



**Hydaburg City School District**  
(A Component Unit of the City of Hydaburg,  
Alaska)

Basic Financial Statements,  
Required Supplementary Information,  
Additional Supplementary Information, and  
Single Audit Reports  
Year Ended June 30, 2016

**Hydaburg City School District**  
(A Component Unit of the City of Hydaburg, Alaska)

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Basic Financial Statements, Required Supplementary Information,  
Additional Supplementary Information, and Single Audit Reports  
Year Ended June 30, 2016

# Hydaburg City School District

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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hydaburg City School District (the District), a component unit of the City of Hydaburg, Alaska, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hydaburg City School District, as of June 30, 2016, 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.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 32-35 and the schedules of Net Pension Liability and Pension Contributions on pages 36-39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hydaburg City School District's basic financial statements. The accompanying Schedule of State Financial Assistance and the additional supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of State Financial Assistance is required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

The accompanying Schedule of State Financial Assistance, and the combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2016 on our consideration of Hydaburg 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 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 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 Hydaburg City School District's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska  
December 6, 2016



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## Basic Financial Statements

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## Hydaburg City School District

## Statement of Net Position

<i>June 30, 2016</i>	Governmental Activities
<b>Assets and Deferred Outflows of Resources</b>	
<b>Assets</b>	
Cash and cash equivalents	\$ 353,849
Accounts receivable	247,425
Inventory	21,893
Prepaid items	38,765
Capital assets, net of accumulated depreciation	537,078
<b>Total Assets</b>	<b>1,199,010</b>
<b>Deferred Outflows of Resources - pension related</b>	<b>226,306</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 1,425,316</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
<b>Liabilities</b>	
Accounts payable	\$ 2,058
Unearned revenue	17,248
Noncurrent liabilities - net pension liability - due in more than one year	855,217
<b>Total Liabilities</b>	<b>874,523</b>
<b>Deferred Inflows of Resources - pension related</b>	<b>49,569</b>
<b>Net Position</b>	
Net investment in capital assets	537,078
Unrestricted (deficit)	(35,854)
<b>Total Net Position</b>	<b>501,224</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 1,425,316</b>

*See accompanying notes to basic financial statements.*

## Hydaburg City School District

## Statement of Activities

Year Ended June 30, 2016	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants & Contri- butions		Capital Grants & Contri- butions
<b>Governmental Activities</b>					
Instruction	\$ 1,011,223	\$ -	\$ 180,871	\$ -	\$ (830,352)
Special education instruction	325,032	-	27,884	-	(297,148)
Special education support services - students	9,121	-	-	-	(9,121)
Support services - instruction	203,447	-	15,344	-	(188,103)
School administration	172,334	-	(2,244)	-	(174,578)
School administration support services	60,546	-	1,867	-	(58,679)
District administration	133,453	-	-	-	(133,453)
District administration support services	159,045	-	3,909	-	(155,136)
Operations and maintenance of plant	552,739	8,597	217,228	-	(326,914)
Student activities	199,524	-	3,771	-	(195,753)
Community services	4,830	-	4,830	-	-
Food services	141,548	-	67,532	-	(74,016)
<b>Total Governmental Activities</b>	<b>\$ 2,972,842</b>	<b>\$ 8,597</b>	<b>\$ 520,992</b>	<b>\$ -</b>	<b>(2,443,253)</b>
<b>General Revenues</b>					
State grants and entitlements					1,909,220
Federal grants and entitlements					191,702
Local					40,849
Investment earning					250
E-rate					55,160
In-kind service from City					64,000
Other					23,330
<b>Total General Revenues</b>					<b>2,284,511</b>
<b>Change in Net Position</b>					<b>(158,742)</b>
<b>Net Position, beginning of year</b>					<b>659,966</b>
<b>Net Position, end of year</b>					<b>\$ 501,224</b>

See accompanying notes to basic financial statements.

## Hydaburg City School District

## Governmental Funds

## Balance Sheet

June 30, 2016	Major Funds						Total Govern- mental Funds
	General	Special Revenue Funds			Capital Projects	Nonmajor Funds	
		Teacher Retention	Title IA Basic	Teacher Housing			
<b>Assets</b>							
Cash and cash equivalents	\$ 3,400	\$ -	\$ -	\$ 183,476	\$ 122,268	\$ 44,705	\$ 353,849
Accounts receivable	90,692	60,942	27,315	-	-	68,476	247,425
Inventory	11,073	-	-	-	-	10,820	21,893
Prepaid items	38,765	-	-	-	-	-	38,765
Due from other funds	-	-	-	-	150,721	-	150,721
<b>Total Assets</b>	<b>\$ 143,930</b>	<b>\$ 60,942</b>	<b>\$ 27,315</b>	<b>\$ 183,476</b>	<b>\$ 272,989</b>	<b>\$ 124,001</b>	<b>\$ 812,653</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 1,858	\$ -	\$ 200	\$ 2,058
Unearned revenue	-	-	-	-	6,370	10,878	17,248
Due to other funds	-	60,942	27,315	-	-	62,464	150,721
<b>Total Liabilities</b>	<b>-</b>	<b>60,942</b>	<b>27,315</b>	<b>1,858</b>	<b>6,370</b>	<b>73,542</b>	<b>170,027</b>
<b>Fund Balances</b>							
Nonspendable	49,838	-	-	-	-	10,820	60,658
Assigned	-	-	-	181,618	266,619	39,639	487,876
Unassigned	94,092	-	-	-	-	-	94,092
<b>Total Fund Balances</b>	<b>143,930</b>	<b>-</b>	<b>-</b>	<b>181,618</b>	<b>266,619</b>	<b>50,459</b>	<b>642,626</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 143,930</b>	<b>\$ 60,942</b>	<b>\$ 27,315</b>	<b>\$ 183,476</b>	<b>\$ 272,989</b>	<b>\$ 124,001</b>	<b>\$ 812,653</b>

See accompanying notes to basic financial statements.

**Hydaburg City School District**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2016**

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Total governmental fund balances		\$ 642,626
Amounts reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Construction in progress	\$ 206,508	
Equipment	705,668	
Accumulated depreciation	<u>(375,098)</u>	
Total capital assets, net		<u>537,078</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities. Long-term liabilities reported in these statements consist of the net pension liability.		
		(855,217)
Certain changes in net pension liabilities are deferred rather than recognized immediately. These are amortized over time.		
Deferred outflows of resources related to pensions	226,306	
Deferred inflows of resources related to pensions	<u>(49,569)</u>	
Total deferred pension items		<u>176,737</u>
<b>Total Net Position of Governmental Activities</b>		<b><u>\$ 501,224</u></b>

*See accompanying notes to basic financial statements.*

**Hydaburg City School District**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**

Year Ended June 30, 2016	Major Funds						Total Govern- mental Funds
	General	Special Revenue Funds			Capital Projects	Nonmajor Funds	
		Teacher Retention	Title IA Basic	Teacher Housing			
<b>Revenues</b>							
Local sources	\$ 183,589	\$ 150,000	\$ -	\$ 42,978	\$ 22	\$ 49,204	\$ 425,793
State sources	1,909,220	12,073	-	-	-	5,829	1,927,122
Federal sources:							
Direct	76,601	-	-	-	-	41,092	117,693
Passed through the State of Alaska	115,101	-	63,210	-	-	163,958	342,269
<b>Total Revenues</b>	<b>2,284,511</b>	<b>162,073</b>	<b>63,210</b>	<b>42,978</b>	<b>22</b>	<b>260,083</b>	<b>2,812,877</b>
<b>Expenditures</b>							
Instruction	811,872	-	61,880	-	-	126,279	1,000,031
Special education instruction	245,672	-	-	-	-	25,103	270,775
Special education support services - students	9,121	-	-	-	-	-	9,121
Support services - instruction	157,852	-	-	-	-	14,769	172,621
School administration	176,390	-	-	-	-	-	176,390
School administration support services	37,465	-	-	-	-	-	37,465
District administration	132,455	-	-	-	-	-	132,455
District administration support services	153,708	-	1,330	-	-	2,579	157,617
Operations and maintenance of plant	376,546	206,508	-	34,381	39,993	15,063	672,491
Student activities	194,060	-	-	-	-	3,928	197,988
Community services	-	-	-	-	-	4,830	4,830
Food services	-	-	-	-	-	139,626	139,626
<b>Total Expenditures</b>	<b>2,295,141</b>	<b>206,508</b>	<b>63,210</b>	<b>34,381</b>	<b>39,993</b>	<b>332,177</b>	<b>2,971,410</b>
Excess (deficiency) of revenues over expenditures	(10,630)	(44,435)	-	8,597	(39,971)	(72,094)	(158,533)
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	44,435	-	-	115,000	72,094	231,529
Transfers out	(231,529)	-	-	-	-	-	(231,529)
<b>Net Other Financing Sources (Uses)</b>	<b>(231,529)</b>	<b>44,435</b>	<b>-</b>	<b>-</b>	<b>115,000</b>	<b>72,094</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(242,159)</b>	<b>-</b>	<b>-</b>	<b>8,597</b>	<b>75,029</b>	<b>-</b>	<b>(158,533)</b>
<b>Fund Balances, beginning</b>	<b>386,089</b>	<b>-</b>	<b>-</b>	<b>173,021</b>	<b>191,590</b>	<b>50,459</b>	<b>801,159</b>
<b>Fund Balances, ending</b>	<b>\$ 143,930</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 181,618</b>	<b>\$ 266,619</b>	<b>\$ 50,459</b>	<b>\$ 642,626</b>

*See accompanying notes to basic financial statements.*

**Hydaburg 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, 2016**

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Net change in fund balances - total governmental funds	\$ (158,533)
The change in net position reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which capital outlay of \$206,508 exceeded depreciation expense of \$50,110.	156,398
Changes in net pension liability and related accounts can increase or decrease net position. This is the net decrease in net position due to changes in net pension liability and the related deferred outflows and inflows of resources.	<u>(156,607)</u>
<b>Change in Net Position of Governmental Activities</b>	<u>\$ (158,742)</u>

*See accompanying notes to basic financial statements.*



**Hydaburg City School District**  
**Student Activities Agency Fund**  
**Statement of Fiduciary Assets and Liabilities**

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*June 30, 2016*

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**Assets**

**Cash and cash equivalents** **\$ 22,092**

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**Liabilities**

**Due to student groups** **\$ 22,092**

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*See accompanying notes to basic financial statements.*

# Hydaburg City School District

## Notes to Basic Financial Statements June 30, 2016

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### 1. Summary of Significant Accounting Policies

#### *Reporting Entity*

The accompanying financial statements include all the activities of the Hydaburg City School District (the District). The District is a component unit of the City of Hydaburg, Alaska.

Pursuant to the State of Alaska Statute, Title 29, the City of Hydaburg has the responsibility of establishing, maintaining, and operating a system of public schools. The City has delegated this responsibility to the Hydaburg City School Board. The District is a component unit of the City because the City has accountability for all significant matters. The District provides education services to children in kindergarten through grade twelve who reside in the City of Hydaburg, Alaska.

The financial statements included in this report are for Hydaburg City School District only. There are no component units for which the District is financially accountable, nor do any special financial relationships exist between the District and any other entity.

The financial statements of Hydaburg City School 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. The more significant of the District's accounting policies are described below.

#### *Government-Wide and Fund Financial Statements*

The basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements include the financial information of the District as a whole. These statements include all financial activities of the District. The District does not have any activities that are considered business-type activities.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District.

The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

# Hydaburg City School District

## Notes to Basic Financial Statements

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The fund financial statements include activities relating to certain functions or activities segregated in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. The major funds are presented in separate columns. Nonmajor funds are aggregated and presented in a single column.

### ***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

Government-wide financial statements - The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the District are included on the statement of net position. 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. Current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The District uses funds to maintain its financial records during the fiscal year. A fund is a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures. There are three categories of funds: governmental, proprietary and fiduciary. Of these three, the District maintains governmental funds and a fiduciary fund.

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

The *General (School Operating) Fund* is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

The *Teacher Retention Special Revenue Fund* accounts for the revenues received and expenditures made for the purpose of retaining teachers in the District.

The *Title I-A Basic Special Revenue Fund* accounts for the revenues received and expenditures made for the purpose of providing education for children from low income families.

The *Teacher Housing Special Revenue Fund* accounts for the revenues received and expenditures made for maintaining teacher housing.

The *Capital Projects Fund* accounts for all revenue received and expenditures made for large capital outlays.

# Hydaburg City School District

## Notes to Basic Financial Statements

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The other governmental funds of the District are considered nonmajor and are as follows:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

The District also reports a single agency fund to account for student activity funds.

The School District follows the *Uniform Chart of Accounts for School Districts, 2014 Edition* as required by the State of Alaska, Department of Education and Early Development.

### ***Budgets***

Annual budgets for operations are adopted by the School Board for all operating revenues, expenditures, and interfund transfers. Budgets are prepared and presented on the modified accrual basis of accounting.

The adopted School Operating Fund budget is submitted to the City of Hydaburg for approval of the request for local appropriation, then 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 periodically each year to adjust the revenues and expenditures to available resources and program needs. Expenditure authority for the School Operating Fund is limited to the total approved budget.

Annual budgets of the various Special Revenue Funds are prepared in conjunction with the application for the special program's funding and are reviewed and approved by the District Superintendent, School Board and Department of Education and Early Development in their process of executing the special program's funding contract. Budgets are revised periodically throughout the year to adjust to the needs of management and the students being served.

### ***Encumbrances***

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, Special Revenue Funds and Capital Projects Fund. Encumbrances outstanding at year end are reported as appropriate constraints of fund balance only if they meet the definitions and criteria described later in these notes. Encumbrances are included as a reduction in fund balance for the purpose of calculating fund balance limits in accordance with state regulations.

### ***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 six months or less from the date of acquisition or time certificates of deposit. There are no statutory limitations on the type of investment allowed.

# Hydaburg City School District

## Notes to Basic Financial Statements

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### ***Interfund Transactions***

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

### ***Inventories***

Inventories are valued at cost (first-in, first-out). Inventory in the Special Revenue Funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed.

### ***Capital Assets***

Capital assets result from expenditures in the governmental funds. These capital assets are reported on the government-wide statement of net position but are not reported on the balance sheet of the fund financial statements.

All purchased capital assets are valued at cost. Donated capital assets are valued at their estimated fair market value on the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure.

All reported capital assets except land and construction in progress are depreciated. Depreciation is computed on the straight line method over the estimated useful lives of the assets, generally 3 to 8 years for equipment and vehicles. Maintenance and repairs of a routine nature that do not add to the value of the asset are charged as expenditures as incurred and are not capitalized.

### ***Unearned Revenue***

Amounts received from grantor agencies, which are restricted as to use and have not been expended for the intended use, are shown on the balance sheet as unearned revenue.

### ***Compensated Absences***

Certificated employees earn 20 days of personal leave per year. All personal leave must be used or cashed out by the end of the school year; therefore, there is no liability for accrued annual leave in the financial statements. All permanent employees accrue sick leave, which is available for use while remaining in a permanent position with the District. Sick leave pay is recorded as an expenditure during the period it is used. There is no provision for payment or use of sick leave upon separation from employment.

### ***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of the net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

# Hydaburg City School District

## Notes to Basic Financial Statements

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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

### ***Fund Balances***

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balances comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the School Board - the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the School Board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The School Board and Superintendent have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

### ***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and the Teachers' Retirement Systems (TRS) and additions to/from PERS/TRS fiduciary net position have been determined on the same basis as they are reported by PERS/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.

# Hydaburg City School District

## Notes to Basic Financial Statements

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### **Net Position**

Net position is reported on the government-wide financial statements and represents the difference between assets and deferred outflows, and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

### **Management Estimates and Assumptions**

The preparation of 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, liabilities, and fund balances and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

## **2. Cash and Cash Equivalents**

The District's cash and investment resources for general operations are maintained in a central treasury. In addition, the District maintains accounts for specific purposes such as the Student Activity accounts. Negative cash balances have been reclassified to "due to other funds."

### **Interest Rate Risk**

At June 30, 2016, the District's general investments consisted of cash held in a savings account.

### **Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At year end, the District's carrying amount totaled \$353,849 in governmental funds and \$22,092 in agency funds with a combined bank balance of \$460,029. Of the bank balances, \$250,000 was covered by federal depository insurance (FDIC). The remaining balance was collateralized by securities held by the pledging financial institution's trust department or agent in the District's name.

## **3. Accounts Receivable**

All accounts are considered collectible, therefore, no allowance for uncollectible accounts has been provided.

## **4. Interfund Receivables, Payables, and Transfers**

A schedule of interfund balances and transfers for the year ended June 30, 2016, follows:

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### **Due from Other Funds**

Due to the Capital Projects Fund from the Teacher Retention Special Revenue Fund for short-term operating advances	\$ 60,942
Due to the Capital Projects Fund from the Title IA Basic Special Revenue Fund for short-term operating advances	27,315
Due to the Capital Projects Fund from the nonmajor special revenue funds for short-term operating advances	62,464

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<b>Total Due from Other Funds</b>	<b>\$ 150,721</b>
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# Hydaburg City School District

## Notes to Basic Financial Statements

**Transfers**

To the Capital Projects Fund from the General Fund for capital costs	\$ 115,000
To the Teacher Retention Special Revenue Fund from the General Fund for operating subsidies	44,435
To the nonmajor governmental funds from the General Fund for operating subsidies	72,094
<b>Total Transfers to Other Funds</b>	<b>\$ 231,529</b>

**5. Capital Assets**

Capital asset activity for the year ended June 30, 2016 was as follows:

<i><b>Governmental Activities</b></i>	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Assets not being depreciated - construction in progress	\$ -	\$ 206,508	\$ -	\$ 206,508
Assets being depreciated - equipment	705,668	-	-	705,668
Accumulated depreciation	(324,988)	(50,110)	-	(375,098)
Total assets being depreciated, net	380,680	(50,110)	-	330,570
<b>Total Capital Assets, net</b>	<b>\$ 380,680</b>	<b>\$ 156,398</b>	<b>\$ -</b>	<b>\$ 537,078</b>

Depreciation expense was charged to governmental functions as follows for the year ended June 30, 2016:

Instruction	\$ 3,493
Support services - instruction	23,716
School administration	269
District administration	998
District administration support services	1,428
Operations and maintenance of plant	16,445
Student activities	1,840
Food services	1,921
<b>Total Depreciation Allocated to Governmental Functions</b>	<b>\$ 50,110</b>



# Hydaburg City School District

## Notes to Basic Financial Statements

### 6. Fund Balances

The District applies the provisions of GASB Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions. Fund balances, reported in the District's major funds and nonmajor funds in the aggregate on the governmental funds balance sheet are subject to the following constraints at June 30, 2016:

	Major Funds				
	General	Teacher Housing Special Revenue	Capital Projects	Nonmajor Funds	Totals
Nonspendable -					
Inventory and prepaids	\$ 49,838	\$ -	\$ -	\$ 10,820	\$ 60,658
Assigned:					
Teacher housing	-	181,618	-	-	181,618
Capital projects	-	-	266,619	-	266,619
Food service	-	-	-	39,639	39,639
Total Assigned	-	181,618	266,619	39,639	487,876
Unassigned	94,092	-	-	-	94,092
Total Fund Balances	\$ 143,930	\$ 181,618	\$ 266,619	\$ 50,459	\$ 642,626

### 7. Defined Benefit (DB) Pension Plans

#### General Information About the Plans

The District participates in two defined benefit pension plans. The Teachers' Retirement System (TRS) is a cost-sharing multiple employer plan which covers teachers and other eligible participants. The Public Employees' Retirement System (PERS) is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. Both Plans were established and are administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

Each Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. Those reports are available via the internet at <http://doa.alaska.gov/drb>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

Both Plans provide for retirement, death and disability, and post-employment health care benefits. There are three tiers of employees, based on entry date. For all tiers within the DB pension plans, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. The tiers within the Plans establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other OPEB benefits. A complete benefit comparison chart is available at the website noted above.

# Hydaburg City School District

## Notes to Basic Financial Statements

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Both PERS and TRS DB Plans were closed to new entrants on July 1, 2006. New employees hired after that date participate in the PERS/TRS Defined Contribution (DC) Plans described later in these notes.

### ***Historical Context and Special Funding Situation***

Historically, the TRS plan has been a cost-sharing plan, while originally, PERS was an agent-multiple-employer plan. In April 2008, the Alaska Legislature passed legislation converting the PERS agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate for both plans, established a state funded “on-behalf” contribution (subject to funding availability), and required that employer contributions be calculated against *all* PERS/TRS eligible wages, including wages paid to participants of the PERS/TRS defined contribution plans described later in these footnotes.

Alaska Statutes 14.25.085 and 39.35.255 require the State of Alaska to contribute to the Plans an amount such that, when combined with the employer contribution, is sufficient to pay each Plans’ past service liability contribution rates as adopted by the Alaska Retirement Management Board. As such, both Plans are considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows, and disclosures on this basis. The District records the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

It is important to note that the Alaska Legislature has the power and authority to change the aforementioned statutes through the legislative process.

### ***Employee Contribution Rates***

District PERS employees are required to contribute 6.75% of their annual covered salary (9.60% for employees on a nine-month payment contract). Teachers and other certificated employees are required to contribute 8.65% of annual covered salary for TRS.

### ***Employer and Other Contribution Rates***

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

***Employer Effective Rate:*** This is the contractual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages for PERS and 12.56% of eligible wages for TRS, subject to a wage floor, and other termination events. These rates are applied to *all* PERS/TRS participating wages, respectively, including those wages attributable to employees in the defined contribution plans. Contributions derived from the defined contribution employees are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

***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. 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 change results in lower ARM Board Rates than previously adopted.

# Hydaburg City School District

## Notes to Basic Financial Statements

*On-behalf Contribution Rate:* This is the rate normally paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In 2015, the State Legislature appropriated a one-time contribution to the Plan in the amount of \$1 billion for PERS and \$2 billion for TRS. As a result, the on-behalf contributions for 2015 were significantly higher than the statutory amount. In 2016, the on-behalf contributions have returned to “normal” levels and generally equal the statutory calculation.

In the governmental fund financial statements, on-behalf contribution amounts have been recognized as revenues and expenditures. In government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a one-year timing lag between the cash transfers and revenue and expense recognition.

*GASB Rate:* This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. Additionally, the GASB Rate disregards all future Medicare Part D payments. For FY16, the calculation uses an 8.00% pension discount rate and a 4.55% healthcare discount rate for PERS and a 4.31% healthcare discount rate for TRS. The GASB Rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

Contribution rates for the year ended June 30, 2016 were determined in the June 30, 2013 actuarial valuation.

<i>PERS</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	13.25%	16.38%	3.63%	37.79%
Postemployment healthcare (see Note 9)	8.75%	10.81%	1.56%	58.73%
<b>Total PERS Contribution Rates</b>	<b>22.00%</b>	<b>27.19%</b>	<b>5.19%</b>	<b>96.52%</b>

<i>TRS</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	7.01%	16.34%	11.63%	66.52%
Postemployment healthcare (see Note 9)	5.55%	12.93%	5.08%	70.97%
<b>Total TRS Contribution Rates</b>	<b>12.56%</b>	<b>29.27%</b>	<b>16.71%</b>	<b>137.49%</b>

# Hydaburg City School District

## Notes to Basic Financial Statements

In 2016, the District was credited with the following contributions to the pension plans:

<i><b>PERS</b></i>	District FY15 Measurement Period	District FY16
Employer contributions (including DBUL)	\$ 7,482	\$ 6,299
Nonemployer contributions (on-behalf)	71,146	5,606
<b>Total Contributions</b>	<b>\$ 78,628</b>	<b>\$ 11,905</b>

In addition, employee contributions to the Plan totaled \$11,109 during the District fiscal year.

<i><b>TRS</b></i>	District FY15 Measurement Period	District FY16
Employer contributions (including DBUL)	\$ 4,558	\$ 16,966
Nonemployer contributions (on-behalf)	1,097,939	77,695
<b>Total Contributions</b>	<b>\$ 1,102,497</b>	<b>\$ 94,961</b>

In addition, employee contributions to the Plan totaled \$34,350 during the District fiscal year.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.***

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability associated with the District were as follows:

	PERS	TRS
District's proportionate share of NPL	\$ 542,703	\$ 312,514
State's proportionate share of NPL associated with the District	148,519	496,509
<b>Total Net Pension Liability</b>	<b>\$ 691,222</b>	<b>\$ 809,023</b>

The net pension liabilities were measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability for each Plan was determined by an actuarial valuation as of that date. The District's proportion of the net pension liabilities were based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating entities, actuarially determined. The District's proportion of the net pension liability measured at June 30, 2015 for PERS was 0.01119 percent, which was an increase of 0.00825 from its proportion as of the prior measurement date. For TRS the District's proportion was 0.01680 percent, representing an increase of 0.00773 from the prior year.

# Hydaburg City School District

## Notes to Basic Financial Statements

For the year ended June 30, 2016, the District recognized pension expense of \$175,593 for PERS and \$3,376 for TRS. In addition, the District recognized on-behalf revenue from the State of Alaska in the amounts of \$20,510 and \$64,284 for PERS and TRS, respectively. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 633	\$ 501
Changes in assumptions	45,533	-
Net difference between projected and actual earnings on pension plan investments	-	14,200
Changes in proportion and differences between District contributions and proportionate share of contributions	156,875	34,868
District contributions subsequent to the measurement date	23,265	-
<b>Total Deferred Outflows and Deferred Inflows Related to Pensions</b>	<b>\$ 226,306</b>	<b>\$ 49,569</b>

The \$23,265 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

*Year Ending June 30,*

2017	\$	140,525
2018		6,889
2019		(10,130)
2020		16,188

### ***Actuarial Assumptions***

The total pension liability for the measurement period ended June 30, 2015 (District fiscal year 2016) was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2015. The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

# Hydaburg City School District

## Notes to Basic Financial Statements

Actuarial Cost Method	Entry Age Normal - Level Percentage of Payroll
Asset Valuation Method	Invested assets are reported at fair value.
Allocation Methodology	<p>Amounts for FY14 and FY13 were allocated to employers based on actual contributions made in FY14 and FY13, respectively.</p> <p>Amounts for FY15 were allocated to employers based on the projected present value of contributions for FY17-FY39. The liability is expected to go to zero at 2039.</p>
Investment Return / Discount Rate	8.00% per year (geometric), compounded annually, net of expenses for pension; and 4.55% for healthcare
Salary Scale	<p>Inflation - 3.12% per year</p> <p>Productivity - 0.50% per year</p> <p>Teachers in TRS - graded by years of service from 8.11% to 3.87%</p> <p>All others - graded by age and years of service from 8.55% to 4.34%</p>
Total Inflation	Measured by the consumer price index for urban and clerical workers for Anchorage and is assumed to increase 3.12% annually.
Mortality	<p>Pre-termination - Based on the 2010-2013 actual mortality experience</p> <p>Post-termination - 96% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB</p>

### ***Long-term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a 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 by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized in the following table (note that the rates shown below exclude the inflation component):

<i>Asset Class</i>	Long-term Expected Real Rate of Return
Domestic equity	5.35%
Global equity (non-U.S.)	5.55%
Private equity	6.25%
Fixed income composite	0.80%
Real estate	3.65%
Alternative equity	4.70%

# Hydaburg City School District

## Notes to Basic Financial Statements

**Discount Rate**

The discount rate used to measure the total pension liability was 8.00%. The Actuarial Value of Assets after June 30, 2014 reflects the deferred gains and losses generated by the smoothing method. The current deferred amount is recognized in the first four years of the projections.

**Discount Rate Sensitivity**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate:

<b>PERS</b>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District’s proportionate share of the net pension liability	0.01119%	\$ 721,478	\$ 542,703	\$ 392,193

<b>TRS</b>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District’s proportionate share of the net pension liability	0.01680%	\$ 451,048	\$ 312,514	\$ 196,424

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plans’ fiduciary net position is available in the separately issued PERS and TRS financial reports.

**8. Defined Contribution (DC) Pension Plans**

Employees hired on or after July 1, 2006 participate in PERS Tier IV or TRS Tier III, defined contribution plans. These Plans are administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plans noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plans are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. These Plans are included in the comprehensive annual financial reports for PERS and TRS, and at the following website, as noted above.  
<http://doa.alaska.gov/drj>.

# Hydaburg City School District

## Notes to Basic Financial Statements

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Contributions to the DC plans consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the District contribute at 22%. Actual remittances to the TRS system require that the District contribute 12.56%. After deducting the DC pension plan contributions and related DC OPEB contributions, the remaining remittance (the DBUL) is deposited into the DB plan (pension and/or OPEB) as noted earlier.

### **Benefit Terms**

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service.

### **Employee Contribution Rate**

Employees are required to contribute 8.0% of their annual covered salary for both PERS and TRS. This amount goes directly to the individual's account.

### **Employer Contribution Rate**

For the year ended June 30, 2016, the District was required to contribute 5% of covered salary into PERS and 7% of covered salary into TRS.

The District and employee contributions to PERS for pensions for the year ended June 30, 2016 were \$6,943 and \$11,109, respectively. The District and employee contributions for TRS for pensions for the year ended June 30, 2016 were \$30,214 and \$34,530, respectively. District contributions are recognized as pension expense/expenditures when paid.

## **9. Other Post-Employment Benefit (OPEB) Plans**

### **Defined Benefit OPEB**

As part of its participation in the PERS and TRS DB Plans (Tiers I, II, III for PERS and Tiers I and II for TRS), the District participates in the Alaska Retiree Healthcare Trust (ARHCT). The ARHCT is self-funded and provides major medical coverage to retirees of the System. Benefits vary by Tier level. The Plan is administered by the State of Alaska, Department of Administration. Employer contribution rates are established in concert with the Defined Benefit Pension Plan described earlier in these notes.

### **Employer Contribution Rates**

The District is required to contribute 8.75% of covered payroll into the PERS OPEB plan and 5.55% of covered payroll into the TRS OPEB plan. In addition, during 2016, the State on-behalf contribution rate for OPEB was 1.56% for PERS and 5.08% for TRS.

Employees do not contribute to the DB OPEB plans.

### **Annual Postemployment Healthcare Cost**

Actual contributions into the Plans for the last three years were as follows:

<b>PERS</b>	<b>Annual OPEB Costs</b>	<b>District Contributions</b>	<b>% of Costs Contributed</b>
<b>Year Ended June 30,</b>			
2016	\$ 4,159	\$ 4,159	100 %
2015	\$ 5,642	\$ 5,642	100 %
2014	\$10,779	\$10,779	100 %



# Hydaburg City School District

## Notes to Basic Financial Statements

On-behalf contributions for PERS OPEB were \$2,401, \$0, and \$8,707 for 2016, 2015, and 2014, respectively. Those amounts are not reflected in the OPEB costs in the table above.

<i>TRS</i> <i>Year Ended June 30,</i>	Annual OPEB Costs	District Contributions	% of Costs Contributed
2016	\$13,272	\$13,272	100 %
2015	\$ 3,410	\$ 3,410	100 %
2014	\$18,090	\$18,090	100 %

On-behalf contributions for TRS OPEB were \$34,013, \$222,731, and \$78,881 for 2016, 2015, and 2014, respectively. Those amounts are not reflected in the OPEB costs in the table above.

***Defined Contribution OPEB***

Defined Contribution Pension Plan Participants (PERS Tier IV and TRS Tier III) participate in the Occupational Death and Disability Plan (ODD), and the Retiree Medical Plan. Information on these plans is included in the comprehensive annual financial report for the PERS Plan noted above. These plans provide for death, disability, and post-employment health care benefits.

***Employer Contribution Rates***

Employees do not contribute to the DC OPEB plans. Employer contribution rates were as follows for the year ended June 30, 2016:

	PERS Tier IV	TRS Tier III
Retiree medical plan	1.68%	2.04%
Occupational death and disability benefits	0.22%	-%
<b>Total Contribution Rates</b>	<b>1.91%</b>	<b>2.04%</b>

In addition, PERS and TRS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers* in the plan”. At July 1, 2015, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,005 per year for each full-time employee, and \$1.28 per hour for part-time employees for both PERS and TRS.

***Annual Postemployment Healthcare Cost***

In FY16, the District contributed \$4,159 in DC OPEB costs to PERS and \$13,272 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

# Hydaburg City School District

## Notes to Basic Financial Statements

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### 10. Commitments/Contingencies

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

The District receives a substantial portion of its revenue from state and federal grants. Significant changes in these revenue sources could have a material effect on the operations of the District.

The District provides services solely to those residents of Hydaburg, Alaska. Any significant changes in the number of enrolled students could have a material effect on future funding.

### 11. Risk Management

The District faces a considerable number of risks of loss including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability, i.e., errors and omissions, (d) environmental damage, (e) workers' compensation: i.e., employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for general liability, errors and omissions, student accident, and employee medical costs. Workers' compensation is also purchased as required by statute. The District has no coverage for potential losses from environmental damages. Insurance claims in fiscal year 2016 did not exceed commercial coverage limits.

### 12. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, but believes that GASB Statement 75 will result in the biggest reporting change. However, actual impacts have not yet been determined.

*GASB 73 - Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* - This statement contains certain clarifications and amendments to GASB 67 and 68 as well as establishing requirements for both defined benefit and defined contribution pensions not within the scope of GASB 68. Effective for fiscal year-end June 30, 2016—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for year-end June 30, 2017, with earlier application encouraged.

*GASB 74 - Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* - Effective for year-end June 30, 2017, with earlier application encouraged - This statement contains financial reporting guidelines for Postemployment Benefit Plans. This is the Plan side requirements applicable to OPEB benefits and generally brings the OPEB reporting rules into alignment with the new GASB 67 Pension rules.

# Hydaburg City School District

## Notes to Basic Financial Statements

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*GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* Effective for year-end June 30, 2018, with earlier application encouraged - This statement contains accounting and financial reporting guidelines for OPEB related activities at the participating employer level and generally brings the OPEB reporting rules into alignment with the new GASB 68 Pension rules.

*GASB 78 - Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* - Effective for year-end June 30, 2017 - This statement amends the scope and applicability of GASB68 to exclude pensions provided to employees through a cost-sharing multiple-employer defined benefit pension plan that is (1) not a state or local government pension plan, (2) used to provide defined benefit pensions to employees of both government and non-government employers, and (3) has no predominant state or local government employer, either individually or collectively with other governmental employers providing pensions in the plan.

*GASB 81 - Irrevocable Split-Interest Agreements* - Effective for year-end June 30, 2018, with earlier application encouraged - This statement establishes recording and recognition criteria for governments who receive resources pursuant to an irrevocable split-interest agreement.

*GASB 82 - Pension-Issues* - an amendment of GASB Statements No. 67, No. 68, and No. 73 - Effective for year-end June 30, 2017, with earlier application encouraged - This statement further amends prior pension reporting to redefine “covered payroll” for required supplementary information, clarifies deviations from actuarial standards, and clarifies the classification of employer-paid member contributions.

## Required Supplementary Information

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**Hydaburg City School District**  
**General (School Operating) Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget		Actual	Variance
	Original	Final		With Final Budget
<b>Revenues</b>				
Local sources	\$ 220,160	\$ 220,160	\$ 183,589	\$ (36,571)
State sources	1,483,430	1,483,430	1,909,220	425,790
Federal sources	464,456	464,156	191,702	(272,454)
<b>Total Revenues</b>	<b>2,168,046</b>	<b>2,167,746</b>	<b>2,284,511</b>	<b>116,765</b>
<b>Expenditures</b>				
Instruction	762,644	762,644	811,872	(49,228)
Special education instruction	277,240	277,240	245,672	31,568
Special education support services - students	17,500	17,500	9,121	8,379
Support services - instruction	187,652	187,652	157,852	29,800
School administration	169,948	169,948	176,390	(6,442)
School administration support services	34,132	34,132	37,465	(3,333)
District administration	88,200	88,200	132,455	(44,255)
District administration support services	90,648	90,648	153,708	(63,060)
Operations and maintenance of plant	372,032	372,032	376,546	(4,514)
Student activities	82,507	82,507	194,060	(111,553)
<b>Total Expenditures</b>	<b>2,082,503</b>	<b>2,082,503</b>	<b>2,295,141</b>	<b>(212,638)</b>
Excess (deficiency) of revenues over expenditures	85,543	85,243	(10,630)	(95,873)
<b>Other Financing Uses</b>				
Transfers out	-	-	(231,529)	(231,529)
<b>Net Change in Fund Balance</b>	<b>\$ 85,543</b>	<b>\$ 85,243</b>	<b>(242,159)</b>	<b>\$ (327,402)</b>
Fund Balance, beginning			386,089	
Fund Balance, ending			<u>\$ 143,930</u>	

**Hydaburg City School District**  
**Teacher Retention Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Other local revenue	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
State sources	12,073	12,073	12,073	-
<b>Total Revenues</b>	<b>162,073</b>	<b>162,073</b>	<b>162,073</b>	<b>-</b>
<b>Expenditures</b>				
Operations and maintenance of plant:				
Staff travel	-	-	654	(654)
Energy	-	-	1,271	(1,271)
Other purchased services	12,073	12,073	24,058	(11,985)
Supplies, materials, and media	-	-	80,525	(80,525)
Buildings and improvements purchased	150,000	150,000	100,000	50,000
<b>Total Expenditures</b>	<b>162,073</b>	<b>162,073</b>	<b>206,508</b>	<b>(44,435)</b>
Excess (deficiency) of revenues over expenditures	-	-	(44,435)	(44,435)
<b>Other Financing Sources - transfers in</b>	<b>-</b>	<b>-</b>	<b>44,435</b>	<b>44,435</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning			-	
Fund Balance, ending			<u>\$ -</u>	

**Hydaburg City School District**  
**Title IA Basic Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Federal sources				
passed through State of Alaska	\$ 73,080	\$ 73,080	\$ 63,210	\$ (9,870)
<b>Expenditures</b>				
Instruction:				
Certificated salaries	26,588	25,588	25,953	(365)
Non-certificated salaries	5,000	5,000	7,148	(2,148)
Employee benefits	11,979	14,387	15,535	(1,148)
Professional and technical services	5,500	5,500	5,292	208
Staff travel	5,808	5,808	-	5,808
Student travel	9,500	8,500	-	8,500
Supplies, materials and media	7,560	6,759	7,952	(1,193)
<b>Total instruction</b>	<b>71,935</b>	<b>71,542</b>	<b>61,880</b>	<b>9,662</b>
District administration support services - Indirect costs	1,145	1,538	1,330	208
<b>Total Expenditures</b>	<b>73,080</b>	<b>73,080</b>	<b>63,210</b>	<b>9,870</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning</b>			<b>-</b>	
<b>Fund Balance, ending</b>			<b>\$ -</b>	

**Hydaburg City School District**  
**Teacher Housing Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Other local sources	\$ 37,020	\$ 37,020	\$ 42,978	\$ 5,958
<b>Expenditures</b>				
Operations and maintenance of plant:				
Non-certificated salaries	1,733	1,733	40	1,693
Employee benefits	957	957	-	957
Utility services	3,750	3,750	-	3,750
Energy	2,700	2,700	13,821	(11,121)
Other purchased services	15,000	15,000	2,233	12,767
Insurance and bond premiums	3,300	3,300	1,350	1,950
Supplies, materials, and media	5,000	5,000	16,937	(11,937)
<b>Total Expenditures</b>	<b>32,440</b>	<b>32,440</b>	<b>34,381</b>	<b>(1,941)</b>
<b>Net Change in Fund Balance</b>	<b><u>\$ 4,580</u></b>	<b><u>\$ 4,580</u></b>	<b>8,597</b>	<b><u>\$ 4,017</u></b>
Fund Balance, beginning			<u>173,021</u>	
Fund Balance, ending			<u>\$ 181,618</u>	



**Hydaburg City School District**  
**Public Employees Retirement System (PERS)**  
**Schedule of the District's Information on the Net Pension Liability**

<i>Years Ended June 30,</i>	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 Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.003%	\$ 137,142	\$ 137,966	\$ 275,108	\$ 137,661	100.00%	62.37%
2016	0.011%	\$ 542,703	\$ 148,519	\$ 691,222	\$ 155,100	350.00%	63.96%

*See accompanying notes to Required Supplementary Information.*

**Hydaburg City School District**  
**Public Employees Retirement System (PERS)**  
**Schedule of the District's Contributions**

<i>Years Ended June 30,</i>	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	\$ 7,482	\$ 7,482	\$ -	\$ 155,100	4.82%
2016	\$ 6,299	\$ 6,299	\$ -	\$ 138,857	4.54%

*See accompanying notes to Required Supplementary Information.*

**Hydaburg City School District**  
**Teachers Retirement System (TRS)**  
**Schedule of the District's Information on the Net Pension Liability**

<i>Years Ended June 30,</i>	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 Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.009%	\$ 271,996	\$ 1,857,310	\$ 2,129,306	\$ 557,805	48.76%	55.70%
2016	0.017%	\$ 312,514	\$ 496,509	\$ 809,023	\$ 506,371	61.72%	73.82%

*See accompanying notes to Required Supplementary Information.*

**Hydaburg City School District**  
**Teachers Retirement System (TRS)**  
**Schedule of the District's Contributions**

<i>Years Ended June 30,</i>	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	\$ 4,558	\$ 4,558	\$ -	\$ 506,371	0.90%
2016	\$ 16,966	\$ 16,966	\$ -	\$ 664,610	2.55%

*See accompanying notes to Required Supplementary Information.*

# Hydaburg City School District

## Notes to Required Supplementary Information

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### 1. Budgetary Comparison Schedules

The budgetary comparison schedules are presented on the modified accrual basis of accounting.

### 2. Schedule of the District's Information on the Net Pension Liability - PERS

Information in this table is presented based on the Plan measurement date. For June 30, 2016, the Plan measurement date is June 30, 2016.

There was a material change in the allocation methodology from the prior measurement period. The measurement period ended June 30, 2014 allocated the net pension liability based on actual contributions for 2014. The measurement period ended June 30, 2015 allocated the net pension liability based on the present value of contributions for FY 2017-FY 2039, as determined by projections based on the June 30, 2014 actuarial valuation.

### 3. Schedule of the District's Contributions - Public Employees Retirement System

This table reports the District's pension contributions to PERS for each year presented. These contributions have been reported as a deferred outflow on the statement of net position.

### 4. Schedule of the District's Information on the Net Pension Liability - TRS

Information in this table is presented based on the Plan measurement date. For June 30, 2016, the Plan measurement date is June 30, 2016.

There was a material change in the allocation methodology from the prior measurement period. The measurement period ended June 30, 2014 allocated the net pension liability based on actual contributions for 2014. The measurement period ended June 30, 2015 allocated the net pension liability based on the present value of contributions for FY 2017-FY 2039, as determined by projections based on the June 30, 2014 actuarial valuation.

### 5. Schedule of the District's Contributions - Teachers Retirement System

This table reports the District's pension contributions to TRS for each year presented. These contributions have been reported as a deferred outflow on the statement of net position.

All four pension tables are intended to present 10 years of information. Additional year's information will be added to the schedules as it becomes available.

Neither plan is reporting any changes in benefit terms from the prior measurement period.

Neither plan is reporting any changes in assumptions from the prior measurement period.

## Additional Supplementary Information

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**Hydaburg City School District**  
**General (School Operating) Fund**  
**Balance Sheet**

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*June 30, 2016*

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**Assets**

Cash and cash equivalents	\$ 3,400
Accounts receivable	90,692
Inventory	11,073
Prepaid items	38,765

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**Total Assets** **\$ 143,930**

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**Fund Balance**

Nonspendable	\$ 49,838
Unassigned	94,092

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**Total Fund Balance** **\$ 143,930**

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**Hydaburg City School District**  
**General (School Operating) Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Local sources:			
E-rate revenue	\$ 82,811	\$ 55,160	\$ (27,651)
City direct appropriations	40,849	40,849	-
Other	27,500	23,330	(4,170)
Tuition from other districts	5,000	250	(4,750)
In-kind services from City of Hydaburg	64,000	64,000	-
<b>Total local sources</b>	<b>220,160</b>	<b>183,589</b>	<b>(36,571)</b>
State sources:			
Foundation program	1,483,430	1,784,356	300,926
TRS on-behalf	-	111,978	111,978
PERS on-behalf	-	8,007	8,007
Quality schools	-	4,879	4,879
<b>Total State sources</b>	<b>1,483,430</b>	<b>1,909,220</b>	<b>425,790</b>
Federal sources:			
Direct - impact aid	464,156	76,601	(387,555)
Passed through State of Alaska	-	115,101	115,101
<b>Total federal sources</b>	<b>464,156</b>	<b>191,702</b>	<b>(272,454)</b>
<b>Total Revenues</b>	<b>2,167,746</b>	<b>2,284,511</b>	<b>116,765</b>
<b>Expenditures</b>			
Instruction:			
Certificated salaries	350,078	432,304	(82,226)
Non-certificated salaries	91,168	33,444	57,724
Employee benefits	288,398	282,607	5,791
Transportation allowance	-	5,284	(5,284)
Professional and technical services	-	845	(845)
Staff travel	-	1,674	(1,674)
Student travel	2,500	-	2,500
Utility services	3,000	4,913	(1,913)
Other purchased services	1,000	845	155
Supplies, materials, and media	25,000	47,712	(22,712)
Other expenditures	1,500	2,244	(744)
<b>Total instruction</b>	<b>762,644</b>	<b>811,872</b>	<b>(49,228)</b>



**Hydaburg City School District**  
**General (School Operating) Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual, continued**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Expenditures, continued</b>			
Special education instruction:			
Certificated salaries	\$ 97,764	\$ 87,856	\$ 9,908
Non-certificated salaries	78,073	75,186	2,887
Employee benefits	97,603	73,202	24,401
Professional and technical services	-	1,955	(1,955)
Staff travel	1,700	1,916	(216)
Supplies, materials, and media	2,000	5,352	(3,352)
Other expenditures	100	205	(105)
<b>Total special education instruction</b>	<b>277,240</b>	<b>245,672</b>	<b>31,568</b>
Special education support services - students:			
Professional and technical services	17,500	9,121	8,379
Support services - instruction:			
Non-certificated salaries	30,780	9,237	21,543
Employee benefits	10,228	1,963	8,265
Professional and technical services	20,300	45,738	(25,438)
Utility services	96,344	79,362	16,982
Other purchased services	-	1,108	(1,108)
Supplies, materials, and media	25,000	19,769	5,231
Other expenditures	5,000	675	4,325
<b>Total support services - instruction</b>	<b>187,652</b>	<b>157,852</b>	<b>29,800</b>
School administration:			
Certificated salaries	\$ 88,000	\$ 103,432	\$ (15,432)
Non-certificated salaries	-	4,788	(4,788)
Employee benefits	53,073	52,274	799
Professional and technical services	25,000	10,500	14,500
Staff travel	-	1,350	(1,350)
Utility services	750	1,610	(860)
Other purchased services	400	-	400
Supplies, materials, and media	1,800	2,436	(636)
Other expenditures	925	-	925
<b>Total school administration</b>	<b>169,948</b>	<b>176,390</b>	<b>(6,442)</b>

**Hydaburg City School District**  
**General (School Operating) Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual, continued**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Expenditures, continued</b>			
School administration support services:			
Non-certificated salaries	22,200	29,949	(7,749)
Employee benefits	11,432	5,515	5,917
Staff travel	-	220	(220)
Utility services	-	318	(318)
Other purchased services	-	183	(183)
Supplies, materials, and media	500	1,181	(681)
Other expenditures	-	99	(99)
<b>Total school administration support services</b>	<b>34,132</b>	<b>37,465</b>	<b>(3,333)</b>
District administration:			
Employee benefits	450	711	(261)
Professional and technical services	58,500	73,583	(15,083)
Staff travel	15,000	29,850	(14,850)
Student travel	-	3,044	(3,044)
Utility services	2,500	5,658	(3,158)
Supplies, materials, and media	1,250	646	604
Tuition and stipends	5,500	8,600	(3,100)
Other expenditures	5,000	10,363	(5,363)
<b>Total district administration</b>	<b>88,200</b>	<b>132,455</b>	<b>(44,255)</b>
District administration support services:			
Professional and technical services	\$ 74,800	\$ 126,206	\$ (51,406)
Staff travel	-	322	(322)
Utility services	1,500	215	1,285
Energy	-	36	(36)
Other purchased services	5,300	6,703	(1,403)
Insurance and bonds premiums	7,260	19,262	(12,002)
Supplies, materials, and media	3,500	3,708	(208)
Other expenditures	2,000	1,166	834
Indirect cost recovery	(3,712)	(3,910)	198
<b>Total district administration support services</b>	<b>90,648</b>	<b>153,708</b>	<b>(63,060)</b>

**Hydaburg City School District**  
**General (School Operating) Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual, continued**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Expenditures, continued</b>			
Operations and maintenance of plant:			
Non-certificated salaries	41,553	91,277	(49,724)
Employee benefits	10,485	13,557	(3,072)
Professional and technical services	12,500	1,771	10,729
Staff travel	1,200	196	1,004
Utility services	41,309	53,216	(11,907)
Energy	182,465	135,501	46,964
Other purchased services	20,000	38,498	(18,498)
Insurance and bond premiums	35,000	20,965	14,035
Supplies, materials, and media	27,500	21,488	6,012
Other expenditures	20	77	(57)
<b>Total operations and maintenance of plant</b>	<b>372,032</b>	<b>376,546</b>	<b>(4,514)</b>
Student activities:			
Certificated salaries	15,000	7,248	7,752
Non-certificated salaries	13,000	30,389	(17,389)
Employee benefits	6,707	8,001	(1,294)
Professional and technical services	300	-	300
Staff travel	5,500	31,546	(26,046)
Student travel	34,000	43,745	(9,745)
Other purchased services	2,000	63,375	(61,375)
Supplies, materials, and media	3,000	8,705	(5,705)
Other expenditures	3,000	1,051	1,949
<b>Total student activities</b>	<b>82,507</b>	<b>194,060</b>	<b>(111,553)</b>
<b>Total Expenditures</b>	<b>2,082,503</b>	<b>2,295,141</b>	<b>(212,638)</b>
Excess (deficiency) of revenues over expenditures	\$ 85,243	\$ (10,630)	\$ (95,873)
<b>Other Financing Uses</b>			
Transfers out	-	(231,529)	(231,529)
<b>Net Change in Fund Balance</b>	<b><u>\$ 85,243</u></b>	<b>(242,159)</b>	<b><u>\$ (327,402)</u></b>
<b>Fund Balance, beginning</b>		<b><u>386,089</u></b>	
<b>Fund Balance, ending</b>		<b><u>\$ 143,930</u></b>	

**Hydaburg City School District  
Nonmajor Special Revenue Funds  
Combining Balance Sheet**

<i>June 30, 2016</i>	Rural Cap Canoe	Peace Health Canoe	Food Service	Fresh Fruits and Vegetables	Carl Perkins Basic	Title I-C Migrant Education	Title IIA Principal and Teacher Training
<b>Assets</b>							
Cash and cash equivalents	\$ 3,925	\$ -	\$ 33,627	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	1,398	6,012	1,520	10,211	14,522	4,319
Inventory	-	-	10,820	-	-	-	-
<b>Total Assets</b>	<b>\$ 3,925</b>	<b>\$ 1,398</b>	<b>\$ 50,459</b>	<b>\$ 1,520</b>	<b>\$ 10,211</b>	<b>\$ 14,522</b>	<b>\$ 4,319</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	3,925	-	-	-	-	-	-
Due to other funds	-	1,398	-	1,520	10,211	14,522	4,319
<b>Total Liabilities</b>	<b>3,925</b>	<b>1,398</b>	<b>-</b>	<b>1,520</b>	<b>10,211</b>	<b>14,522</b>	<b>4,319</b>
<b>Fund Balances</b>							
Nonspendable	-	-	10,820	-	-	-	-
Assigned	-	-	39,639	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>50,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,925</b>	<b>\$ 1,398</b>	<b>\$ 50,459</b>	<b>\$ 1,520</b>	<b>\$ 10,211</b>	<b>\$ 14,522</b>	<b>\$ 4,319</b>

**Hydaburg City School District**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet, continued**

<i>June 30, 2016</i>	RUS Distance Telemedicine	Indian Education	Reap	AKSIS	CIRI Foundation JWM	AASB SEL	Crossett	Totals
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ 200	\$ 514	\$ -	\$ 2,096	\$ -	\$ 4,343	\$ 44,705
Accounts receivable	16,341	-	-	3,928	-	10,225	-	68,476
Inventory	-	-	-	-	-	-	-	10,820
<b>Total Assets</b>	<b>\$ 16,341</b>	<b>\$ 200</b>	<b>\$ 514</b>	<b>\$ 3,928</b>	<b>\$ 2,096</b>	<b>\$ 10,225</b>	<b>\$ 4,343</b>	<b>\$ 124,001</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
Unearned revenue	-	-	514	-	2,096	-	4,343	10,878
Due to other funds	16,341	-	-	3,928	-	10,225	-	62,464
<b>Total Liabilities</b>	<b>16,341</b>	<b>200</b>	<b>514</b>	<b>3,928</b>	<b>2,096</b>	<b>10,225</b>	<b>4,343</b>	<b>73,542</b>
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	10,820
Assigned	-	-	-	-	-	-	-	39,639
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,459</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,341</b>	<b>\$ 200</b>	<b>\$ 514</b>	<b>\$ 3,928</b>	<b>\$ 2,096</b>	<b>\$ 10,225</b>	<b>\$ 4,343</b>	<b>\$ 124,001</b>

**Hydaburg City School District**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

<i>Year Ended June 30, 2016</i>	Staff Develop- ment	Peace Health Canoe	Food Service	Fresh Fruits and Vegetables	AK Nutritional Foods	Carl Perkins Basic	Migrant Education Books	Title I-C Migrant Education
<b>Revenues</b>								
Local sources	\$ -	\$ 6,398	\$ 75	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	5,357	-	-	-	472	-	-	-
Federal sources:								
Direct	-	-	-	-	-	-	-	-
Passed through the State of Alaska	-	-	64,058	2,927	-	13,485	731	29,543
<b>Total Revenues</b>	<b>5,357</b>	<b>6,398</b>	<b>64,133</b>	<b>2,927</b>	<b>472</b>	<b>13,485</b>	<b>731</b>	<b>29,543</b>
<b>Expenditures</b>								
Instruction	5,357	6,398	-	-	-	13,201	731	28,921
Special education instruction	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-
District administration support services	-	-	-	-	-	284	-	622
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Food services	-	-	136,227	2,927	472	-	-	-
<b>Total Expenditures</b>	<b>5,357</b>	<b>6,398</b>	<b>136,227</b>	<b>2,927</b>	<b>472</b>	<b>13,485</b>	<b>731</b>	<b>29,543</b>
Excess (deficiency) of revenues over expenditures	-	-	(72,094)	-	-	-	-	-
<b>Other Financing Sources</b>								
Transfers in	-	-	72,094	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, beginning</b>	<b>-</b>	<b>-</b>	<b>50,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,459</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Hydaburg City School District**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued**

<i>Year Ended June 30, 2016</i>	Title IIA Principal and Teacher Training	Title VI-B IDEA	Section 619 Preschool Disabled	RUS Distance Telemedicine	Indian Education	AKSIS	CIRI Foundation JWM	AASB SEL	Crossett	Totals
<b>Revenues</b>										
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,928	\$ 12,920	\$ 10,225	\$ 15,658	\$ 49,204
State sources	-	-	-	-	-	-	-	-	-	5,829
Federal sources:										
Direct	-	-	-	14,769	26,323	-	-	-	-	41,092
Passed through the State of Alaska	27,572	25,291	351	-	-	-	-	-	-	163,958
<b>Total Revenues</b>	<b>27,572</b>	<b>25,291</b>	<b>351</b>	<b>14,769</b>	<b>26,323</b>	<b>3,928</b>	<b>12,920</b>	<b>10,225</b>	<b>15,658</b>	<b>260,083</b>
<b>Expenditures</b>										
Instruction	26,992	-	-	-	25,769	-	12,920	5,395	595	126,279
Special education instruction	-	24,759	344	-	-	-	-	-	-	25,103
Support services - instruction	-	-	-	14,769	-	-	-	-	-	14,769
District administration support services	580	532	7	-	554	-	-	-	-	2,579
Operations and maintenance of plant	-	-	-	-	-	-	-	-	15,063	15,063
Student activities	-	-	-	-	-	3,928	-	-	-	3,928
Community services	-	-	-	-	-	-	-	4,830	-	4,830
Food services	-	-	-	-	-	-	-	-	-	139,626
<b>Total Expenditures</b>	<b>27,572</b>	<b>25,291</b>	<b>351</b>	<b>14,769</b>	<b>26,323</b>	<b>3,928</b>	<b>12,920</b>	<b>10,225</b>	<b>15,658</b>	<b>332,177</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	(72,094)
<b>Other Financing Sources</b>										
Transfers in	-	-	-	-	-	-	-	-	-	72,094
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,459</b>
<b>Fund Balances, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,459</b>

**Hydaburg City School District**  
**Staff Development**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
State sources	\$ 10,000	\$ 5,357	\$ (4,643)
<b>Expenditures</b>			
Instruction - staff travel	10,000	5,357	4,643
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund Balance, beginning</b>		<u>-</u>	
<b>Fund Balance, ending</b>		<u>\$ -</u>	



**Hydaburg City School District**  
**Peace Health Canoe Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Local sources - other	\$ 5,000	\$ 6,398	\$ 1,398
<b>Expenditures</b>			
Instruction:			
Professional and technical services	-	65	(65)
Other purchased services	8,925	1,020	7,905
Supplies, materials, and media	-	5,313	(5,313)
<b>Total Expenditures</b>	<b>8,925</b>	<b>6,398</b>	<b>2,527</b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (3,925)</u></b>	<b>-</b>	<b><u>\$ 3,925</u></b>
Fund Balance, beginning		<u>-</u>	
Fund Balance, ending		<u>\$ -</u>	

**Hydaburg City School District**  
**Food Service Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Local sources	\$ -	\$ 75	\$ 75
Federal sources - passed through the State of Alaska	51,170	64,058	12,888
<b>Total Revenues</b>	51,170	64,133	12,963
<b>Expenditures</b>			
Food services:			
Non-certificated salaries	26,365	44,589	(18,224)
Employee benefits	7,202	10,859	(3,657)
Professional and technical services	3,300	-	3,300
Staff travel	2,000	-	2,000
Supplies, materials, and media	40,500	80,779	(40,279)
Other expenditures	200	-	200
<b>Total Expenditures</b>	79,567	136,227	(56,660)
Excess (deficiency) of revenues over expenditures	(28,397)	(72,094)	(43,697)
<b>Other Financing Sources - transfers in</b>	-	72,094	72,094
<b>Net Change in Fund Balance</b>	<u>\$ (28,397)</u>	-	<u>\$ 28,397</u>
Fund Balance, beginning		<u>50,459</u>	
Fund Balance, ending		<u>\$ 50,459</u>	

**Hydaburg City School District**  
**Fresh Fruits and Vegetables Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Federal sources - passed through the State of Alaska	\$ 3,133	\$ 2,927	\$ (206)
<b>Expenditures</b>			
Food services - supplies, materials, and media	3,133	2,927	206
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning		<u>-</u>	
Fund Balance, ending		<u>\$ -</u>	

**Hydaburg City School District**  
**AK Nutritional Foods Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
State sources	\$ 472	\$ 472	\$ -
<b>Expenditures</b>			
Food services - supplies, materials, and media	472	472	-
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund Balance, beginning</b>		<u>-</u>	
<b>Fund Balance, ending</b>		<u>\$ -</u>	

**Hydaburg City School District**  
**Carl Perkins Basic Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Federal sources - passed through the State of Alaska	\$ 15,000	\$ 13,485	\$ (1,515)
<b>Expenditures</b>			
Instruction:			
Professional and technical services	973	972	1
Employee benefits	451	-	451
Staff travel	2,025	170	1,855
Student travel	92	91	1
Other expenditures	903	-	903
Supplies, materials, and media	10,240	11,968	(1,728)
<b>Total instruction</b>	<b>14,684</b>	<b>13,201</b>	<b>1,483</b>
District administration support services - indirect costs	316	284	32
<b>Total Expenditures</b>	<b>15,000</b>	<b>13,485</b>	<b>1,515</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning</b>		<b>-</b>	
<b>Fund Balance, ending</b>		<b>\$ -</b>	

**Hydaburg City School District**  
**Migrant Education Books Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Federal sources - passed through the State of Alaska	\$ 737	\$ 731	\$ (6)
<b>Expenditures</b>			
Instruction - supplies, materials, and media	737	731	6
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning		<u>-</u>	
Fund Balance, ending		<u>\$ -</u>	

**Hydaburg City School District**  
**Title I-C Migrant Education Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Federal sources - passed through the State of Alaska	\$ 29,543	\$ 29,543	\$ -
<b>Expenditures</b>			
Instruction:			
Certificated salaries	1,100	4,789	(3,689)
Non-certificated salaries	13,063	13,642	(579)
Employee benefits	3,680	4,066	(386)
Professional and technical services	1,459	1,459	-
Student travel	4,800	25	4,775
Supplies, materials, and media	4,624	4,940	(316)
Other expenditures	200	-	200
<b>Total instruction</b>	<b>28,926</b>	<b>28,921</b>	<b>5</b>
District administration support services - indirect costs	617	622	(5)
<b>Total Expenditures</b>	<b>29,543</b>	<b>29,543</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning</b>		<b>-</b>	
<b>Fund Balance, ending</b>		<b>\$ -</b>	

## Hydaburg City School District

Title IIA Principal and Teacher Training and Recruitment Special Revenue Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Federal sources - passed through the State of Alaska	\$ 27,744	\$ 27,572	\$ (172)
<b>Expenditures</b>			
Instruction:			
Certificated salaries	600	-	600
Non-certificated salaries	600	539	61
Employee benefits	680	121	559
Transportation allowance	10,600	10,600	-
Professional and technical services	4,002	3,919	83
Staff travel	8,400	8,529	(129)
Supplies, materials, and media	413	144	269
Other expenditures	1,865	3,140	(1,275)
<b>Total instruction</b>	<b>27,160</b>	<b>26,992</b>	<b>168</b>
District administration support services - indirect costs	584	580	4
<b>Total Expenditures</b>	<b>27,744</b>	<b>27,572</b>	<b>172</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	



**Hydaburg City School District**  
**Title VI-B IDEA Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Federal sources - passed through the State of Alaska	\$ 25,291	\$ 25,291	\$ -
<b>Expenditures</b>			
Special education instruction:			
Certificated salaries	200	200	-
Employee benefits	100	93	7
Professional and technical services	21,617	21,617	-
Supplies, materials and media	2,842	2,849	(7)
<b>Total special education instruction</b>	<b>24,759</b>	<b>24,759</b>	<b>-</b>
District administration support services - indirect costs	532	532	-
<b>Total Expenditures</b>	<b>25,291</b>	<b>25,291</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning</b>		<b>-</b>	
<b>Fund Balance, ending</b>		<b>\$ -</b>	

**Hydaburg City School District**  
**Section 619 Preschool Disabled Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Federal sources - passed through the State of Alaska	\$ 459	\$ 351	\$ (108)
<b>Expenditures</b>			
Special education instruction:			
Professional and technical services	100	100	-
Supplies, materials and media	349	244	105
Total special education instruction	449	344	105
District administration support services - indirect costs	10	7	3
<b>Total Expenditures</b>	<b>459</b>	<b>351</b>	<b>108</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Hydaburg City School District**  
**RUS Distance Telemedicine Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Federal sources - direct	\$ 262,837	\$ 14,769	\$ (248,068)
<b>Expenditures</b>			
Support services - Instruction:			
Professional and technical services	6,000	3,400	2,600
Supplies, materials and media	256,837	4,816	252,021
Equipment	-	6,553	(6,553)
<b>Total Expenditures</b>	<b>262,837</b>	<b>14,769</b>	<b>248,068</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning</b>		<b>-</b>	
<b>Fund Balance, ending</b>		<b>\$ -</b>	

**Hydaburg City School District**  
**Indian Education Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Federal sources - direct	\$ 26,323	\$ 26,323	\$ -
<b>Expenditures</b>			
Instruction:			
Non-certificated salaries	17,390	18,431	(1,041)
Employee benefits	475	2,691	(2,216)
Professional and technical services	2,728	3,224	(496)
Staff travel	3,168	-	3,168
Other purchased services	-	390	(390)
Supplies, materials, and media	2,008	1,033	975
<b>Total instruction</b>	<b>25,769</b>	<b>25,769</b>	<b>-</b>
District administration support services - indirect costs	554	554	-
<b>Total Expenditures</b>	<b>26,323</b>	<b>26,323</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Hydaburg City School District**  
**AKSIS Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Other local sources	\$ -	\$ 3,928	\$ 3,928
<b>Expenditures</b>			
Student activities:			
Certificated salaries	-	3,400	(3,400)
Employee benefits	-	528	(528)
<b>Total Expenditures</b>	-	3,928	(3,928)
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning		<u>-</u>	
Fund Balance, ending		<u>\$ -</u>	

**Hydaburg City School District**  
**CIRI Foundation JWM Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Other local sources	\$ -	\$ 12,920	\$ 12,920
<b>Expenditures</b>			
Instruction:			
Non-certificated salaries	4,575	4,481	94
Employee benefits	425	767	(342)
Professional and technical services	5,000	-	5,000
Supplies, materials, and media	15,016	7,672	7,344
<b>Total Expenditures</b>	<b>25,016</b>	<b>12,920</b>	<b>12,096</b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (25,016)</u></b>	<b>\$ -</b>	<b><u>\$ 25,016</u></b>
Fund Balance, beginning		<u>-</u>	
Fund Balance, ending		<u>\$ -</u>	

**Hydaburg City School District**  
**AASB SEL Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Other local sources	\$ -	\$ 10,225	\$ 10,225
<b>Expenditures</b>			
Instruction - supplies, materials, and media	-	5,395	(5,395)
Community services:			
Certificated salaries	11,000	3,000	8,000
Employee benefits	3,650	1,760	1,890
Professional and technical services	6,350	-	6,350
Staff travel	4,500	70	4,430
Other expenditures	6,000	-	6,000
Supplies, materials, and media	13,500	-	13,500
Total community services	45,000	4,830	40,170
<b>Total Expenditures</b>	45,000	10,225	34,775
<b>Net Change in Fund Balance</b>	<u>\$ (45,000)</u>	-	<u>\$ 45,000</u>
<b>Fund Balance, beginning</b>		-	
<b>Fund Balance, ending</b>		<u>\$ -</u>	

**Hydaburg City School District**  
**Crossett Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2016</i>	Budget	Actual	Variance With Budget
<b>Revenues</b>			
Other local sources	\$ 20,000	\$ 15,658	\$ (4,342)
<b>Expenditures</b>			
Instruction - supplies, materials, and media	-	595	(595)
Operations and maintenance of plant:			
Other purchased services	14,996	14,996	-
Supplies, materials, and media	10,000	67	9,933
Total operations and maintenance of plant	24,996	15,063	9,933
Student activities - supplies, materials, and media	10,000	-	10,000
<b>Total Expenditures</b>	<b>34,996</b>	<b>15,658</b>	<b>19,338</b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (14,996)</u></b>	<b>-</b>	<b><u>\$ 14,996</u></b>
Fund Balance, beginning		<u>-</u>	
Fund Balance, ending		<u>\$ -</u>	



**Hydaburg City School District**  
**Capital Projects Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

*Year Ended June 30, 2016*

<b>Revenues</b>	
Other local sources	\$ 22
<b>Expenditures</b>	
Operations and maintenance of plant:	
Other purchased services	15,741
Supplies, materials, and media	24,252
<b>Total Expenditures</b>	<b>39,993</b>
Deficiency of revenues over expenditures	(39,971)
<b>Other Financing Sources - transfers in</b>	<b>115,000</b>
<b>Net Change in Fund Balance</b>	<b>75,029</b>
<b>Fund Balance, beginning</b>	<b>191,590</b>
<b>Fund Balance, ending</b>	<b>\$ 266,619</b>

**Hydaburg City School District**  
**Student Activities Agency Fund**  
**Schedule of Changes in Assets and Liabilities**

<i>Year Ended June 30, 2016</i>	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<b>Assets</b>				
Cash and cash equivalents	\$ 18,859	\$ 15,807	\$ (12,574)	\$ 22,092
<b>Liabilities</b>				
Due to student groups	\$ 18,859	\$ 15,807	\$ (12,574)	\$ 22,092

**Hydaburg City School District**  
**Schedule of Compliance - AS 14.17.505**  
**Year Ended June 30, 2016**

Total fund balance - School Operating Fund	\$	143,930
less exemptions per 4 AAC 09.160(a):		
Federal impact aid received		76,601
Inventory		11,073
Prepaid items		38,765
<b>Fund Balance Subject to 10% Limitation</b>	<b>\$</b>	<b>17,491</b>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>		17,491	=	0.76%
Current year expenditures		2,295,141		

**Hydaburg City School District**  
**Schedule of State Financial Assistance**  
**Year Ended June 30, 2016**

State Grantor and Program Title	Grant Number	Total Grant Award	State Expenditures
<b>Department of Education and Early Development</b>			
* Public School Foundation Program	FY 2016	\$ 1,784,356	\$ 1,784,356
Quality Schools	FY 2016	4,879	4,879
Teacher Retention - Moore Settlement	WQ 16.HGSD.01	27,000	12,073
Nutritional Alaskan Foods in Schools	15-NAF-365	472	472
<b>Total Department of Education and Early Development</b>			<u>1,801,780</u>
<b>Department of Administration</b>			
* TRS On-Behalf	ER 709	111,978	111,978
PERS On-Behalf	ER 168	8,007	8,007
<b>Total Department of Administration</b>			<u>119,985</u>
<b>Total State Financial Assistance</b>			<u>\$ 1,921,765</u>

\* Denotes major program

**Note 1. Basis of Presentation**

The accompanying schedule of state financial assistance (the "Schedule") includes the state grant activity of Hydaburg City School District under programs of the state government for the year ended June 30, 2016. 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 Hydaburg City School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Hydaburg City School District.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

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# Single Audit Reports

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## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Members of the School Board  
Hydaburg City School District  
Hydaburg, 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 the Hydaburg City School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Hydaburg City School District's basic financial statements, and have issued our report thereon dated December 6, 2016.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Hydaburg City School District's internal control over financial reporting (internal control) to determine the 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 Hydaburg City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Hydaburg 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Hydaburg 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 determination of financial statement amounts. 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.

*BDO USA, LLP*

Anchorage, Alaska  
December 6, 2016





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Anchorage, AK 99503

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

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

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

We have audited Hydaburg City School District's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of Hydaburg City School District's major state programs for the year ended June 30, 2016. Hydaburg City School District's major state programs are identified in the accompanying schedule of state financial assistance.

#### ***Management's Responsibility***

Management is responsible for compliance with laws, regulations, contracts, and grants applicable to its state programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Hydaburg City School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Hydaburg City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Hydaburg City School District's compliance.

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

In our opinion, Hydaburg 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, 2016

### **Report on Internal Control Over Compliance**

Management of Hydaburg City School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hydaburg City School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hydaburg City School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*BDO USA, LLP*

Anchorage, Alaska  
December 6, 2016

# Hydaburg City School District

## Schedule of Findings and Questioned Costs Year Ended June 30, 2016

### Section I - Summary of Auditor's Results

#### *Financial Statements*

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> (none reported)
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

#### *State Financial Assistance*

Type of auditor's report issued on compliance for major state programs:	Unmodified	
Internal control over major state programs:		
Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> no
Dollar threshold used to distinguish a state major program:		\$ 75,000

### Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

### Section IV - State Award Findings and Questioned Costs

There were no findings and questioned costs for State awards (as defined in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*) that are required to be reported.