liabilities reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Similarly, principal payments of long-term debt in the governmental funds are not reported as expenses in the Statement of Activities. Changes in long-term liabilities:

Accrued leave	(1,007)	
Proceeds from issuance of leases	(206,642)	
Principal payments on long-term debt	<u>69,604</u>	(138,045)

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

This is the amount by which depreciation and amortization expense exceeded capital outlay in the current period:

Capital outlay	236,582	
Depreciation and amortization expense	<u>(137,527)</u>	<u>99,055</u>

Change in net position of governmental activities	\$	<u><u>209,539</u></u>
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The notes to the financial statements are an integral part of this statement.

CRAIG CITY SCHOOL DISTRICT

Statement of Fiduciary Net Position

June 30, 2022

	<u>Scholarships Custodial Fund</u>	<u>Student Activities Custodial Fund</u>	<u>Total Custodial Funds</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 50,020	155,071	205,091
Due from School Operating Fund	4,956	-	4,956
Total assets	<u>\$ 54,976</u>	<u>155,071</u>	<u>210,047</u>
<u>Net Position</u>			
Fiduciary net position - held for others	<u>\$ 54,976</u>	<u>155,071</u>	<u>210,047</u>

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

CRAIG CITY SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2022

	Scholarships Custodial Fund	Student Activities Custodial Fund	Total Custodial Funds
Additions:			
Interest	\$ 277	-	277
Donations	1,552	-	1,552
Total additions	<u>1,829</u>	<u>-</u>	<u>1,829</u>
Deductions:			
Scholarships awarded	500	-	500
Program expenses	-	327	327
Total deductions	<u>500</u>	<u>327</u>	<u>827</u>
Changes in net position	<u>1,329</u>	<u>(327)</u>	<u>1,002</u>
Net position, beginning of year	<u>53,647</u>	<u>155,398</u>	<u>209,045</u>
Net position, end of year	<u>\$ 54,976</u>	<u>155,071</u>	<u>210,047</u>

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

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CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Craig City 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.

Pursuant to Alaska Statutes, Title 29.43.030, the City of Craig (City) has the responsibility of establishing, maintaining and operating a system of public schools. The City has delegated the administrative responsibilities for these functions to the School Board of the Craig City School District. Members of the School Board are elected by the public. The School Board has control over hiring and firing of employees and the power to contract and purchase equipment. The School Board is required to submit an annual budget to the City Council for approval, and all bonded indebtedness is through the City. The City Council, as the oversight authority, approves the total annual budget of the District and may during the year, increase or decrease the total City appropriation at the request of the School Board. The School Board has the authority to establish its own budgets, hire all personnel, and manage its financial operation subject to the limitations established by State Law and City Charter. Based on the criteria of financial interdependency, budget approval, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, Craig City School District constitutes a component unit of the City of Craig. There were no entities, which meet the above criteria for inclusion as a component unit, which have been included or excluded in the accompanying financial report at June 30, 2021. The accompanying financial statements include all the activities of the District.

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the 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 District does not presently have any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment 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*.

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.

CRAIG CITY 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 as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The District reports the following major governmental funds:

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

The *Special Projects Capital Project Fund* accounts for funds used to construct capital projects such as buildings.

Additionally, the District reports the following fiduciary funds:

The *Scholarship Fiduciary Fund* accounts for monies designated by the District for use for student scholarships.

The *Student Activity Fiduciary Fund* encompasses the totality of the student activity funds for the District.

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

Summarized below are the major sources of revenue and 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. Federal Impact Aid receipts are recorded as revenues in the year the monies are received. State of Alaska and Federal government cost reimbursable grants and contracts are recorded to the extent of allowable expenditures in the period in which the expenditures were incurred. On-behalf payments are recognized in the year to which it relates.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Revenues from the City of Craig are recorded as intergovernmental revenue. Revenues are susceptible to accrual and are recorded in the year of the City Appropriation.

Local Revenue

Interest earned is recorded in the School Operating Fund unless otherwise specified by the awarding source. Interest income are susceptible to accrual. Proceeds from the sale of lunches, E-rate and other miscellaneous revenues are recognized in the year received.

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

Estimates

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

Indirect Costs

The State of Alaska, Department of Education and Early Development annually establishes an approved indirect rate for each 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.

2. Short-term Interfund 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 fund financial statements and are eliminated in the preparation of the government-wide financial statements.

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.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

4. Capital Assets

Capital assets used in governmental fund types of the District 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 defined by the District as assets with an initial, individual cost over \$5,000 and an estimated life greater than one year. Capital assets in the Government-Wide Financial Statements are depreciated on the straight-line method. Interest incurred during construction is not capitalized on the Government-Wide Financial Statements.

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

<u>Assets</u>	<u>Years</u>
Infrastructure & buildings	10 – 30
Vehicles & equipment	5 – 10

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 on the Government-Wide Financial Statements and are considered operations and maintenance costs. Additionally, monies expended from capital grants or other resources, which will ultimately be capitalized by the City of Craig, not the School District, such as school buildings and improvements are considered construction work in progress (deferred contributions), and are shown as current year expenditures in the Other Governmental Funds column of the Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balances and as Deferred Contributions in the Government-Wide Statement of Activities.

5. Leases

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

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

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

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

6. Unearned Revenue

Unearned revenue in all funds represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

7. Deferred Inflows/Outflows

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.

8. Accrued Leave

It is the District's policy to permit employees to accumulate earned but unused annual leave and sick pay benefits. Annual leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with available financial resources are reported in the Government-Wide Financial Statements as a long-term liability.

9. Pensions and Other Post-Employment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to liability, asset, and 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.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

10. 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.

11. Fund Balance

In the fund financial statements, fund balance includes five classifications as follows:

- Nonspendable fund balance – amounts that are legally or contractually required to be maintained intact (such as the corpus of an endowment fund) or amounts that are not in a spendable form (such as inventory, prepaid 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.
- 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.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

12. 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. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets of the various Special Revenue Funds are prepared in connection with the application for special programs awards and are reviewed and approved by the School Board. Preschool Special Revenue Funds follow the same guidelines as the School Operating Fund as noted in the preceding paragraph. Expenditure authority for Special Revenue Fund programs is limited to the actual combined revenues and transfers from other funds.

Project budgets are adopted for the various construction funds based on the lives of the construction projects. Expenditure authority is limited to the actual combined revenue and transfers from other funds.

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

III. DETAILED NOTES ON ALL FUNDS

A. Cash 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 combined balance sheet as "Cash and cash equivalents" or amounts "due to/from other funds." All deposits are carried at fair value plus accrued interest.

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 FDIC limits 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's deposits and investment policy require all deposits to be fully insured or collateralized.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

As of June 30, 2022, the District's cash and cash equivalents were fully insured and collateralized.

B. Receivables

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

	School Operating Fund	Other Governmental Funds	Total
Grants	\$ -	588,442	588,442
Miscellaneous	14,891	-	14,891
Total	<u>\$ 14,891</u>	<u>588,442</u>	<u>603,333</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:

	<u>Balances July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2022</u>
Governmental activities:				
Capital assets, being depreciated and amortized:				
Infrastructure and buildings	\$ 369,152	-	-	369,152
Vehicles and equipment	734,998	23,118	-	758,116
Right-to-use assets	-	213,464	-	213,464
Total capital assets being depreciated and amortized	<u>\$ 1,104,150</u>	<u>236,582</u>	<u>-</u>	<u>1,340,732</u>
Less accumulated depreciation and amortization:				
Infrastructure and buildings	\$ (348,585)	(2,057)	-	(350,642)
Vehicles and equipment	(562,096)	(54,055)	-	(616,151)
Right-to-use assets	-	(81,415)	-	(81,415)
Total accumulated depreciation and amortization	<u>\$ (910,681)</u>	<u>(137,527)</u>	<u>-</u>	<u>(1,048,208)</u>
Net governmental capital assets	<u>\$ 193,469</u>	<u>99,055</u>	<u>-</u>	<u>292,524</u>

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

Support services - instruction	\$ 22,019
District administration support services	803
Operations and maintenance of plant	86,965
Student transportation services	27,740
Total	<u>\$ 137,527</u>

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

D. Interfund Receivables, Payables and Transfers

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	School Operating Fund	\$ 588,442
School Operating Fund	Other Governmental Funds	<u>1,973,031</u>
		\$ <u>2,561,473</u>

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

<u>Transfers Out</u>	<u>Transfer In</u>	<u>Amount</u>
School Operating Fund	Other Governmental Funds	\$ 55,000
Food Service Special Revenue Fund	Summer Food Service Program	54,008
Total		\$ <u>109,008</u>

The transfers were used to move unrestricted fund revenues to cover the deficit in other governmental funds.

E. Fund Balance and Net Position

Detailed information related to amounts nonspendable, restricted, committed, and assigned in fund balance as at June 30, 2022 are as follows:

Fund Balance

	<u>School Operating Fund</u>	<u>Special Projects Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Fund Balance</u>
Non-spendable - Inventory	\$ <u>53,046</u>	<u>-</u>	<u>6,678</u>	<u>59,724</u>
Committed for:				
Special Capital Projects	\$ -	2,787,896	-	2,787,896
Staff Housing	-	-	35,455	35,455
Student Transportation	-	-	2,236	2,236
Food Service	-	-	130,182	130,182
CCTH Headstart	-	-	18,915	18,915
PACE Carryover	<u>373,373</u>	<u>-</u>	<u>-</u>	<u>373,373</u>
Total committed	\$ <u>373,373</u>	<u>2,787,896</u>	<u>186,788</u>	<u>3,348,057</u>
Unassigned	\$ <u>1,304,913</u>	<u>-</u>	<u>-</u>	<u>1,304,913</u>

F. Related Party Transactions

Craig City School District received payments and in-kind services from a related party during the year ended June 30, 2022:

City of Craig \$ 654,577

CRAIG CITY 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:

	Balances			Balances	Due within
	July 1, 2021	Additions	Deletions	June 30, 2022	One Year
Accrued leave	\$ 9,166	3,739	(2,732)	10,173	10,173
Lease liabilities	-	206,642	(69,604)	137,038	73,758
Total	\$ 9,116	210,381	(72,336)	147,211	83,931

F. Leases

The District has entered into leases for acquisition and use of buildings and available space. The District was required to make principal and interest payments for these leases in the amount of \$77,670 for the year ended June 30, 2022. The District uses an interest rate of 5% for its lease calculations. The buildings are amortized over the lease term. The value of the lease liability at June 30, 2022 was \$137,038. The value of the right-to use assets at June 30, 2022 was \$213,464. The accumulated amortization at June 30, 2022 was \$81,415.

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

Fiscal Year	Principal	Interest	Total
2023	\$ 73,758	5,031	78,789
2024	39,383	2,270	41,653
2025	23,897	400	24,297
Total	\$ 137,038	7,701	144,739

IV. 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.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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 changed from an OPEB liability to an OPEB asset. 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 and expenses accordingly. This has caused the operating grants and contributions for school administration, school administration support services, district administration, and operations and maintenance of plant 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.

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.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

Other Postemployment Benefit Plans (OPEB)

Occupational Death and Disability Plan (ODD)

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

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

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

Alaska Retiree Healthcare Trust Plan (ARHCT)

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	15.54%	21.27%	8.11%
OPEB	6.46%	8.84%	0%
Total PERS contribution rates	<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%.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	100,205	18,244	118,449

Public Employees Retirement Plans

For the year ended June 30, 2022 the State of Alaska contributed \$80,267 (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 (\$43,585) to represent the pension/OPEB expense (revenue) attributable to the State under the full accrual basis of accounting.

CRAIG CITY 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	\$	1,397,367
State's proportionate share of the net pension liability		<u>190,180</u>
Total	\$	<u><u>1,587,547</u></u>
		<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (asset)	\$	(978,947)
State's proportionate share of the ARHCT OPEB liability (asset)		<u>(126,406)</u>
Total	\$	<u><u>(1,105,353)</u></u>
District's proportionate share of the ODD OPEB liability (asset)	\$	<u>(21,200)</u>
District's proportionate share of the RMP OPEB liability (asset)	\$	<u>(15,202)</u>
Total District's share of net pension and OPEB liabilities and (assets)	\$	<u><u>382,018</u></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, 2020</u> Measurement	<u>June 30, 2021</u> Measurement	<u>Change</u>
Pension	0.03230%	0.03809%	0.00579%
OPEB:			
ARHCT	0.03230%	0.03816%	0.00586%
ODD	0.04767%	0.04810%	0.00043%
RMP	0.05949%	0.05664%	(0.00285%)

CRAIG CITY 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 \$203,015 and (\$398,613), 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	-	(6,191)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(551,048)
Changes in proportion and differences between District contributions and proportionate share of contributions	40,037	-
District contributions subsequent to the measurement date	100,205	-
Total	<u>140,242</u>	<u>(557,239)</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	-	(10,280)
Changes of assumptions	-	(36,995)
Net difference between projected and actual earnings on OPEB plan investments	-	(458,095)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(10,075)
District contributions subsequent to the measurement date	6,103	-
Total	<u>6,103</u>	<u>(515,445)</u>
	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	-	(5,791)
Changes of assumptions	-	(161)
Net difference between projected and actual earnings on OPEB plan investments	-	(3,399)
Changes in proportion and differences between District contributions and proportionate share of contributions	1,640	(334)
District contributions subsequent to the measurement date	2,731	-
Total	<u>4,371</u>	<u>(9,685)</u>

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	1,130	(722)
Changes of assumptions	4,725	(9,035)
Net difference between projected and actual earnings on OPEB plan investments	-	(13,601)
Changes in proportion and differences between District contributions and proportionate share of contributions	80	(875)
District contributions subsequent to the measurement date	9,410	-
Total	<u>15,345</u>	<u>(24,233)</u>

\$100,205 and \$18,244 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	\$ (94,210)	(164,667)	(1,568)	(3,871)
2023	(126,224)	(105,498)	(1,566)	(3,878)
2024	(136,539)	(113,283)	(1,601)	(4,015)
2025	(160,229)	(131,997)	(1,715)	(4,448)
2026	-	-	(686)	(668)
Thereafter	-	-	(909)	(1,418)
Total	<u>\$ (517,202)</u>	<u>(515,445)</u>	<u>(8,045)</u>	<u>(18,298)</u>

For the year ended June 30, 2022, the District recognized \$200,739 and (\$19,791) 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)	\$ 2,069,696	1,397,367	832,525
Net OPEB ARHCT liability (asset)	\$ (640,216)	(978,947)	(1,260,237)
Net OPEB ODD liability (asset)	\$ (20,300)	(21,200)	(21,917)
Net OPEB RMP liability (asset)	\$ 9,922	(15,202)	(34,179)

CRAIG CITY 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)	\$ (1,293,166)	(978,947)	(599,767)
Net OPEB ODD liability (asset)	\$ N/A	(21,200)	N/A
Net OPEB RMP liability (asset)	\$ (36,896)	(15,202)	14,356

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 \$92,118 for the year ended June 30, 2022, which included forfeitures of \$6,720 which have been applied against contributions.

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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.

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

\$ Pensions (DB)	Other Post-Employment Benefits (DB)	Total
<u>106,576</u>	<u>101,490</u>	<u>208,066</u>

Teachers Retirement Plans

For the year ended June 30, 2022 the State of Alaska contributed \$512,397 (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 (\$649,650), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

CRAIG CITY 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 was associated with the District were as follows:

Defined Benefit:		<u>Pension</u>
District's proportionate share of the net pension liability	\$	1,440,541
State's proportionate share of the net pension liability		<u>1,221,493</u>
Total	\$	<u>2,662,034</u>
		<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (asset)	\$	(2,192,003)
State's proportionate share of the ARHCT OPEB liability (asset)		<u>(1,702,601)</u>
Total	\$	<u>(3,894,604)</u>
District's proportionate share of the ODD OPEB liability (asset)	\$	<u>(16,814)</u>
District's proportionate share of the RMP OPEB liability (asset)	\$	<u>(55,291)</u>
Total District's share of net pension and OPEB liabilities and (assets)	\$	<u>(823,567)</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.

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

	<u>June 30, 2020</u> Measurement	<u>June 30, 2021</u> Measurement	<u>Change</u>
Pension	0.10617%	0.18098%	0.07481%
OPEB:			
ARHCT	0.10618%	0.18853%	0.08235%
ODD	0.25261%	0.27586%	0.02325%
RMP	0.25342%	0.27536%	0.02194%

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2021, the District recognized pension expense of \$559,885 and OPEB expense (revenue) of (\$1,234,868), 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	-	(13,849)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(1,487,210)
Changes in proportion and differences between District contributions and proportionate share of contributions	281,795	-
District contributions subsequent to the measurement date	106,576	-
Total	<u>388,371</u>	<u>(1,501,059)</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	-	(15,386)
Changes of assumptions	-	(63,284)
Net difference between projected and actual earnings on OPEB plan investments	-	(857,057)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(63,676)
District contributions subsequent to the measurement date	86,917	-
Total	<u>86,917</u>	<u>(999,403)</u>
	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	-	(1,973)
Changes of assumptions	-	(9)
Net difference between projected and actual earnings on OPEB plan investments	-	(2,154)
Changes in proportion and differences between District contributions and proportionate share of contributions	888	(931)
District contributions subsequent to the measurement date	1,281	-
Total	<u>2,169</u>	<u>(5,067)</u>

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	10,610	(1,790)
Changes of assumptions	3,756	(20,454)
Net difference between projected and actual earnings on OPEB plan investments	-	(21,743)
Changes in proportion and differences between District contributions and proportionate share of contributions	1,115	(1,209)
District contributions subsequent to the measurement date	13,292	-
Total	<u>28,773</u>	<u>(45,196)</u>

\$106,576 and \$101,490 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	\$ (76,966)	(343,015)	(767)	(6,310)
2023	(339,168)	(197,443)	(761)	(6,319)
2024	(368,654)	(212,010)	(788)	(6,573)
2025	(434,476)	(246,935)	(865)	(7,325)
2026	-	-	(257)	(1,196)
Thereafter	-	-	(741)	(1,992)
Total	<u>\$ (1,219,264)</u>	<u>(999,403)</u>	<u>(4,179)</u>	<u>(29,715)</u>

For the year ended June 30, 2022, the District recognized \$900,719 and (\$106,379) of pension and OPEB amortization of the deferred outflows and (inflows) of resources, respectively.

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

	1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability (asset)	\$ 2,912,390	1,440,541	200,901
Net OPEB ARHCT liability (asset)	\$ (1,579,405)	(2,192,003)	(2,698,843)
Net OPEB ODD liability (asset)	\$ (16,855)	(16,814)	(16,794)
Net OPEB RMP liability (asset)	\$ (20,418)	(55,291)	(81,376)

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB ARHCT liability (asset)	\$ (2,755,817)	(2,192,003)	(1,508,813)
Net OPEB ODD liability (asset)	\$ N/A	(16,814)	N/A
Net OPEB RMP liability (asset)	\$ (84,892)	(55,291)	(14,613)

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

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

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

The School District contributed \$160,684 for the year ended June 30, 2022, which included forfeitures of \$0 which has been applied against contributions.

D. 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.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

- 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.

E. New Accounting Pronouncement

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

Statement of Net Position	<u>Governmental Activities</u>
Right-to-use assets	\$ 213,464
Accumulated amortization	81,415
Lease liabilities	137,038

**REQUIRED SUPPLEMENTARY
INFORMATION**

CRAIG CITY SCHOOL DISTRICT

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

Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Earnings on investments	\$ 1,359	1,359	13,491	12,132
E-rate	83,525	83,525	90,804	7,279
Other	23,000	23,000	24,910	1,910
Intergovernmental:				
City of Craig	632,637	632,637	654,577	21,940
State of Alaska	5,778,516	5,778,516	6,209,570	431,054
Federal sources	500,000	5,000	490,714	485,714
Total revenues	<u>7,019,037</u>	<u>6,524,037</u>	<u>7,484,066</u>	<u>960,029</u>
Expenditures:				
Current:				
Instruction	3,337,069	3,761,644	3,473,617	288,027
Special education instruction	509,976	454,448	355,973	98,475
Special education support services - students	168,062	166,205	141,028	25,177
Support services - students	164,933	140,480	78,061	62,419
Support services - instruction	1,421,013	1,659,095	1,332,596	326,499
School administration	361,752	424,483	457,092	(32,609)
School administration support services	256,908	250,217	242,264	7,953
District administration	151,637	151,637	151,546	91
District administration support services	189,271	189,271	203,498	(14,227)
Operations and maintenance of plant	836,704	919,472	886,354	33,118
Student activities	261,093	273,408	295,542	(22,134)
Debt service:				
Interest on long-term debt	-	-	8,066	(8,066)
Redemption of principal on long-term debt	-	-	69,604	(69,604)
Construction and facilities acquisition	-	-	213,464	(213,464)
Total expenditures	<u>7,658,418</u>	<u>8,390,360</u>	<u>7,908,705</u>	<u>481,655</u>
Excess (deficiency) of revenues over expenditures	<u>(639,381)</u>	<u>(1,866,323)</u>	<u>(424,639)</u>	<u>1,441,684</u>
Other financing sources (uses):				
Proceeds from issuance of leases	-	-	206,642	(206,642)
Transfers out	(54,394)	(52,200)	(55,000)	2,800
Net other financing sources (uses)	<u>(54,394)</u>	<u>(52,200)</u>	<u>151,642</u>	<u>(203,842)</u>
Net change in fund balance	\$ <u>(693,775)</u>	<u>(1,918,523)</u>	<u>(272,997)</u>	<u>1,645,526</u>
Fund balance, beginning of year			<u>2,004,329</u>	
Fund balance, end of year			\$ <u><u>1,731,332</u></u>	

Please see accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2022

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0203%	\$ 945,114	\$ 937,442	\$ 1,882,556	\$ 952,873	99.19%	62.37%
2016	0.0433%	\$ 2,100,756	\$ 565,121	\$ 2,665,877	\$ 961,766	218.43%	63.96%
2017	0.0381%	\$ 2,131,427	\$ 269,245	\$ 2,400,672	\$ 934,595	228.06%	59.55%
2018	0.0328%	\$ 1,694,954	\$ 631,903	\$ 2,326,857	\$ 971,355	174.49%	63.37%
2019	0.0327%	\$ 1,622,435	\$ 470,590	\$ 2,093,025	\$ 966,073	167.94%	65.19%
2020	0.0312%	\$ 1,708,079	\$ 678,807	\$ 2,386,886	\$ 939,145	181.88%	63.42%
2021	0.0323%	\$ 1,905,944	\$ 788,829	\$ 2,694,773	\$ 944,305	201.84%	61.61%
2022	0.0381%	\$ 1,397,367	\$ 190,180	\$ 1,587,547	\$ 1,015,123	137.65%	74.46%

See accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2022

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.0329%	\$ 277,584	\$ 103,683	\$ 381,267	\$ 971,355	28.58%	89.68%
2019	0.0327%	\$ 335,315	\$ 12,762	\$ 348,077	\$ 966,073	34.71%	88.12%
2020	0.0312%	\$ 46,350	\$ 18,367	\$ 64,717	\$ 939,145	4.94%	98.13%
2021	0.0323%	\$ (146,062)	\$ (60,391)	\$ (206,453)	\$ 944,305	-15.47%	106.15%
2022	0.0382%	\$ (978,947)	\$ (126,406)	\$ (1,105,353)	\$ 1,015,123	-96.44%	135.54%
Occupational Death and Disability (ODD):							
2018	0.0693%	\$ (9,830)	\$ -	\$ (9,830)	\$ 971,355	-1.01%	212.97%
2019	0.0648%	\$ (12,579)	\$ -	\$ (12,579)	\$ 966,073	-1.30%	270.62%
2020	0.0475%	\$ (11,524)	\$ -	\$ (11,524)	\$ 939,145	-1.23%	297.43%
2021	0.0476%	\$ (12,994)	\$ -	\$ (12,994)	\$ 944,305	-1.38%	283.80%
2022	0.0481%	\$ (21,200)	\$ -	\$ (21,200)	\$ 1,015,123	-2.09%	374.22%
Retiree Medical Plan (RMP):							
2018	0.0693%	\$ 3,613	\$ -	\$ 3,613	\$ 364,023	0.99%	93.98%
2019	0.0648%	\$ 8,241	\$ -	\$ 8,241	\$ 360,655	2.29%	88.71%
2020	0.0598%	\$ 14,303	\$ -	\$ 14,303	\$ 227,164	6.30%	83.17%
2021	0.0595%	\$ 4,220	\$ -	\$ 4,220	\$ 354,805	1.19%	92.23%
2022	0.0566%	\$ (15,202)	\$ -	\$ (15,202)	\$ 399,005	-3.81%	115.10%

See accompanying notes to Required Supplementary Information.

CRAIG CITY 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	\$ 62,218	\$ (62,218)	\$ -	\$ 961,766	6.47%
2016	\$ 73,919	\$ (73,919)	\$ -	\$ 934,595	7.91%
2017	\$ 84,237	\$ (84,237)	\$ -	\$ 971,355	8.67%
2018	\$ 98,860	\$ (98,860)	\$ -	\$ 966,073	10.23%
2019	\$ 107,640	\$ (107,048)	\$ 592	\$ 939,145	11.46%
2020	\$ 80,752	\$ (82,967)	\$ (2,215)	\$ 944,305	8.55%
2021	\$ 105,866	\$ (109,944)	\$ (4,078)	\$ 1,015,123	10.43%
2022	\$ 104,296	\$ (100,205)	\$ 4,091	\$ 957,123	10.90%

See accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2022

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 27,245	\$ (27,245)	\$ -	\$ 966,073	2.82%
2019	\$ 40,631	\$ (40,631)	\$ -	\$ 939,145	4.33%
2020	\$ 34,020	\$ (34,020)	\$ -	\$ 944,305	3.60%
2021	\$ 12,525	\$ (12,525)	\$ -	\$ 1,015,123	1.23%
2022	\$ 6,103	\$ (6,103)	\$ -	\$ 957,123	0.64%
Occupational Death and Disability (ODD):					
2018	\$ 1,173	\$ (1,173)	\$ -	\$ 966,073	0.12%
2019	\$ 1,941	\$ (1,941)	\$ -	\$ 939,145	0.21%
2020	\$ 2,090	\$ (2,090)	\$ -	\$ 944,305	0.22%
2021	\$ 2,566	\$ (2,566)	\$ -	\$ 1,015,123	0.25%
2022	\$ 2,731	\$ (2,731)	\$ -	\$ 957,123	0.29%
Retiree Medical Plan (RMP):					
2018	\$ 7,550	\$ (7,550)	\$ -	\$ 360,655	2.09%
2019	\$ 7,016	\$ (7,016)	\$ -	\$ 227,164	3.09%
2020	\$ 10,613	\$ (10,613)	\$ -	\$ 354,805	2.99%
2021	\$ 10,511	\$ (10,511)	\$ -	\$ 399,005	2.63%
2022	\$ 9,410	\$ (9,410)	\$ -	\$ 418,718	2.25%

See accompanying notes to Required Supplementary Information.

CRAIG CITY 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	0.0461%	\$ 1,382,723	\$ 7,530,235	\$ 8,912,958	\$ 2,435,721	56.77%	55.70%
2016	0.1094%	\$ 2,035,039	\$ 3,250,885	\$ 5,285,924	\$ 2,486,210	81.85%	73.82%
2017	0.1297%	\$ 2,961,689	\$ 3,522,249	\$ 6,483,938	\$ 2,397,150	123.55%	68.40%
2018	0.1066%	\$ 2,160,277	\$ 3,775,986	\$ 5,936,263	\$ 2,509,092	86.10%	72.39%
2019	0.1297%	\$ 2,483,628	\$ 3,688,318	\$ 6,171,946	\$ 2,538,989	97.82%	74.09%
2020	0.1096%	\$ 2,047,558	\$ 3,036,448	\$ 5,084,006	\$ 2,262,150	90.51%	74.68%
2021	0.1062%	\$ 2,158,655	\$ 3,749,359	\$ 5,908,014	\$ 2,420,732	89.17%	72.81%
2022	0.1810%	\$ 1,440,541	\$ 1,221,493	\$ 2,662,034	\$ 2,789,148	51.65%	89.43%

See accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2022

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.1064%	\$ 195,750	\$ 343,593	\$ 539,343	\$ 2,509,092	7.80%	93.75%
2019	0.1296%	\$ 402,824	\$ 600,574	\$ 1,003,398	\$ 2,538,989	15.87%	90.23%
2020	0.1092%	\$ (166,888)	\$ (248,465)	\$ (415,353)	\$ 2,262,150	-7.38%	105.50%
2021	0.1062%	\$ (379,849)	\$ (660,338)	\$ (1,040,187)	\$ 2,420,732	-15.69%	113.78%
2022	0.1885%	\$ (2,192,003)	\$ (1,702,601)	\$ (3,894,604)	\$ 2,789,148	-78.59%	145.41%
Occupational Death and Disability (ODD):							
2018	0.2872%	\$ (9,386)	\$ -	\$ (9,386)	\$ 2,509,092	-0.37%	1342.59%
2019	0.2754%	\$ (9,657)	\$ -	\$ (9,657)	\$ 2,538,989	-0.38%	1304.81%
2020	0.2484%	\$ (9,987)	\$ -	\$ (9,987)	\$ 2,262,150	-0.44%	1409.77%
2021	0.2526%	\$ (10,875)	\$ -	\$ (10,875)	\$ 2,420,732	-0.45%	931.08%
2022	0.2759%	\$ (16,814)	\$ -	\$ (16,814)	\$ 2,789,148	-0.60%	1254.36%
Retiree Medical Plan (RMP):							
2018	0.2872%	\$ (13,614)	\$ -	\$ (13,614)	\$ 812,874	-1.67%	118.16%
2019	0.2754%	\$ (8,809)	\$ -	\$ (8,809)	\$ 822,596	-1.07%	109.56%
2020	0.2474%	\$ (9,489)	\$ -	\$ (9,489)	\$ 821,998	-1.15%	110.03%
2021	0.0254%	\$ (25,000)	\$ -	\$ (25,000)	\$ 868,615	-2.88%	125.59%
2022	0.2753%	\$ (55,291)	\$ -	\$ (55,291)	\$ 1,025,740	-5.39%	142.54%

See accompanying notes to Required Supplementary Information.

CRAIG CITY 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	\$ 81,295	\$ (81,295)	\$ -	\$ 2,486,210	3.27%
2016	\$ 104,268	\$ (104,268)	\$ -	\$ 2,397,150	4.35%
2017	\$ 122,463	\$ (122,463)	\$ -	\$ 2,509,092	4.88%
2018	\$ 150,213	\$ (150,213)	\$ -	\$ 2,538,989	5.92%
2019	\$ 113,809	\$ (114,815)	\$ (1,006)	\$ 2,262,150	5.03%
2020	\$ 106,739	\$ (114,189)	\$ (7,450)	\$ 2,420,732	4.41%
2021	\$ 102,577	\$ (102,517)	\$ 60	\$ 2,789,148	3.68%
2022	\$ 107,120	\$ (106,576)	\$ 544	\$ 2,935,908	3.65%

See accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT
Schedule of District's Contributions (OPEB)
Teachers' Retirement System (TRS)

June 30, 2022

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 65,418	\$ (65,418)	\$ -	\$ 2,538,989	2.58%
2019	\$ 57,662	\$ (57,662)	\$ -	\$ 2,262,150	2.55%
2020	\$ 68,621	\$ (68,621)	\$ -	\$ 2,420,732	2.83%
2021	\$ 106,357	\$ (106,357)	\$ -	\$ 2,789,148	3.81%
2022	\$ 86,917	\$ (86,917)	\$ -	\$ 2,935,908	2.96%
Occupational Death and Disability (ODD):					
2018	\$ -	\$ -	\$ -	\$ 2,538,989	0.00%
2019	\$ 775	\$ (1,612)	\$ (837)	\$ 2,262,150	0.03%
2020	\$ 830	\$ (830)	\$ -	\$ 2,420,732	0.03%
2021	\$ 999	\$ (999)	\$ -	\$ 2,789,148	0.04%
2022	\$ 1,281	\$ (1,281)	\$ -	\$ 2,935,908	0.04%
Retiree Medical Plan (RMP):					
2018	\$ 9,009	\$ (9,009)	\$ -	\$ 822,596	1.10%
2019	\$ 7,631	\$ (7,631)	\$ -	\$ 821,998	0.93%
2020	\$ 11,306	\$ (11,306)	\$ -	\$ 868,615	1.30%
2021	\$ 11,611	\$ (11,611)	\$ -	\$ 1,025,740	1.13%
2022	\$ 13,292	\$ (13,292)	\$ -	\$ 1,279,331	1.04%

See accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

Notes to Required Supplementary Information

Year Ended June 30, 2022

1. Budgetary Information

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

School Operation Fund

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

The School Board authorizes formal budget revisions several time 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.

Excess of Expenditures over Appropriations

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

	Amount in Excess of Appropriations
School administration	\$ 32,609
District administration support services	14,277
Student activities	22,134
Debt service	77,670
Construction and facilities acquisition	213,464

2. Public Employee’s 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:

- All Plans - The amounts included in the Normal Cost for administrative expenses were updated based on the most recent two years of actual administrative expenses paid from plan assets.
- OPEB ARHCT – Healthcare claims costs are updated annually. Retired member contributions were updated to reflect the 2.55% increase from 2020 to 2021.

CRAIG CITY SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

- OPEB RMP – The per capita claims cost assumption is updated annually. The medical and prescription drug relative value factors were updated and the 0.2% annual trend rate adjustment factor between the DB and DCR plans was removed.

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

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

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

Schedule of District Contributions (Pension) and (OPEB)

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

3. Teachers' Retirement System

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

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

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

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

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

Healthcare claim costs are updated annually. Retired member contribution trend rates were updated to reflect the 5% decrease from 2020 to 2021. The amounts included in the Normal Cost for administrative expenses were updated based on the most recent two years of actual administrative expenses paid from plan assets.

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

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

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

Schedule of District Contributions (Pension) and (OPEB)

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

**SUPPLEMENTARY
INFORMATION**

CRAIG CITY 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:			
Earnings on investments	\$ 1,359	13,491	12,132
E-rate revenue	83,525	90,804	7,279
Other	23,000	24,910	1,910
Total local sources	<u>107,884</u>	<u>129,205</u>	<u>21,321</u>
Intergovernmental:			
City of Craig:			
City appropriations	550,660	584,900	34,240
City in-kind contribution	81,977	69,677	(12,300)
Total city	<u>632,637</u>	<u>654,577</u>	<u>21,940</u>
State of Alaska:			
Foundation program	5,378,698	5,565,408	186,710
Quality schools	-	16,813	16,813
TRS on-behalf payments	368,348	512,397	144,049
PERS on-behalf payments	31,470	80,267	48,797
Other	-	34,685	34,685
Total State of Alaska	<u>5,778,516</u>	<u>6,209,570</u>	<u>431,054</u>
Federal sources -			
Impact Aid	5,000	490,714	485,714
Total revenues	<u>6,524,037</u>	<u>7,484,066</u>	<u>960,029</u>
Expenditures:			
Current:			
Instruction:			
Certificated salaries	1,779,235	1,847,002	(67,767)
Non-certificated salaries	26,900	17,914	8,986
Employee benefits	1,346,215	1,247,751	98,464
Professional and technical services	6,512	350	6,162
Supplies, materials and media	602,782	360,600	242,182
Total instruction	<u>3,761,644</u>	<u>3,473,617</u>	<u>288,027</u>

(continued)

CRAIG CITY 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 instruction:			
Certificated salaries	\$ 211,116	154,458	56,658
Non-certificated salaries	76,341	70,552	5,789
Employee benefits	164,741	129,017	35,724
Supplies, materials and media	2,250	1,946	304
Total special education instruction	<u>454,448</u>	<u>355,973</u>	<u>98,475</u>
Special education support services - students:			
Certificated salaries	27,000	39,000	(12,000)
Non-certificated salaries	7,000	7,000	-
Employee benefits	11,951	18,394	(6,443)
Professional and technical services	113,021	75,776	37,245
Staff travel	3,886	-	3,886
Supplies, materials and media	3,347	858	2,489
Total special education support services - students	<u>166,205</u>	<u>141,028</u>	<u>25,177</u>
Support services - students:			
Certificated salaries	66,792	27,087	39,705
Employee benefits	68,714	47,335	21,379
Staff travel	1,549	-	1,549
Student travel	1,773	1,412	361
Supplies, materials and media	1,652	2,227	(575)
Total support services - students	<u>140,480</u>	<u>78,061</u>	<u>62,419</u>
Support services - instruction:			
Certificated salaries	31,358	25,493	5,865
Non-certificated salaries	280,472	209,165	71,307
Employee benefits	172,887	251,496	(78,609)
Professional and technical services	475,435	330,838	144,597
Staff travel	13,632	7,027	6,605
Student travel	21,500	10,947	10,553
Utility service	202,052	203,751	(1,699)
Other purchased services	66,107	73,691	(7,584)
Supplies, materials and media	388,082	216,233	171,849
Other expenses	7,570	3,955	3,615
Total support services - instruction	<u>1,659,095</u>	<u>1,332,596</u>	<u>326,499</u>

(continued)

CRAIG CITY 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:			
School administration:			
Certificated salaries	\$ 283,079	290,911	(7,832)
Employee benefits	129,850	153,805	(23,955)
Staff travel	5,800	5,415	385
Utility services	1,362	2,048	(686)
Supplies, materials and media	2,623	3,685	(1,062)
Other expenses	1,769	1,228	541
Total school administration	<u>424,483</u>	<u>457,092</u>	<u>(32,609)</u>
School administration support services:			
Non-certificated salaries	115,156	114,758	398
Employee benefits	134,765	127,410	7,355
Supplies, materials and media	296	96	200
Total school administration support services	<u>250,217</u>	<u>242,264</u>	<u>7,953</u>
District administration:			
Certificated salaries	97,000	84,458	12,542
Non-certificated salaries	1,680	2,355	(675)
Employee benefits	35,707	49,303	(13,596)
Staff travel	5,000	325	4,675
Supplies, materials and media	3,165	4,251	(1,086)
Other expenses	9,085	10,854	(1,769)
Total district administration	<u>151,637</u>	<u>151,546</u>	<u>91</u>
District administration support services:			
Non-certificated salaries	83,952	96,379	(12,427)
Employee benefits	58,125	70,120	(11,995)
Professional and technical services	32,000	37,348	(5,348)
Staff travel	4,000	6,446	(2,446)
Utility services	1,256	425	831
Other purchased services	8,000	27,130	(19,130)
Insurance and bond premiums	15,751	12,235	3,516
Supplies, materials and media	2,800	16,780	(13,980)
Other expense	3,387	3,670	(283)
Indirect cost recovery	(20,000)	(67,035)	47,035
Total district administration support services	<u>189,271</u>	<u>203,498</u>	<u>(14,227)</u>

(continued)

CRAIG CITY 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:			
Operations and maintenance of plant:			
Certificated salaries	\$ 84,806	-	84,806
Non-certificated salaries	132,467	212,369	(79,902)
Employee benefits	128,001	155,220	(27,219)
Professional and technical services	34,453	22,809	11,644
Staff travel	1,419	-	1,419
Utility services	39,375	38,601	774
Energy	278,553	286,702	(8,149)
Other purchased services	92,721	7,619	85,102
Insurance and bond premiums	59,143	63,529	(4,386)
Supplies, materials and media	68,534	99,505	(30,971)
Total operations and maintenance of plant	<u>919,472</u>	<u>886,354</u>	<u>33,118</u>
Student activities:			
Certificated salaries	77,525	76,198	1,327
Non-certificated salaries	9,921	5,101	4,820
Employee benefits	19,272	21,482	(2,210)
Professional and technical services	346	161	185
Staff travel	2,497	2,497	-
Student travel	136,723	129,625	7,098
Supplies, materials and media	24,634	56,928	(32,294)
Other expenses	2,490	3,550	(1,060)
Total student activities	<u>273,408</u>	<u>295,542</u>	<u>(22,134)</u>
Debt service:			
Interest on long-term debt	-	8,066	(8,066)
Redemption of principal on long-term debt	-	69,604	(69,604)
Total debt service	<u>-</u>	<u>77,670</u>	<u>(77,670)</u>
Construction and facilities acquisition - Right-to-use assets	<u>-</u>	<u>213,464</u>	<u>(213,464)</u>
Total expenditures	<u>8,390,360</u>	<u>7,908,705</u>	<u>481,655</u>
Excess (deficiency) of revenues over expenditures	<u>(1,866,323)</u>	<u>(424,639)</u>	<u>478,374</u>
Other financing sources (uses):			
Proceeds from issuance of leases	-	206,642	(206,642)
Transfer out from Food Service Special Revenue Fund	(49,000)	(40,000)	(9,000)
Transfer out from Student Transportation Special Revenue Fund	(3,200)	(15,000)	11,800
Net other financing sources (uses)	<u>(52,200)</u>	<u>151,642</u>	<u>(203,842)</u>
Net change in fund balance	<u>\$ (1,918,523)</u>	<u>(272,997)</u>	<u>682,216</u>
Fund balance, beginning of year		<u>2,004,329</u>	
Fund balance, end of year		<u>\$ 1,731,332</u>	

CRAIG CITY SCHOOL DISTRICT

Special Projects Capital Project Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2022

Revenues - local sources	\$	<u>2,866</u>
Expenditures -		
Current -		
Operations and maintenance of plant -		
Utility services		<u>80,241</u>
Excess of revenues over expenditures		(77,375)
Fund balance, beginning of year		<u>2,865,271</u>
Fund balance, end of year	\$	<u><u>2,787,896</u></u>

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2022

Assets	Special Revenue Funds							
	Student Transportation	Food Service	Carl Perkins	PACE School Improvements	Migrant Education Books	Title I-C Migrant Education	Special Education Section 619 IDEA ARP	Special Education Program 619
Accounts receivable	\$ -	-	7,611	4,703	2,533	101,079	1,360	898
Due from School Operating Fund	2,504	141,511	-	-	-	-	-	-
Inventory	-	6,224	-	-	-	-	-	-
Total Assets	\$ 2,504	147,735	7,611	4,703	2,533	101,079	1,360	898
Liabilities and Fund Balances								
Liabilities:								
Due to School Operating Fund	-	-	7,611	4,703	2,533	101,079	1,360	898
Accounts payable	268	11,329	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	268	11,329	7,611	4,703	2,533	101,079	1,360	898
Fund balances:								
Nonspendable	-	6,224	-	-	-	-	-	-
Committed	2,236	130,182	-	-	-	-	-	-
Total fund balances	2,236	136,406	-	-	-	-	-	-
Total	\$ 2,504	147,735	7,611	4,703	2,533	101,079	1,360	898

(continued)

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, Continued

Special Revenue Funds

<u>Assets</u>	<u>Consolidated Admin Pool</u>	<u>Title I-A Basic</u>	<u>Title IV-A</u>	<u>Title II-A</u>	<u>ASTRIDE</u>	<u>SELECT</u>	<u>REAP</u>	<u>Title VI-B Special Education</u>
Accounts receivable	\$ 3,000	25,632	12,547	18,374	24,910	82	5,533	119,897
Due from School Operating Fund	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	\$ 3,000	25,632	12,547	18,374	24,910	82	5,533	119,897
 <u>Liabilities and Fund Balances</u>								
Liabilities:								
Due to School Operating Fund	3,000	25,632	12,547	18,374	24,910	82	5,533	119,897
Accounts payable	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	3,000	25,632	12,547	18,374	24,910	82	5,533	119,897
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-
	\$ 3,000	25,632	12,547	18,374	24,910	82	5,533	119,897

(continued)

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds								Total Other Governmental Funds
	Special Education Title VI-B ARP	Indian Education	CCTH Headstart	CRRSA ESSER II	Johnson O'Malley FY16 - FY18	Johnson O'Malley FY19	ARPA ESSER III	Staff Housing	
<u>Assets</u>									
Accounts receivable	\$ 16,027	29,199	-	98,606	-	-	116,451	-	588,442
Due from School Operating Fund	-	-	18,915	-	906	11,248	-	35,619	210,703
Inventory	-	-	-	-	-	-	-	454	6,678
Total Assets	\$ 16,027	29,199	18,915	98,606	906	11,248	116,451	36,073	805,823
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Due to School Operating Fund	16,027	29,199	-	98,606	-	-	116,451	-	588,442
Accounts payable	-	-	-	-	-	-	-	164	11,761
Unearned revenue	-	-	-	-	906	11,248	-	-	12,154
Total liabilities	16,027	29,199	-	98,606	906	11,248	116,451	164	612,357
Fund balances:									
Nonspendable	-	-	-	-	-	-	-	454	6,678
Committed	-	-	18,915	-	-	-	-	35,455	186,788
Total fund balances	-	-	18,915	-	-	-	-	35,909	193,466
Total	\$ 16,027	29,199	18,915	98,606	906	11,248	116,451	36,073	805,823

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures
and changes in Fund Balance

Year Ended June 30, 2022

Special Revenue Funds

	Student Transportation	Food Service	Summer Food Service Program	Carl Perkins	PACE School Improvements	Fresh Fruits and Vegetables	Migrant Education Books	Title I-C Migrant Education	Special Education Section 619 IDEA ARP	Special Education Program 619
Revenues:										
Local sources:										
Charges for services	\$ -	-	-	-	-	-	-	-	-	-
Other	3,400	-	-	-	-	-	-	-	-	-
Intergovernmental:										
State of Alaska	99,592	-	-	-	-	-	-	-	-	-
Federal sources	-	377,861	-	25,260	25,000	10,609	2,533	166,789	1,360	2,048
Total revenues	102,992	377,861	-	25,260	25,000	10,609	2,533	166,789	1,360	2,048
Expenditures:										
Current:										
Instruction	-	-	-	19,710	-	-	-	29,231	-	-
Special education instruction	-	-	-	-	-	-	-	-	-	1,947
Special education support services - students	-	-	-	-	-	-	-	-	1,293	-
Support services - students	-	-	-	-	-	-	-	76,543	-	-
Support services - instruction	-	-	-	4,371	23,762	-	2,533	52,756	-	-
School administration	-	-	-	-	-	-	-	-	-	-
School administration support services	-	-	-	-	-	-	-	-	-	-
District administration support services	-	-	-	1,179	1,238	-	-	8,259	67	101
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-	-
Student transportation services	115,756	-	-	-	-	-	-	-	-	-
Food services	-	339,401	-	-	-	10,609	-	-	-	-
Total expenditures	115,756	339,401	-	25,260	25,000	10,609	2,533	166,789	1,360	2,048
Excess (deficiency) of revenues over expenditures	(12,764)	38,460	-	-	-	-	-	-	-	-
Other financing sources (uses):										
Transfers in	15,000	94,008	-	-	-	-	-	-	-	-
Transfers out	-	-	(54,008)	-	-	-	-	-	-	-
Total other financing sources (uses)	15,000	94,008	(54,008)	-	-	-	-	-	-	-
Net change in fund balance	2,236	132,468	(54,008)	-	-	-	-	-	-	-
Fund balance, beginning of year	-	3,938	54,008	-	-	-	-	-	-	-
Fund balance, end of year	\$ 2,236	136,406	-	-	-	-	-	-	-	-

(continued)

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds									
	CARES ESSER I	SAIL	Consolidated Admin Pool	Title I-A Basic	Title IV-A	Title II-A	ASTRIDE	SELECT	REAP	Title VI-B Special Education
Revenues:										
Local sources:										
Charges for services	\$ -	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Intergovernmental:										
State of Alaska	-	-	-	-	-	-	-	-	-	-
Federal sources	5,738	7,920	12,000	72,966	12,547	29,105	21,660	82	6,284	202,226
Total revenues	<u>5,738</u>	<u>7,920</u>	<u>12,000</u>	<u>72,966</u>	<u>12,547</u>	<u>29,105</u>	<u>21,660</u>	<u>82</u>	<u>6,284</u>	<u>202,226</u>
Expenditures:										
Current:										
Instruction	-	-	12,000	-	-	-	-	-	-	-
Special education instruction	-	-	-	-	-	-	-	-	-	141,000
Special education support services - students	-	-	-	-	-	-	-	-	-	51,212
Support services - students	-	-	-	-	-	-	-	-	-	-
Support services - instruction	5,454	7,920	-	69,358	11,926	27,664	21,660	82	6,248	-
School administration	-	-	-	-	-	-	-	-	-	-
School administration support services	-	-	-	-	-	-	-	-	-	-
District administration support services	284	-	-	3,608	621	1,441	-	-	36	10,014
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-	-
Student transportation services	-	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>5,738</u>	<u>7,920</u>	<u>12,000</u>	<u>72,966</u>	<u>12,547</u>	<u>29,105</u>	<u>21,660</u>	<u>82</u>	<u>6,284</u>	<u>202,226</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-
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>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds								Total Other Governmental Funds	
	Special Education Title VI-B ARP	Indian Education	CCTH Headstart	CRRSA ESSER II	Johnson O'Malley FY16 - FY18	Johnson O'Malley FY19	ARPA ESSER III	ACES		Staff Housing
Revenues:										
Local sources:										
Charges for services	\$ -	-	22,387	-	-	-	-	-	-	22,387
Other	-	-	-	-	-	-	-	-	-	3,400
Intergovernmental:										
State of Alaska	-	-	-	-	-	-	-	-	-	99,592
Federal sources	52,546	99,832	-	220,383	6,419	8,119	441,443	26,109	-	1,836,839
Total revenues	<u>52,546</u>	<u>99,832</u>	<u>22,387</u>	<u>220,383</u>	<u>6,419</u>	<u>8,119</u>	<u>441,443</u>	<u>26,109</u>	<u>-</u>	<u>1,962,218</u>
Expenditures:										
Current:										
Instruction	-	95,610	-	-	6,131	7,819	91,256	-	-	261,757
Special education instruction	49,944	-	-	-	-	-	2,837	-	-	195,728
Special education support services - students	-	-	-	-	-	-	-	-	-	52,505
Support services - students	-	-	-	-	-	-	4,224	-	-	80,767
Support services - instruction	-	-	-	209,470	-	-	307,459	26,109	-	776,772
School administration	-	-	-	-	-	-	5,052	-	-	5,052
School administration support services	-	-	-	-	-	-	2,861	-	-	2,861
District administration support services	2,602	4,222	-	10,913	288	300	24,123	-	-	69,296
Operation and maintenance of plant	-	-	3,472	-	-	-	3,631	-	4,870	11,973
Student transportation services	-	-	-	-	-	-	-	-	-	115,756
Food services	-	-	-	-	-	-	-	-	-	350,010
Total expenditures	<u>52,546</u>	<u>99,832</u>	<u>3,472</u>	<u>220,383</u>	<u>6,419</u>	<u>8,119</u>	<u>441,443</u>	<u>26,109</u>	<u>4,870</u>	<u>1,922,477</u>
Excess (deficiency) of revenues over expenditures	-	-	18,915	-	-	-	-	-	(4,870)	39,741
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	109,008
Transfers out	-	-	-	-	-	-	-	-	-	(54,008)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	55,000
Net change in fund balance	-	-	18,915	-	-	-	-	-	(4,870)	94,741
Fund balance, beginning of year	-	-	-	-	-	-	-	-	40,779	98,725
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>18,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,909</u>	<u>193,466</u>

CRAIG CITY SCHOOL DISTRICT
 Student Transportation Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual
 Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental - State of Alaska	\$ 99,592	99,592	-
Local sources - other	3,400	3,400	-
Total revenues	<u>102,992</u>	<u>102,992</u>	<u>-</u>
Expenditures -			
Current -			
Student transportation - to and from school:			
Non-certificated salaries	34,035	34,035	-
Employee benefits	47,929	47,929	-
Professional and technical services	827	827	-
Energy	3,122	3,122	-
Other purchased service	5,430	5,430	-
Insurance and bond premiums	7,793	7,793	-
Supplies, materials and media	16,620	16,620	-
Total expenditures	<u>115,756</u>	<u>115,756</u>	<u>-</u>
Deficiency of revenues over expenditures	(12,764)	(12,764)	-
Other financing sources - transfers in - School Operating Fund	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 2,236</u>	<u>2,236</u>	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ 2,236</u>	

CRAIG CITY SCHOOL DISTRICT

Food Service Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental - Federal sources passed through the State of Alaska:			
Grant reimbursements	\$ 347,626	347,626	-
Donated commodities	30,235	30,235	-
Total revenues	<u>377,861</u>	<u>377,861</u>	<u>-</u>
Expenditures			
Current:			
Food services:			
Non-certificated salaries	112,494	112,494	-
Employee benefits	56,260	56,260	-
Energy	1,237	1,237	-
Supplies, materials and media	169,410	169,410	-
Total expenditures	<u>339,401</u>	<u>339,401</u>	<u>-</u>
Excess of revenues over expenditures	38,460	38,460	-
Other financing sources:			
Transfer in from School Operating Fund	40,000	40,000	-
Transfer in from Summer Food Service Program Fund	54,008	54,008	-
Total other financing sources	<u>94,008</u>	<u>94,008</u>	<u>-</u>
Net change in fund balance	<u>\$ 78,460</u>	132,468	<u>-</u>
Fund balance, beginning of year		<u>3,938</u>	
Fund balance, end of year		<u>\$ 136,406</u>	

CRAIG CITY SCHOOL DISTRICT

Summer Food Service Program 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	-	-	-
Excess of revenues over expenditures	-	-	-
Other financing sources (uses) - Transfer out to Food Service Fund	(54,008)	(54,008)	-
Net change in fund balance	\$ <u>(54,008)</u>	(54,008)	<u>-</u>
Fund balance, beginning of year		<u>54,008</u>	
Fund balance, end of year		<u>\$ -</u>	

CRAIG CITY 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 State of Alaska	\$ 25,260	25,260	-
Expenditures:			
Current			
Instruction -			
Supplies, materials and media	19,047	19,710	(663)
Support services - instruction:			
Student travel	3,499	3,490	9
Tuition - student stipends	1,500	881	619
Total support services - instruction	4,999	4,371	628
District administration support services -			
Indirect costs	1,214	1,179	35
Total expenditures	25,260	25,260	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

PACE School Improvements Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 25,000	25,000	-
Expenditures:			
Current:			
Support services - instruction:			
Non-certificated salaries	17,762	17,762	-
Staff travel	6,000	6,000	-
Total support services - instruction	<u>23,762</u>	<u>23,762</u>	<u>-</u>
District administration support services -			
Indirect costs	<u>1,238</u>	<u>1,238</u>	<u>-</u>
Total expenditures	<u>25,000</u>	<u>25,000</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>	

CRAIG CITY SCHOOL DISTRICT

Fresh Fruits and Vegetables Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 10,609	10,609	-
Expenditures:			
Current:			
Food services:			
Non-certificated salaries	1,458	1,458	-
Employee benefits	568	568	-
Supplies, materials and media	8,583	8,583	
Total expenditures	<u>10,609</u>	<u>10,609</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>	

CRAIG CITY SCHOOL DISTRICT

Migrant Education Books Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 2,533	2,533	-
Expenditures:			
Current:			
Support services - instruction -			
Supplies, materials and media	2,533	2,533	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY 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 State of Alaska	\$ 193,225	166,789	(26,436)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	26,000	25,426	574
Employee benefits	4,667	3,805	862
Total instruction	<u>30,667</u>	<u>29,231</u>	<u>1,436</u>
Support services - students:			
Certificated salaries	67,000	67,257	(257)
Employee benefits	11,390	9,286	2,104
Total support services - students	<u>78,390</u>	<u>76,543</u>	<u>1,847</u>
Support services - instruction:			
Non-certificated salaries	29,000	21,051	7,949
Employee benefits	27,599	22,501	5,098
Student travel	17,000	8,204	8,796
Supplies, materials and media	1,000	1,000	-
Total support services - instruction	<u>74,599</u>	<u>52,756</u>	<u>21,843</u>
District administration support services -			
Indirect costs	<u>9,569</u>	<u>8,259</u>	<u>1,310</u>
Total expenditures	<u>193,225</u>	<u>166,789</u>	<u>26,436</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

CRAIG CITY SCHOOL DISTRICT

Special Education Section 619 IDEA ARP Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through State of Alaska	\$ 1,360	1,360	-
Expenditures:			
Current:			
Special Education Support Services - students			
Certificated salaries	1,293	1,293	-
District administration support services - Indirect cost	67	67	-
Total expenditures	1,360	1,360	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

Special Education Program 619 Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 2,048	2,048	-
Expenditures:			
Current:			
Special education instruction -			
Certificated salaries	1,947	1,947	-
Direct administration support services -			
Indirect costs	101	101	-
Total expenditures	2,048	2,048	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

ESSER I Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through State of Alaska	\$ 5,738	5,738	-
Expenditures:			
Current:			
Support services - instruction - Supplies, materials and media	5,454	5,454	-
District administration support services - Indirect costs	284	284	-
Total expenditures	5,738	5,738	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

SAIL 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 Hydaburg City School District	\$ 7,920	7,920	-
Expenditures:			
Current:			
Support services - instruction:			
Non-certificated salaries	2,732	2,732	-
Employee benefits	4,723	4,723	-
Supplies, materials and media	465	465	-
Total expenditures	<u>7,920</u>	<u>7,920</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>	

CRAIG CITY SCHOOL DISTRICT

Consolidated Admin Pool Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through State of Alaska	\$ 12,000	12,000	-
Expenditures: Current: Instruction - Certificated salaries	12,000	12,000	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY 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 State of Alaska	\$ 77,391	72,966	(4,425)
Expenditures:			
Current:			
Support services - instruction:			
Certificated salaries	37,000	37,000	-
Non-certificated salaries	18,000	18,000	-
Employee benefits	10,558	10,576	(18)
Staff travel	4,000	-	4,000
Supplies, materials and media	4,000	3,782	218
Total support services - instruction	<u>73,558</u>	<u>69,358</u>	<u>4,200</u>
District administration support services -			
Indirect costs	<u>3,833</u>	<u>3,608</u>	<u>225</u>
Total expenditures	<u>77,391</u>	<u>72,966</u>	<u>4,425</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>	

CRAIG CITY SCHOOL DISTRICT

Title IV-A Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 12,755	12,547	(208)
Expenditures:			
Current:			
Support services - instruction:			
Non-certificated salaries	4,315	4,315	-
Student travel	7,808	7,611	197
Total support services - instruction	12,123	11,926	197
District administration support services -			
Indirect costs	632	621	11
Total expenditures	12,755	12,547	208
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

Title II-A Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 39,172	29,105	(10,067)
Expenditures:			
Current:			
Support services - instruction:			
Professional and technical services	36,000	26,665	9,335
Staff travel	1,232	999	233
Total support services - instruction	37,232	27,664	9,568
District administration support services -			
Indirect costs	1,940	1,441	499
Total expenditures	39,172	29,105	10,067
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

ASTRIDE Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the CCTHITA	\$ 21,660	21,660	-
Expenditures:			
Current:			
Support services - instruction:			
Certificated salaries	19,160	19,160	
Non-certificated salaries	2,500	2,500	-
Total expenditures	<u>21,660</u>	<u>21,660</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>	

CRAIG CITY SCHOOL DISTRICT

SELECT 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 Klawock City School District	\$ 82	82	-
Expenditures: Current: Support services - instruction - Supplies, materials and media	82	82	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY 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)
	<u> </u>	<u> </u>	<u> </u>
Revenues - intergovernmental -			
Federal sources - direct	\$ 6,284	6,284	-
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Current:			
Support services - instruction -			
Supplies, materials and media	6,248	6,248	-
	<u> </u>	<u> </u>	<u> </u>
District administration support services -			
Indirect costs	36	36	-
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	6,284	6,284	-
	<u> </u>	<u> </u>	<u> </u>
Excess of revenues over expenditures	\$ -	-	-
	<u> </u>	<u> </u>	<u> </u>
Fund balance, beginning of year		-	
		<u> </u>	
Fund balance, end of year		\$ -	
		<u> </u>	

CRAIG CITY SCHOOL DISTRICT

Title VI-B Special Education Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 202,620	202,226	(394)
Expenditures:			
Current:			
Special education instruction:			
Certificated salaries	60,000	60,000	-
Non-certificated salaries	54,000	54,000	-
Employee benefits	27,000	27,000	-
Total special education instruction	<u>141,000</u>	<u>141,000</u>	<u>-</u>
Special education support services - students:			
Professional and technical services	50,000	50,000	-
Supplies, materials and media	1,586	1,212	374
	<u>51,586</u>	<u>51,212</u>	<u>374</u>
District administration support services -			
Indirect costs	<u>10,034</u>	<u>10,014</u>	<u>20</u>
Total expenditures	<u>202,620</u>	<u>202,226</u>	<u>394</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>	

CRAIG CITY SCHOOL DISTRICT

Special Education Title VI-B ARP Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 52,546	52,546	-
Expenditures:			
Current:			
Special education instruction:			
Certificated salaries	40,000	40,000	-
Employee benefits	9,944	9,944	-
Total special education instruction	49,944	49,944	-
District administration support services -			
Indirect costs	2,602	2,602	-
Total expenditures	52,546	52,546	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

Indian Education Act 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	\$ 99,832	99,832	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	71,882	71,882	-
Employee benefits	23,728	23,728	-
Total instruction	95,610	95,610	-
District administration support services - Indirect costs	4,222	4,222	-
Total expenditures	99,832	99,832	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

CCTH Headstart 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 - local sources - charges for service	\$ 22,387	22,387	-
Expenditures:			
Current:			
Operations and maintenance of plant			
Utility services	395	395	-
Energy	1,096	1,096	-
Insurance and bond premiums	881	881	-
Supplies, materials and media	1,100	1,100	-
Total expenditures	<u>3,472</u>	<u>3,472</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>18,915</u>	18,915	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>18,915</u>	

CRAIG CITY SCHOOL DISTRICT

CRRSA 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 State of Alaska	\$ 239,653	220,383	(19,270)
Expenditures:			
Current:			
Support services - instruction:			
Professional and technical services	152,785	140,230	12,555
Supplies, materials and media	75,000	69,240	5,760
Total support & services - instruction	227,785	209,470	18,315
District administration support services -			
Indirect costs	11,868	10,913	955
Total expenditures	239,653	220,383	19,270
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

Johnson O'Malley FY16 - FY18 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	\$ 6,419	6,419	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	1,850	1,850	-
Employee benefits	281	281	-
Supplies, materials and media	4,000	4,000	-
Total instruction	<u>6,131</u>	<u>6,131</u>	<u>-</u>
District administration support services - Indirect expense	<u>288</u>	<u>288</u>	<u>-</u>
Total expenditures	<u>6,419</u>	<u>6,419</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>	

CRAIG CITY SCHOOL DISTRICT

Johnson O'Malley FY19 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	\$ 8,119	8,119	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	6,783	6,783	-
Employee benefits	1,036	1,036	-
Total instruction	<u>7,819</u>	<u>7,819</u>	<u>-</u>
District administration support services - Indirect expense	<u>300</u>	<u>300</u>	<u>-</u>
Total expenditures	<u>8,119</u>	<u>8,119</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>	

CRAIG CITY SCHOOL DISTRICT
 ARPA 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	\$ 519,138	441,443	(77,695)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	51,866	78,096	(26,230)
Employee benefits	53,232	13,160	40,072
Total instruction	<u>105,098</u>	<u>91,256</u>	<u>13,842</u>
Special education instruction:			
Non-certificated salaries	2,096	2,364	(268)
Employee benefits	1,913	473	1,440
Total special education instruction	<u>4,009</u>	<u>2,837</u>	<u>1,172</u>
Support services - students:			
Certificated salaries	2,338	3,520	(1,182)
Employee benefits	2,848	704	2,144
Total support services - students	<u>5,186</u>	<u>4,224</u>	<u>962</u>
Support services - instruction:			
Non-certificated salaries	29,137	32,864	(3,727)
Employee benefits	75,499	18,665	56,834
Other purchased services	40,000	40,000	-
Supplies, materials and media	215,930	215,930	-
Total support services - instruction	<u>360,566</u>	<u>307,459</u>	<u>53,107</u>
School administration:			
Certificated salaries	2,796	4,210	(1,414)
Employee benefits	3,406	842	2,564
Total school administration	<u>6,202</u>	<u>5,052</u>	<u>1,150</u>
School administration support services:			
Non-certificated salaries	2,114	2,384	(270)
Employee benefits	1,929	477	1,452
Total school administration support services	<u>4,043</u>	<u>2,861</u>	<u>1,182</u>
District administration support services:			
Non-certificated salaries	1,671	1,885	(214)
Employee benefits	1,525	377	1,148
Indirect costs	25,708	21,861	3,847
Total district administration support services	<u>28,904</u>	<u>24,123</u>	<u>4,781</u>
Operations and maintenance of plant:			
Non-certificated salaries	2,683	3,026	(343)
Employee benefits	2,447	605	1,842
Total operations and maintenance of plant	<u>5,130</u>	<u>3,631</u>	<u>1,499</u>
Total expenditures	<u>519,138</u>	<u>441,443</u>	<u>77,695</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

CRAIG CITY SCHOOL DISTRICT

ACES Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues - intergovernmental - Federal source passed through Craig Tribal Association	\$ 26,109	26,109	-
Expenditures:			
Current:			
Support services - instruction:			
Certificated salaries	16,140	16,140	-
Non-certificated salaries	107	107	-
Employee benefits	6,545	6,545	-
Professional and technical services	1,038	1,038	-
Supplies, materials media	2,279	2,279	-
Total expenditures	<u>26,109</u>	<u>26,109</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>	

CRAIG CITY SCHOOL DISTRICT

Staff 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)
	<u> </u>	<u> </u>	<u> </u>
Revenues	\$ -	-	-
Expenditures:			
Current:			
Operations and maintenance of plant:			
Utility services.	2,613	2,613	-
Energy	731	731	-
Insurance and bond premiums	403	403	-
Supplies, materials and media	1,123	1,123	-
Total expenditures	<u>4,870</u>	<u>4,870</u>	<u>-</u>
Deficiency of revenues over expenditures	\$ <u>(4,870)</u>	(4,870)	<u>-</u>
Fund balance, beginning of year		<u>40,779</u>	
Fund balance, end of year		\$ <u><u>35,909</u></u>	

CRAIG CITY SCHOOL DISTRICT
 PACE Statewide Correspondence Program
 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	10,000	10,000	-
Other	10,346	10,346	-
Total local sources	<u>20,346</u>	<u>20,346</u>	<u>-</u>
Intergovernmental			
State of Alaska:			
Foundation program	2,587,960	2,587,960	-
TRS on-behalf payments	109,167	109,167	-
PERS on-behalf payments	7,540	7,540	-
Total State of Alaska	<u>2,704,667</u>	<u>2,704,667</u>	<u>-</u>
Total revenues	<u>2,725,013</u>	<u>2,725,013</u>	<u>-</u>
Expenditures:			
Current:			
Correspondence instruction:			
Certificated salaries	435,714	495,489	(59,775)
Employee benefits	181,275	324,940	(143,665)
Supplies, materials and media	550,000	342,325	207,675
Total instruction	<u>1,166,989</u>	<u>1,162,754</u>	<u>4,235</u>
Special education instruction:			
Certificated salaries	74,437	55,827	18,610
Employee benefits	47,852	17,356	30,496
Supplies, materials and media	100	-	100
Total special education instruction	<u>122,389</u>	<u>73,183</u>	<u>49,206</u>
Special education support services - students -			
Professional & technical	<u>17,000</u>	<u>43,262</u>	<u>(26,262)</u>

(continued)

CRAIG CITY SCHOOL DISTRICT

PACE Statewide Correspondence Program

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures:			
Current:			
Support services - instruction:			
Non-certificated salaries	\$ 110,932	100,847	10,085
Employee benefits	84,760	97,481	(12,721)
Professional & technical	405,000	620,950	(215,950)
Staff travel	1,000	6,415	(5,415)
Utility services	95,000	116,987	(21,987)
Other purchased services	50,000	57,601	(7,601)
Supplies, materials and media	300,000	81,711	218,289
Other expenses	1,479	2,400	(921)
Total support services - instruction	<u>1,048,171</u>	<u>1,084,392</u>	<u>(36,221)</u>
School administration:			
Certificated salaries	53,151	60,320	(7,169)
Employee benefits	21,373	29,820	(8,447)
Staff travel	2,276	2,404	(128)
Other expenses	864	614	250
Total school administration	<u>77,664</u>	<u>93,158</u>	<u>(15,494)</u>
Operations and maintenance of plant:			
Non-certificated salaries	1,200	988	212
Employee benefits	742	565	177
Energy	2,700	3,636	(936)
Other purchased services	81,920	84,944	(3,024)
Insurance and bond premiums	550	-	550
Supplies, materials and media	2,422	2,592	(170)
Total operations and maintenance of plant	<u>89,534</u>	<u>92,725</u>	<u>(3,191)</u>
Student activities -			
Other expenses	520	600	(80)
Total expenditures	<u>2,522,267</u>	<u>2,550,074</u>	<u>(27,807)</u>
Excess of revenues over expenditures	<u>202,746</u>	<u>174,939</u>	<u>27,807</u>

CRAIG CITY SCHOOL DISTRICT

Schedule of Compliance - AS 14.17.505

Year Ended June 30, 2022

	School Operating Fund		
	Reserved Fund Balance	Unreserved Fund Balance	Total
Reserved:			
Inventory	\$ 53,046	-	53,046
Impact Aid	490,714	-	490,714
PACE carryover family allotment	373,373	-	373,373
Unreserved - undesignated	-	814,199	814,199
Total fund balance	\$ <u>917,133</u>	<u>814,199</u>	<u>1,731,332</u>

Unreserved fund balance as a percentage of current year expenditures:

$$\frac{\text{Unreserved fund balance}}{\text{Current year expenditures}} = \frac{814,199}{7,908,705} = \underline{\underline{10.29\%}}$$

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

CRAIG CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

<u>Grant Title</u>	<u>Grant Number</u>	<u>Assistance Listing Number</u>	<u>Total Grant Award</u>	<u>Total Federal Expended</u>
U.S. Department of Agriculture				
Passed through the State of Alaska, Department of Education and Early Development:				
Child Nutrition Cluster:				
Summer Food Service Program	None	10.559	24,991	24,991
NSL Breakfast	None	10.553	97,358	97,358
NSL Lunch	None	10.555	212,817	212,817
Supply Chain Assistance	FD 22.CGSD.02	10.555	10,028	10,028
Commodities	None	10.555	30,235	30,235
Fresh Fruit & Vegetable Program	FF 22.CGSD.01	10.582	2,800	2,800
Fresh Fruit & Vegetable Program	FF 22.CGSD.02	10.582	7,809	7,809
Total Child Nutrition Cluster			<u>386,038</u>	<u>386,038</u>
Food Distribution Administrative Fee Reimbursement	None	10.560	<u>1,818</u>	<u>1,818</u>
Pandemic Administrative Fee Reimbursement	None	10.649	<u>614</u>	<u>614</u>
Total U.S. Department of Agriculture			<u>388,470</u>	<u>388,470</u>
U.S. Department of Education				
Passed through the State of Alaska, Department of Education and Early Development:				
School Improvement, 1003(a)	SI 22.CGSD.01	84.010	25,000	25,000
Consolidated Admin Pool	CS CGSD.01	84.010	6,800	6,800
Title I-A Basic	IP 22.CGSD.01	84.010	84,190	72,966
Total ALN 84.010			<u>115,990</u>	<u>104,766</u>
Consolidated Admin Pool	CS CGSD.01	84.011	4,000	4,000
Title I-C Migrant	IP 22.CGSD.01	84.011	197,225	166,789
Migrant Literacy	MB 22.CGSD.01	84.011	3,055	2,533
Total ALN 84.011			<u>204,280</u>	<u>173,322</u>
COVID-19 Elementary and Secondary School Emergency Relief Fund	ER 22.CGSD.01	84.425D	5,738	5,738
COVID-19 Elementary and Secondary School Emergency Relief Fund II	ER 22.CGSD.01	84.425D	239,653	220,383
COVID-19 Elementary and Secondary School Emergency Relief Fund III	ER 22.CGSD.01	84.425U	585,839	441,443
Total ALN 84.425			<u>831,230</u>	<u>667,564</u>
Special Education Cluster:				
Title VI-B Special Education	SE 22.CGSD.01	84.027	202,620	202,226
Title VI-B Special Education ARP	SE 22.CGSD.01	84.173X	52,546	52,546
Title VI-B Section 619 Preschool Disabled	SE 22.CGSD.01	84.173	2,048	2,048
Title VI-B Section 619 Preschool Disabled ARP	SE 22.CGSD.01	84.173X	1,360	1,360
Total Special Education Cluster			<u>258,574</u>	<u>258,180</u>
Consolidated Admin Pool	CS CGSD.01	84.367	1,000	1,000
Title II-A, ESEA Consolidated	IP 22.CGSD.01	84.367	40,172	29,105
Total ALN 84.367			<u>41,172</u>	<u>30,105</u>
Consolidated Admin Pool	CS CGSD.01	84.424	200	200
Title IV-A	IP 22.CGSD.01	84.424A	12,955	12,547
Total ALN 84.424			<u>13,155</u>	<u>12,747</u>
Carl Perkins Vocational Ed Secondary	EK 22.CGSD.01	84.048A	2,000	2,000
Carl Perkins Vocational Ed Secondary	EK 22.CGSD.01	84.048	25,000	23,260
Total ALN 84.048			<u>27,000</u>	<u>25,260</u>

(continued)

CRAIG CITY SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Continued
 Year Ended June 30, 2022

<u>Grant Title</u>	<u>Grant Number</u>	<u>Assistance Listing Number</u>	<u>Total Grant Award</u>	<u>Total Federal Expended</u>
U.S. Department of Education, continued:				
Passed through the Hydaburg City School District - Supporting Alaska Improving Literacy (SAIL)	S215G180155	84.215	109,303	7,920
Passed through the Central Council of Tlingit & Haida Indian Tribes of Alaska - ASTRIDE	None	84.356A	21,660	21,660
Passed through Craig Tribal Association - ACES	S356A1980041	84.356A	144,405	26,109
Passed through the Klawock City School District - SELECT	S356A190012	84.356A	82	82
Total ALN 84.356			<u>166,147</u>	<u>47,851</u>
Direct programs:				
Indian Education	S060A210872	84.060A	99,832	99,832
Impact Aid	11-AK-2020-0901	84.041	19,119	19,119
Impact Aid	11-AK-2021-0901	84.041	478,006	478,006
Total ALN 84.041			<u>497,125</u>	<u>497,125</u>
Rural Education Achievement Program (REAP)	S358C210006	84.358	6,284	6,284
Total U.S. Department of Education			<u>2,370,092</u>	<u>1,930,956</u>
U.S. Department of the Interior:				
Direct:				
Johnson O'Malley FY17	A16AV00612	15.130	52,923	6,419
Johnson O'Malley FY19	A19AV00351	15.130	19,367	8,119
Total ALN 15.130			<u>72,290</u>	<u>14,538</u>
Total Expenditure of Federal Awards			<u>\$ 2,830,852</u>	<u>2,333,964</u>

CRAIG CITY 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 Craig City School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Craig City School District, it is not intended to and does not present the basic financial statements of Craig City 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. Craig City 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 for the year ended June 30, 2022 the District had food commodities totaling \$10,609.

Note 5. Impact Aid Commitment

Impact Aid revenue is recognized when received; however, expenditures are applied to the prior year and a commitment is established annually for monies received under the current application.

Note 6. Reconciliation to Basic Financial Statements:

Federal Expenditures per previous page	\$ 2,333,964
Adjustments:	
Statutory Impact Aid committed in FY 2020	(497,125)
Statutory Impact Aid committed in FY 2021	<u>490,714</u>
Total federal revenue per basic financial statements	\$ <u>2,327,553</u>

CRAIG CITY SCHOOL DISTRICT
 Schedule of State Financial Assistance
 Year Ended June 30, 2022

<u>Grant Title</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>Total State Expended</u>
Department of Education and Early Development:			
Direct programs:			
* Public School Foundation Program	FY22	\$ 5,565,408	5,565,408
Quality Schools	FY22	16,813	16,813
Pupil Transportation	FY22	99,592	99,592
Education Dividend Raffle Funds	None	1,785	1,785
Disparity Test	None	32,900	32,900
Total Department of Education and Early Development		5,716,498	5,716,498
Total State Expenditures		\$ 5,716,498	5,716,498

Please see accompanying notes to the Schedule.

CRAIG CITY 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 Craig City 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 Craig City School District, it is not intended to and does not present the basic financial statements of Craig City School District.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Subrecipients

No state funds were passed through to Subrecipients.

Note 4. Major Programs

* denotes a major program for compliance audit purposes.

Note 5. Reconciliation of State Expenditures to the Financial Statements

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

Total Schedule of State Financial Assistance	\$ 5,716,498
PERS On-Behalf	80,267
TRS On-Behalf	<u>512,397</u>
Total State Financial Assistance	\$ <u>6,309,162</u>

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COMPLIANCE REPORTS

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
Craig City School District
Craig, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Craig City School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Craig City School District's basic financial statements, and have issued our report thereon dated October 10, 2022.

Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Craig City 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 10, 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
Craig City School District
Craig, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Craig City 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 Craig City School District's major federal programs for the year ended June 30, 2022. Craig City 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, Craig City 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 Craig City 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 Craig City 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 Craig City 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 Craig City 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 Craig City 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 Craig City 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 Craig City 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 Craig City 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
Craig City 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 10, 2022

CRAIG CITY 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</u>	<u>Name of Federal Program or Cluster</u>
84.425	COVID-19 Education Stabilization Fund

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

Auditee qualified as low-risk auditee? Yes No

CRAIG CITY SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

Craig City School District did not have any findings related to the financial statements.

Section III – Federal Award Findings and Questioned Costs

Craig City School District did not have any findings related to federal awards.

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

Independent Auditor's Report

Members of the School Board
Craig City School District
Craig, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

In our opinion, Craig City 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 Craig City 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 Craig City 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 Craig City 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 Craig City 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 Craig City 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 Craig City 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 Craig City 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 Craig City 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.

Members of the School Board
Craig City 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 State of Alaska. Accordingly, this report is not suitable for any other purpose.

Altman, Rogers & Co.

Anchorage, Alaska
October 10, 2022

CRAIG CITY SCHOOL DISTRICT

State Schedule Findings and Questioned Costs

Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness identified?

Yes No

Significant deficiency identified?

Yes None reported

Noncompliance material to the financial statements noted?

Yes No

State Financial Assistance

Internal control over major programs:

Material weakness identified?

Yes No

Significant deficiency identified?

Yes None reported

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

Unmodified

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

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No

Section II – Financial Statement Findings

The Craig City School District did not have any findings that related to the financial statements.

Section III – State Award Findings and Questioned Costs

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