

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

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

Year Ended June 30, 2024

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

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CRAIG CITY SCHOOL DISTRICT

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Independent Auditor's Report

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Craig City School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Craig City School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Craig City School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Craig City School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Craig City School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Craig City School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of revenues, expenditures, and changes in fund balance - original and final budget and actual for major funds, and the District's proportionate share of the net pension/OPEB liabilities/assets, schedules of the District's contributions and the notes to required supplementary information on pages 41-52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

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

Members of the School Board
Craig City School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2024 on our consideration of the Craig City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Craig City School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Craig City School District's internal control over financial reporting and compliance.

Altman, Rogers & Co.

Anchorage, Alaska
November 6, 2024

CRAIG CITY SCHOOL DISTRICT

Statement of Net Position

June 30, 2024

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| <u>Assets and Deferred Outflows of Resources</u> | |
| Current assets: | |
| Cash and cash equivalents | \$ 2,783,173 |
| Accounts receivable | 321,723 |
| Inventory | 40,317 |
| Total current assets | <u>3,145,213</u> |
| Long-term assets: | |
| Capital assets | 2,061,923 |
| Accumulated depreciation and amortization | (1,033,069) |
| OPEB assets | 2,068,936 |
| Total long-term assets | <u>3,097,790</u> |
| Deferred outflows of resources - | |
| Pension and OPEB deferrals | <u>603,333</u> |
| Total assets and deferred outflows of resources | <u>6,846,336</u> |
| <u>Liabilities and Deferred Inflows of Resources</u> | |
| Current liabilities: | |
| Accounts payable | 68,302 |
| Payroll accruals and liabilities | 349,755 |
| Accrued leave | 12,454 |
| Due to Scholarships Custodial Fund | 4,077 |
| Unearned revenue | 495,696 |
| Current portion of lease liabilities | 58,342 |
| Total current liabilities | <u>988,626</u> |
| Non-current liabilities: | |
| Lease liabilities | 21,308 |
| Net pension and OPEB liabilities | 3,647,756 |
| Total non-current liabilities | <u>3,669,064</u> |
| Deferred inflows of resources - | |
| Pension and OPEB deferrals | <u>120,369</u> |
| Total liabilities and deferred inflows of resources | <u>4,778,059</u> |
| <u>Net Position</u> | |
| Net investment in capital assets | 949,204 |
| Unrestricted | 1,119,073 |
| Total net position | <u>\$ 2,068,277</u> |

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

CRAIG CITY SCHOOL DISTRICT

Statement of Activities

June 30, 2024

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) |
|--|--------------|----------------------|------------------------------------|----------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position |
| | | | | | Total Governmental Activities |
| Governmental Activities: | | | | | |
| Instruction | \$ 3,039,846 | - | 288,307 | - | (2,751,539) |
| Special education instruction | 566,134 | - | 173,067 | - | (393,067) |
| Special education support services - students | 344,613 | - | 4,174 | - | (340,439) |
| Support services - students | 195,105 | - | 115,913 | - | (79,192) |
| Support services - instruction | 1,343,203 | - | 295,499 | - | (1,047,704) |
| School administration | 431,619 | - | 20,485 | - | (411,134) |
| School administration support services | 418,199 | - | 3,341 | - | (414,858) |
| District administration | 198,848 | - | 8,923 | - | (189,925) |
| District administration support services | 324,618 | - | 27,505 | - | (297,113) |
| Operations and maintenance of plant | 1,268,415 | 24,000 | 3,961 | 601,920 | (638,534) |
| Student activities | 255,083 | - | 2,387 | - | (252,696) |
| Student transportation - to and from school | 151,557 | - | 105,080 | - | (46,477) |
| Food services | 269,121 | - | 268,471 | - | (650) |
| Total governmental activities | \$ 8,806,361 | 24,000 | 1,317,113 | 601,920 | (6,863,328) |
| General revenues: | | | | | |
| City of Craig appropriations | | | | \$ 766,977 | |
| Grants not restricted to specific programs | | | | 6,171,573 | |
| Unrestricted investments and interest earnings | | | | 5,973 | |
| E-rate | | | | 57,938 | |
| Other | | | | 23,391 | |
| Total general revenues | | | | 7,025,852 | |
| Change in net position | | | | | 162,524 |
| Net position, beginning of year | | | | | 1,905,753 |
| Net position, end of year | | | | | \$ 2,068,277 |

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

CRAIG CITY SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2024

| | School Operating Fund | Special Projects Capital Project Fund | Other Governmental Funds | Total Governmental Funds |
|--------------------------------------|-----------------------------|---|--------------------------------|--------------------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 1,757,605 | 1,025,568 | - | 2,783,173 |
| Accounts receivable | 26,091 | - | 295,632 | 321,723 |
| Due from other funds | 548,139 | 1,791,892 | 122,315 | 2,462,346 |
| Inventory | 27,933 | - | 12,384 | 40,317 |
| Total assets | <u>\$ 2,359,768</u> | <u>2,817,460</u> | <u>430,331</u> | <u>5,607,559</u> |
| <u>Liabilities and Fund Balances</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | 54,151 | 11,676 | 2,475 | 68,302 |
| Payroll accruals and liabilities | 301,681 | - | 48,074 | 349,755 |
| Due to Scholarships Custodial Fund | 4,077 | - | - | 4,077 |
| Due to other funds | 1,914,207 | - | 548,139 | 2,462,346 |
| Unearned revenue | - | 493,295 | 2,401 | 495,696 |
| Total liabilities | <u>2,274,116</u> | <u>504,971</u> | <u>601,089</u> | <u>3,380,176</u> |
| Fund balances: | | | | |
| Nonspendable | 27,933 | - | 12,384 | 40,317 |
| Committed | 189,377 | 2,312,489 | 79,082 | 2,580,948 |
| Unassigned | (131,658) | - | (262,224) | (393,882) |
| Total fund balances | <u>85,652</u> | <u>2,312,489</u> | <u>(170,758)</u> | <u>2,227,383</u> |
| Total liabilities and fund balances | <u>\$ 2,359,768</u> | <u>2,817,460</u> | <u>430,331</u> | <u>5,607,559</u> |

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

CRAIG CITY SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position

June 30, 2024

| | | |
|--|-------------|---------------------|
| Fund balances - total governmental funds | | \$ 2,227,383 |
| Amounts reported for <i>governmental activities</i> in the statement of activities are different because: | | |
| Capital assets used in governmental activities are not financial resources and are not reported in the funds. | | 1,028,854 |
| Long term liabilities are not due and payable in the current period and therefore are not reported in the funds. | | |
| Accrued leave | (12,454) | |
| Lease liabilities | (79,650) | (92,104) |
| | | |
| Proportionate share of the collective net pension and OPEB assets: | | |
| PERS | 772,437 | |
| TRS | 1,296,499 | 2,068,936 |
| | | |
| Proportionate share of the collective net pension and OPEB liabilities: | | |
| PERS | (1,627,648) | |
| TRS | (2,020,108) | (3,647,756) |
| | | |
| Deferred inflow and outflow of resources are the results of timing differences in the actuarial report: | | |
| Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources: | | |
| PERS | 236,801 | |
| TRS | 366,532 | 603,333 |
| | | |
| Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources: | | |
| PERS | (44,228) | |
| TRS | (76,141) | (120,369) |
| | | |
| Net position of governmental activities | | \$ <u>2,068,277</u> |

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

CRAIG CITY SCHOOL DISTRICT

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

June 30, 2024

| | School Operating Fund | Special Projects Capital Project Fund | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------------|---|--------------------------------|--------------------------------|
| Revenues: | | | | |
| Local sources: | | | | |
| Charges for services | \$ - | - | 24,000 | 24,000 |
| Earnings on investments | 15,916 | - | - | 15,916 |
| E-rate | 57,938 | - | - | 57,938 |
| Other | 13,448 | - | - | 13,448 |
| Intergovernmental: | | | | |
| City of Craig | 766,977 | - | - | 766,977 |
| State of Alaska | 5,811,788 | 285,238 | 104,202 | 6,201,228 |
| Federal sources | 719,573 | - | 1,320,176 | 2,039,749 |
| Total revenues | <u>7,385,640</u> | <u>285,238</u> | <u>1,448,378</u> | <u>9,119,256</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 3,162,960 | - | 192,155 | 3,355,115 |
| Special education instruction | 488,873 | - | 155,287 | 644,160 |
| Special education support services - students | 355,038 | - | - | 355,038 |
| Support services - students | 29,794 | - | 191,394 | 221,188 |
| Support services - instruction | 1,221,386 | - | 172,048 | 1,393,434 |
| School administration | 482,773 | - | - | 482,773 |
| School administration support services | 464,415 | - | - | 464,415 |
| District administration | 221,129 | - | - | 221,129 |
| District administration support services | 321,335 | - | 25,806 | 347,141 |
| Operations and maintenance of plant | 1,236,219 | - | 11,727 | 1,247,946 |
| Student activities | 264,145 | - | - | 264,145 |
| Student transportation - to and from school | - | - | 274,112 | 274,112 |
| Food services | - | - | 292,180 | 292,180 |
| Debt service: | | | | |
| Interest on long-term debt | 6,295 | - | - | 6,295 |
| Redemption of principal on long-term debt | 65,333 | - | - | 65,333 |
| Construction and facilities acquisition | - | 316,931 | 420,633 | 737,564 |
| Total expenditures | <u>8,319,695</u> | <u>316,931</u> | <u>1,735,342</u> | <u>10,371,968</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(934,055)</u> | <u>(31,693)</u> | <u>(286,964)</u> | <u>(1,252,712)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 74,338 | 74,338 |
| Transfers out | - | (74,338) | - | (74,338) |
| Net other financing sources (uses) | <u>-</u> | <u>(74,338)</u> | <u>74,338</u> | <u>-</u> |
| Net change in fund balance | (934,055) | (106,031) | (212,626) | (1,252,712) |
| Fund balances, beginning of year | <u>1,019,707</u> | <u>2,418,520</u> | <u>41,868</u> | <u>3,480,095</u> |
| Fund balances, end of year | <u>\$ 85,652</u> | <u>2,312,489</u> | <u>(170,758)</u> | <u>2,227,383</u> |

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

CRAIG CITY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities

Year Ended June 30, 2024

| | | |
|---|----|-------------|
| Net change in fund balance - total government funds | \$ | (1,252,712) |
|---|----|-------------|

Amounts reported for *governmental activities* in the statement of activities are different because:

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

Change in unfunded net pension and OPEB liability and asset:

| | | |
|------|----------------|---------|
| PERS | 229,160 | |
| TRS | <u>349,679</u> | 578,839 |

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

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

| | | |
|------|-----------------|-------|
| PERS | 15,440 | |
| TRS | <u>(11,591)</u> | 3,849 |

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

| | | |
|--------------------------------------|---------------|--------|
| Accrued leave | (1,022) | |
| Principal payments on long-term debt | <u>71,084</u> | 70,062 |

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

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

| | | |
|---------------------------------------|------------------|----------------|
| Capital outlay | 864,920 | |
| Depreciation and amortization expense | <u>(102,434)</u> | <u>762,486</u> |

| | | |
|---|----|-----------------------|
| Change in net position of governmental activities | \$ | <u><u>162,524</u></u> |
|---|----|-----------------------|

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

CRAIG CITY SCHOOL DISTRICT

Statement of Fiduciary Net Position

June 30, 2024

| | <u>Scholarships Custodial Fund</u> | <u>Student Activities Custodial Fund</u> | <u>Total Custodial Funds</u> |
|--|--|--|--------------------------------------|
| <u>Assets</u> | | | |
| Cash and cash equivalents | \$ 51,262 | 177,660 | 228,922 |
| Due from School Operating Fund | 4,077 | - | 4,077 |
| Total assets | <u>\$ 55,339</u> | <u>177,660</u> | <u>232,999</u> |
| <u>Net Position</u> | | | |
| Fiduciary net position - held for others | <u>\$ 55,339</u> | <u>177,660</u> | <u>232,999</u> |

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

CRAIG CITY SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

| | <u>Scholarships Custodial Fund</u> | <u>Student Activities Custodial Fund</u> | <u>Total Custodial Funds</u> |
|---------------------------------|--|--|--------------------------------------|
| Additions: | | | |
| Donations | \$ 1,092 | 94,744 | 95,836 |
| Deductions: | | | |
| Scholarships awarded | 1,540 | - | 1,540 |
| Program expenses | - | 79,848 | 79,848 |
| Total deductions | <u>1,540</u> | <u>79,848</u> | <u>81,388</u> |
| Changes in net position | <u>(448)</u> | <u>14,896</u> | <u>14,448</u> |
| Net position, beginning of year | <u>55,787</u> | <u>162,764</u> | <u>218,551</u> |
| Net position, end of year | <u>\$ 55,339</u> | <u>177,660</u> | <u>232,999</u> |

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

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CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Pursuant to Alaska Statutes, Title 29.43.030, the City of Craig (City) has the responsibility of establishing, maintaining and operating a system of public schools. The City has delegated the administrative responsibilities for these functions to the School Board of the Craig City School District. Members of the School Board are elected by the public. The School Board has control over hiring and firing of employees and the power to contract and purchase equipment. The School Board is required to submit an annual budget to the City Council for approval, and all bonded indebtedness is through the City. The City Council, as the oversight authority, approves the total annual budget of the District and may during the year, increase or decrease the total City appropriation at the request of the School Board. The School Board has the authority to establish its own budgets, hire all personnel, and manage its financial operation subject to the limitations established by State Law and City Charter. Based on the criteria of financial interdependency, budget approval, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, Craig City School District constitutes a component unit of the City of Craig. There were no entities, which meet the above criteria for inclusion as a component unit, which have been included or excluded in the accompanying financial report at June 30, 2024. The accompanying financial statements include all the activities of the District.

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not presently have any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the Government-Wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

The District reports the following major governmental funds:

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

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

Additionally, the District reports the following fiduciary funds:

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

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

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

Intergovernmental Revenue

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Local Revenue

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

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

Estimates

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

Indirect Costs

The State of Alaska, Department of Education and Early Development annually establishes an approved indirect rate for each District based on audited financial statements. The rate is based on expenditures recorded per requirements in the Uniform Chart of Accounts for School Districts and as such there is no indirect cost pool. Indirect costs and indirect cost recovery is recorded in the District Administration Support Services function.

D. Assets, Liabilities and Equity

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. There are no statutory limitations on the type of investment allowed.

2. Short-term Interfund Receivables and Payables

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

3. Inventory and Prepaid Items

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

4. Capital Assets

Capital assets used in governmental fund types of the District are recorded in the Government-Wide Financial Statements at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets are defined by the District as assets with an initial, individual cost over \$5,000 and an estimated life greater than one year. Capital assets in the Government-Wide Financial Statements are depreciated on the straight-line method. Interest incurred during construction is not capitalized on the Government-Wide Financial Statements.

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

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

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

5. Leases

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

6. Unearned Revenue

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

7. Deferred Inflows/Outflows

Deferred inflows of resources are the acquisition of fund balance/net position by the District that are applicable to a future reporting period. Deferred outflows of resources are the consumption of fund balance/net position by the District that are applicable to a future reporting period.

8. Accrued Leave

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

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

10. Net Position

In the Government-wide Financial Statements, net position is divided into three components:

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

11. Fund Balance

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

- Nonspendable fund balance – amounts that are legally or contractually required to be maintained intact (such as the corpus of an endowment fund) or amounts that are not in a spendable form (such as inventory, prepaid items, supplies, and long-term receivables). Such constraint is binding until the legal or contractual requirement is repealed or the amounts become spendable.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation. Such constraint is binding unless modified or rescinded by external body, laws, or regulation.
- Committed fund balance – amounts that can be used only for the specific purposes determined by a formal action of the School Board. Commitments may be changed or lifted by the Board taking the same formal action that imposed the constraint originally.
- Assigned fund balance – amounts intended to be used by the District for specific purposes: intent can be expressed by the School Board or Superintendent or designee. Such constraint is binding unless modified or eliminated by the Board or Superintendent. In governmental funds other than the School Operating Fund, assigned fund balance represents the amount that is not restricted or committed.
- Unassigned fund balance – amounts not contained in the other classifications and available for any purpose. Positive unassigned amounts will be reported only in the School Operating Fund. If another governmental fund, other than the School Operating Fund, has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The order of spending, regarding the restricted and unrestricted fund balance when an expenditure is incurred for which both restricted and unrestricted fund balance is available should first reduce restricted fund balance and then unrestricted fund balance. The order of spending regarding unrestricted fund balance is that committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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

12. Fair Value of Financial Instruments

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

B. Deficit Fund Balances

The following non major funds had deficit fund balance as of June 30, 2024:

Student transportation Special Revenue Fund
AEA Boiler Capital Project Fund

The deficits will be covered by future revenues or transfers from the School Operating or Special Projects Capital Project Funds.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The District maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is reported on the combined balance sheet as "Cash and cash equivalents" or amounts "due to/from other funds." All deposits are carried at fair value plus accrued interest.

Custodial Credit Risk

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

Any amount in excess of FDIC limits is collateralized with securities held by the District's agent in the District's name. All deposits are carried at fair market value plus accrued interest. The School District's deposits and investment policy require all deposits to be fully insured or collateralized.

As of June 30, 2024, the District's cash and cash equivalents were fully insured and collateralized.

B. Receivables

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

| | School Operating Fund | Other Governmental Funds | Total |
|--------|-----------------------------|--------------------------------|----------------|
| Other | \$ 26,091 | - | 26,091 |
| Grants | - | 295,632 | 295,632 |
| Total | <u>\$ 26,091</u> | <u>295,632</u> | <u>321,723</u> |

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

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CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

C. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

| | <u>Balances</u> <u>July 1, 2023</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balances</u> <u>June 30, 2024</u> |
|---|--|------------------|------------------|---|
| Governmental activities: | | | | |
| Capital assets, not being depreciated – | | | | |
| Construction in process | \$ - | 737,564 | - | 737,564 |
| Capital assets, being depreciated and amortized: | | | | |
| Infrastructure and buildings | 369,152 | - | - | 369,152 |
| Vehicles and equipment | 676,457 | 127,356 | - | 803,813 |
| Right-to-use assets | 279,110 | - | (127,716) | 151,394 |
| Total capital assets being depreciated and amortized | <u>1,324,719</u> | <u>127,356</u> | <u>(127,716)</u> | <u>1,324,359</u> |
| Less accumulated depreciation and amortization: | | | | |
| Infrastructure and buildings | (352,699) | (2,057) | - | (354,756) |
| Vehicles and equipment | (572,845) | (29,295) | - | (602,138) |
| Right-to-use assets | (132,807) | (71,084) | 127,716 | (76,175) |
| Total accumulated depreciation and amortization | <u>(1,058,351)</u> | <u>(102,434)</u> | <u>127,716</u> | <u>(1,033,069)</u> |
| Total assets being depreciated, net | <u>266,368</u> | <u>24,922</u> | <u>-</u> | <u>291,290</u> |
| Total Governmental Capital Assets, Net | <u>\$ 266,368</u> | <u>762,486</u> | <u>-</u> | <u>1,028,854</u> |

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

| | |
|---|-------------------|
| Support services - instruction | \$ 8,347 |
| District administration support services | 2,408 |
| Operations and maintenance of plant | 74,724 |
| Student transportation - to and from school | 16,955 |
| Total | <u>\$ 102,434</u> |

D. Interfund Receivables, Payables and Transfers

Interfund receivables and payables are shown as “due from other funds” and “due to other funds” in each of the individual funds. The balances at June 30, 2024 are as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|--------------------------|--------------------------|---------------------|
| Other Governmental Funds | School Operating Fund | \$ 122,315 |
| Special Projects SRF | School Operating Fund | 1,791,892 |
| School Operating Fund | Other Governmental Funds | 548,139 |
| | | <u>\$ 2,462,346</u> |

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

H. Leases

The District has entered into leases for acquisition and use of buildings and available space. The District was required to make principal and interest payments for these leases in the amount of \$71,628 for the year ended June 30, 2024. The District uses an interest rate of 5% for its lease calculations. The buildings are amortized over the lease term. The value of the lease liability at June 30, 2024 was \$79,650. The value of the right-to use assets at June 30, 2024 was \$151,394. The accumulated amortization at June 30, 2024 was \$76,175.

The future principal and interest lease payments as of June 30, 2024, were as follows:

| Fiscal Year | Principal | Interest | Total |
|-------------|-----------|----------|--------|
| 2025 | \$ 58,342 | 2,613 | 60,955 |
| 2026 | 21,308 | 392 | 21,700 |
| Total | \$ 79,650 | 3,005 | 82,655 |

IV. OTHER INFORMATION

A. Risk Management

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

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

B. Contingent Liabilities

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

The District’s current share of unfunded OPEB liabilities related to TRS between measurement dates changed from an OPEB liability to an OPEB asset. Due to the change, the District’s proportionate share of pension plan expenses is negative for the year. Per GASB 75, the negative proportionate share has been allocated to operating grants and contributions and expenses accordingly. This has caused the operating grants and contributions for special education support services – students, school administration, school administration support services, district administration, operations and maintenance of plant, and student activities to report negative program revenues.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

C. Employee Retirement Systems and Plans

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

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

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

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

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Plan Memberships

The table below includes the plan membership counts from the separately issued financial statements for the various plans:

| | PERS | TRS |
|---|--------|--------|
| Retired plan members or beneficiaries currently receiving benefits | 36,951 | 13,484 |
| Inactive plan members entitled to but not yet receiving benefits | 4,781 | 773 |
| Inactive plan members not entitled to benefits | 9,961 | 1,559 |
| Active plan members | 8,557 | 2,897 |
| Total plan memberships | 60,250 | 18,713 |

Other Postemployment Benefit Plans (OPEB)

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2024, employer contributions were 0.00% for PERS and 0.00% for TRS.

Occupational Death and Disability Plan (ODD)

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 2024, the employer contribution rates were 0.30% for PERS and 0.08% for TRS.

Retiree Medical Plan (RMP)

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended June 30, 2024, employer contributions were 1.01% for PERS and 0.82% for TRS.

Healthcare Reimbursement Arrangement Plan

The Healthcare Reimbursement Arrangement Plan was established to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants. Employer contributions are 3% of the average annual compensation of all employees in the PERS and TRS plans.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Investments

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

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

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return, net of investment expense, for the year ended June 30, 2024 for PERS and TRS for the DB Pension Plans were 7.56% and 7.52%, the ARHCT Plans were 7.64% and 7.64%, the ODD Plans were 7.71% and 7.62%, and the RMP were 7.71% and 7.62%, respectively.

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

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

The long-term expected rate of return on pension and OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below for the PERS and TRS plans (rates shown below exclude an annual inflation component of 2.82%):

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------|--|
| Broad Domestic Equity | 6.17% |
| Global Equity (non-U.S.) | 6.55% |
| Aggregate Bonds | 1.63% |
| Real Assets | 4.87% |
| Private Equity | 11.57% |
| Cash Equivalents | 0.49% |

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.25%, which represents a decrease of 0.13% since the prior measurement period. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.13% as of June 30, 2024.

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

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

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2040. This will result in lower ARM Board Rates in future years.

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

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes. Certain actuarial methods and assumptions for this rate calculation are mandated by the *Governmental Accounting Standards Board* (GASB). Medicare Part D subsidies are not reflected in this rate. The rate uses a 7.25% discount rate.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Employer Contribution rates for the plan year ended 2024 are as follows:

| | Employer Effective Rate | ARM Board Adopted Rate | State Contribution Rate |
|-------------------------------|-------------------------------|---------------------------------|-------------------------------|
| PERS: | | | |
| Pension | 22.00% | 25.10% | 3.10% |
| OPEB | 0.00% | 0.00% | 0.00% |
| Total PERS contribution rates | <u>22.00%</u> | <u>25.10%</u> | <u>3.10%</u> |
| TRS: | | | |
| Pension | 12.56% | 25.52% | 12.96% |
| OPEB | 0.00% | 0.00% | 0.00% |
| Total TRS contribution rates | <u>12.56%</u> | <u>25.52%</u> | <u>12.96%</u> |

Termination Costs: If the District decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular District function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The District must pay to have a termination study completed. The purpose of the study is to calculate the District's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The District must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS and TRS Administrator. For the plan year ended June 30, 2024 (measurement period) the past service rate for PERS and TRS is 16.33%.

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2023 (latest available) were determined by an actuarial valuation as of June 30, 2021 which was rolled forward to the measurement date June 30, 2023. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021.

| | |
|-----------------------------------|---|
| Inflation | 2.50% per year. |
| Salary Increases | Increases range from 2.85% to 8.50% based on service. |
| Investment return / discount rate | 7.25%, net of expenses based on average inflation of 2.50% and a real return of 4.75%. |
| Mortality | Based upon 2017 - 2021 actual experience study and applicable tables contained in Pub-210, projected with MP-2021 generational improvement. |
| Healthcare cost trend rates | Pre-65 medical: 6.7% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Rx/EGWP: 7.2% grading down to 4.5%. Ultimate trend rates reached in FY2050. |

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The actuarial assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions related to the ARHCT plan:

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

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

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

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

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

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

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

Employer contributions for the year ended June 30, 2024, were:

| Pensions (DB) | Other Post-Employment Benefits (DB) | Total |
|-------------------|--|----------------|
| \$ <u>126,248</u> | <u>12,598</u> | <u>138,846</u> |

Public Employees’ Retirement Plans

For the year ended June 30, 2024 the State of Alaska contributed \$30,321 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2023 to a total of \$18,531 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2024, the District reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the District. The amount recognized by the District as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the District were as follows:

| | | |
|---|----|------------------|
| Defined Benefit: | | <u>Pension</u> |
| District's proportionate share of the net pension liability | \$ | 1,627,648 |
| State's proportionate share of the net pension liability | | <u>542,916</u> |
| Total | \$ | <u>2,170,564</u> |
| | | <u>OPEB</u> |
| District's proportionate share of the ARHCT OPEB liability (asset) | \$ | (720,738) |
| State's proportionate share of the ARHCT OPEB liability (asset) | | <u>(241,900)</u> |
| Total | \$ | <u>(962,638)</u> |
| District's proportionate share of the ODD OPEB liability (asset) | \$ | <u>(24,518)</u> |
| District's proportionate share of the RMP OPEB liability (asset) | \$ | <u>(27,181)</u> |
| Total District's share of net pension and OPEB liabilities and assets | \$ | <u>855,211</u> |

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023 and adjusted to reflect updated assumptions. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2024 through FY2039, as determined by projections based on the June 30, 2022 valuation.

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

| | <u>June 30, 2023</u> <u>Measurement</u> | <u>June 30, 2022</u> <u>Measurement</u> | <u>Change</u> |
|---------|--|--|---------------|
| Pension | .03139% | .03573% | (.00434)% |
| OPEB: | | | |
| ARHCT | .03132% | .03540% | (.00408)% |
| ODD | .04779% | .04733% | .00046% |
| RMP | .05724% | .05561% | .00163% |

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2023, the District recognized pension and OPEB expense of \$9,093 and \$90,182, respectively, for the year ended June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

| | Pension | |
|---|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Defined Benefit: | | |
| Differences between expected and actual experience | \$ - | - |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | 42,484 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | - | - |
| District contributions subsequent to the measurement date | 126,248 | - |
| Total | \$ <u>168,732</u> | <u>-</u> |
| | | |
| | OPEB ARHCT | |
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 1,497 | - |
| Changes of assumptions | - | (13,263) |
| Net difference between projected and actual earnings on OPEB plan investments | 32,804 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 13,383 | - |
| District contributions subsequent to the measurement date | - | - |
| Total | \$ <u>47,684</u> | <u>(13,263)</u> |

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

| | OPEB ODD | |
|---|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ - | (6,889) |
| Changes of assumptions | - | (102) |
| Net difference between projected and actual earnings on OPEB plan investments | 566 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 1,150 | (313) |
| District contributions subsequent to the measurement date | 2,885 | - |
| Total | \$ <u>4,601</u> | <u>(7,304)</u> |

| | OPEB RMP | |
|---|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 829 | (877) |
| Changes of assumptions | 2,923 | (22,103) |
| Net difference between projected and actual earnings on OPEB plan investments | 2,278 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 41 | (681) |
| District contributions subsequent to the measurement date | 9,713 | - |
| Total | \$ <u>15,784</u> | <u>(23,661)</u> |

\$126,248 and \$12,598 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended June 30, 2024 (plan year), respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

| Year Ended June 30, | | Pension | OPEB ARHCT | OPEB ODD | OPEB RMP |
|------------------------|----|---------------|---------------|----------------|-----------------|
| 2024 | \$ | (16,113) | (12,655) | (1,290) | (3,623) |
| 2025 | | (35,636) | (29,633) | (1,402) | (4,062) |
| 2026 | | 96,407 | 78,717 | (380) | (241) |
| 2027 | | (2,174) | (2,008) | (1,007) | (4,162) |
| 2028 | | - | - | (820) | (2,977) |
| Thereafter | | - | - | (689) | (2,525) |
| Total | \$ | <u>42,484</u> | <u>34,421</u> | <u>(5,588)</u> | <u>(17,590)</u> |

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2024, the District recognized (\$229,802) and \$70,940 of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

Sensitivity of the Net Pension and OPEB Liabilities and Assets to Changes in the Discount Rate: The following presents the net pension and OPEB liabilities and assets of the plan calculated using the discount rate of 7.25%, as well as what the Plans' net pension and OPEB liabilities and assets would be if they were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Rate (7.25%) | 1% Increase (8.25%) |
|----------------------------------|--------------------------------|---------------------------------|--------------------------------|
| Net pension liability (asset) | \$ 2,185,113 | 1,627,648 | 1,156,755 |
| Net OPEB ARHCT liability (asset) | \$ (479,070) | (720,738) | (923,752) |
| Net OPEB ODD liability (asset) | \$ (23,037) | (24,518) | (25,671) |
| Net OPEB RMP liability (asset) | \$ (944) | (27,181) | (47,223) |

Sensitivity of the District's Proportionate Share of the Net OPEB Liability and Assets to Changes in the Healthcare Cost Trend Rates. The following present the District's proportionate share of the net OPEB liability (asset), as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease | Current Rate | 1% Increase |
|----------------------------------|--------------------|---------------------|--------------------|
| Net OPEB ARHCT liability (asset) | \$ (946,974) | (720,738) | (451,352) |
| Net OPEB ODD liability (asset) | \$ N/A | (24,518) | N/A |
| Net OPEB RMP liability (asset) | \$ (49,912) | (27,181) | 3,353 |

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

Plan Description and Funding Requirements. Districts and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 6.75% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.01% for the retiree medical plan (DB), 0.30% for occupational and death and disability benefits (DB) and 3.00% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is capped at 22.00% with anything in excess of the previously listed rates being contributed to the Defined Benefit Unfunded Liability (DBUL).

Plan members are 100% vested with their contributions.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Members become vested in employers' contributions as follows:

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

The District contributed \$97,282 for the year ended June 30, 2024, which included forfeitures of \$1,668 which have been applied as employer contributions.

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

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

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

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Employer contributions for the year ended June 30, 2024, were:

| Pensions (DB) | Other Post-Employment Benefits (DB) | Total |
|-------------------|--|----------------|
| \$ <u>138,423</u> | <u>17,124</u> | <u>155,547</u> |

Teachers' Retirement Plans

For the year ended June 30, 2024 the State of Alaska contributed \$329,467 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2023 to a total of \$190,886 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2024, the District reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the District. The amount recognized by the District as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the District were as follows:

| | |
|---|-----------------------|
| Defined Benefit: | Pension |
| District's proportionate share of the net pension liability | \$ 2,020,108 |
| State's proportionate share of the net pension liability | <u>3,188,128</u> |
| Total | <u>\$ 5,208,236</u> |
| | OPEB |
| District's proportionate share of the ARHCT OPEB liability (asset) | \$ (1,192,267) |
| State's proportionate share of the ARHCT OPEB liability (asset) | <u>(1,799,339)</u> |
| Total | <u>\$ (2,991,606)</u> |
| District's proportionate share of the ODD OPEB liability (asset) | <u>\$ (24,790)</u> |
| District's proportionate share of the RMP OPEB liability (asset) | <u>\$ (79,442)</u> |
| Total District's share of net pension and OPEB liabilities and assets | <u>\$ 723,609</u> |

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023 and adjusted to reflect updated assumptions. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2024 through FY2039, as determined by projections based on the June 30, 2022 valuation.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

| | June 30, 2023 Measurement | June 30, 2022 Measurement | Change |
|---------|------------------------------|------------------------------|-----------|
| Pension | .11488% | .14975% | (.03487)% |
| OPEB: | | | |
| ARHCT | .11797% | .15290% | (.03493)% |
| ODD | .35829% | .32593% | .03236% |
| RMP | .35864% | .32530% | .03334% |

Based on the measurement date of June 30, 2023, the District recognized pension and OPEB expense of \$100,365 and (\$85,983), respectively, for the year ended June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

| | Pension | |
|---|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Defined Benefit: | | |
| Differences between expected and actual experience | \$ - | - |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | 82,831 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | - | - |
| District contributions subsequent to the measurement date | 138,423 | - |
| Total | \$ <u>221,254</u> | <u>-</u> |
| | | |
| | OPEB ARHCT | |
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 3,285 | - |
| Changes of assumptions | - | (18,854) |
| Net difference between projected and actual earnings on OPEB plan investments | 49,188 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 52,278 | - |
| District contributions subsequent to the measurement date | - | - |
| Total | \$ <u>104,751</u> | <u>(18,854)</u> |

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

| | OPEB ODD | |
|---|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ - | (3,971) |
| Changes of assumptions | - | (49) |
| Net difference between projected and actual earnings on OPEB plan investments | 434 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 596 | (3,941) |
| District contributions subsequent to the measurement date | 1,521 | - |
| Total | \$ <u>2,551</u> | <u>(7,961)</u> |

| | OPEB RMP | |
|---|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 13,789 | (2,758) |
| Changes of assumptions | 3,323 | (38,337) |
| Net difference between projected and actual earnings on OPEB plan investments | 4,517 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 744 | (8,231) |
| District contributions subsequent to the measurement date | 15,603 | - |
| Total | \$ <u>37,976</u> | <u>(49,326)</u> |

\$138,423 and \$17,124 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended June 30, 2024 (plan year), respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

| Year Ended June 30, | | Pension | OPEB ARHCT | OPEB ODD | OPEB RMP |
|------------------------|----|---------------|---------------|----------------|-----------------|
| 2024 | \$ | (35,250) | 17,153 | (1,182) | (5,722) |
| 2025 | | (77,031) | (41,411) | (1,281) | (6,702) |
| 2026 | | 198,763 | 113,108 | (491) | 1,281 |
| 2027 | | (3,651) | (2,953) | (1,158) | (5,480) |
| 2028 | | - | - | (1,091) | (5,225) |
| Thereafter | | - | - | (1,728) | (5,105) |
| Total | \$ | <u>82,831</u> | <u>85,897</u> | <u>(6,931)</u> | <u>(26,953)</u> |

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2024, the District recognized (\$618,725) and \$327,244 of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

Sensitivity of the Net Pension and OPEB Liabilities and Assets to Changes in the Discount Rate: The following presents the net pension and OPEB liabilities and assets of the plan calculated using the discount rate of 7.25%, as well as what the Plans' net pension and OPEB liabilities and assets would be if they were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Rate (7.25%) | 1% Increase (8.25%) |
|----------------------------------|--------------------------------|---------------------------------|--------------------------------|
| Net pension liability | \$ 2,973,725 | 2,020,108 | 1,214,495 |
| Net OPEB ARHCT liability (asset) | \$ (843,192) | (1,192,267) | (1,483,929) |
| Net OPEB ODD liability (asset) | \$ (24,876) | (24,790) | (24,744) |
| Net OPEB RMP liability (asset) | \$ (29,143) | (79,442) | (117,372) |

Sensitivity of the District's Proportionate Share of the Net OPEB Liability and Assets to Changes in the Healthcare Cost Trend Rates. The following present the District's proportionate share of the net OPEB liability (asset), as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease | Current Rate | 1% Increase |
|----------------------------------|--------------------|---------------------|--------------------|
| Net OPEB ARHCT liability (asset) | \$ (1,516,192) | (1,192,267) | (804,219) |
| Net OPEB ODD liability (asset) | \$ N/A | (24,790) | N/A |
| Net OPEB RMP liability (asset) | \$ (122,034) | (79,442) | (21,662) |

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

Plan Description and Funding Requirements. Districts and Public Employers in the State of Alaska have a defined contribution retirement plan for new hires first enrolled on or after July 1, 2006. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8.65% of their base salaries. State statutes require the employer to contribute 7.00% of employees' eligible compensation. Additionally, employers are required to contribute to other post-employment benefits (DB): 0.82% for the retiree medical plan, 0.08% for occupational death and disability, and 3.00% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The employer effective contribution rate is 12.56%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Members become vested in employers' contributions as follows:

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

The District contributed \$183,779 for the year ended June 30, 2024 , which included forfeitures of \$23,331 which have been applied as employer contributions.

D. Subsequent Accounting Pronouncements

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

- GASB 101 *Compensated Absences*. Effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.
- GASB 102 *Certain Risk Disclosures*. Effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.
- GASB 103 *Financial Reporting Model Improvements*: Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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

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

GASB Statement No. 102 will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

GASB Statement No. 103 will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CRAIG CITY SCHOOL DISTRICT

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

Year Ended June 30, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|-----------------------|------------------|-------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Local sources: | | | | |
| Earnings on investments | \$ 1,359 | 15,916 | 15,916 | - |
| E-rate | 74,746 | 57,938 | 57,938 | - |
| Other | 46,800 | 13,448 | 13,448 | - |
| Intergovernmental: | | | | |
| City of Craig | 766,977 | 766,977 | 766,977 | - |
| State of Alaska | 6,035,020 | 5,811,788 | 5,811,788 | - |
| Federal sources | 500,000 | 719,573 | 719,573 | - |
| Total revenues | <u>7,424,902</u> | <u>7,385,640</u> | <u>7,385,640</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 3,683,092 | 3,162,960 | 3,162,960 | - |
| Special education instruction | 758,606 | 488,873 | 488,873 | - |
| Special education support services - students | 286,926 | 355,038 | 355,038 | - |
| Support services - students | 91,957 | 29,794 | 29,794 | - |
| Support services - instruction | 1,411,186 | 1,221,386 | 1,221,386 | - |
| School administration | 481,020 | 482,773 | 482,773 | - |
| School administration support services | 274,542 | 464,415 | 464,415 | - |
| District administration | 196,973 | 221,129 | 221,129 | - |
| District administration support services | 262,797 | 321,335 | 321,335 | - |
| Operations and maintenance of plant | 1,050,609 | 1,236,219 | 1,236,219 | - |
| Student activities | 255,426 | 264,145 | 264,145 | - |
| Debt service: | | | | |
| Interest on long-term debt | 6,295 | 6,295 | 6,295 | - |
| Redemption of principal on long-term debt | 65,333 | 65,333 | 65,333 | - |
| Total expenditures | <u>8,824,762</u> | <u>8,319,695</u> | <u>8,319,695</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,399,860)</u> | <u>(934,055)</u> | <u>(934,055)</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(95,394)</u> | <u>(2,194)</u> | <u>-</u> | <u>(2,194)</u> |
| Net other financing sources (uses) | <u>(95,394)</u> | <u>(2,194)</u> | <u>-</u> | <u>(2,194)</u> |
| Net change in fund balance | \$ <u>(1,495,254)</u> | <u>(936,249)</u> | <u>(934,055)</u> | <u>2,194</u> |
| Fund balance, beginning of year | | | <u>1,019,707</u> | |
| Fund balance, end of year | | | \$ <u>85,652</u> | |

Please see accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2024

| Year | District's Proportion of the Net Pension Liability | District's Proportionate Share of the Net Pension Liability | State of Alaska Proportionate Share of the Net Pension Liability | Total Net Pension Liability | District's Covered Payroll | District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------|--|---|--|-----------------------------|----------------------------|--|--|
| 2015 | 0.0203% | \$ 945,114 | \$ 937,442 | \$ 1,882,556 | \$ 952,873 | 99.19% | 62.37% |
| 2016 | 0.0433% | \$ 2,100,756 | \$ 565,121 | \$ 2,665,877 | \$ 961,766 | 218.43% | 63.96% |
| 2017 | 0.0381% | \$ 2,131,427 | \$ 269,245 | \$ 2,400,672 | \$ 934,595 | 228.06% | 59.55% |
| 2018 | 0.0328% | \$ 1,694,954 | \$ 631,903 | \$ 2,326,857 | \$ 971,355 | 174.49% | 63.37% |
| 2019 | 0.0327% | \$ 1,622,435 | \$ 470,590 | \$ 2,093,025 | \$ 966,073 | 167.94% | 65.19% |
| 2020 | 0.0312% | \$ 1,708,079 | \$ 678,807 | \$ 2,386,886 | \$ 939,145 | 181.88% | 63.42% |
| 2021 | 0.0323% | \$ 1,905,944 | \$ 788,829 | \$ 2,694,773 | \$ 944,305 | 201.84% | 61.61% |
| 2022 | 0.0381% | \$ 1,397,367 | \$ 190,180 | \$ 1,587,547 | \$ 1,015,123 | 137.65% | 76.46% |
| 2023 | 0.0357% | \$ 1,821,262 | \$ 504,018 | \$ 2,325,280 | \$ 957,123 | 190.29% | 67.97% |
| 2024 | 0.0314% | \$ 1,627,648 | \$ 542,916 | \$ 2,170,564 | \$ 1,082,916 | 150.30% | 68.23% |

See accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2024

| Year | District's Proportion of the Net OPEB Liability (Asset) | District's Proportionate Share of the Net OPEB Liability (Asset) | State of Alaska Proportionate Share of the Net OPEB Liability (Asset) | Total Net OPEB Liability (Asset) | District's Covered Payroll | District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset) |
|--|--|---|--|---|----------------------------------|--|---|
| Alaska Retiree Healthcare Trust Plan (ARHCT): | | | | | | | |
| 2018 | 0.0329% | \$ 277,584 | \$ 103,683 | \$ 381,267 | \$ 971,355 | 28.58% | 89.68% |
| 2019 | 0.0327% | \$ 335,315 | \$ 12,762 | \$ 348,077 | \$ 966,073 | 34.71% | 88.12% |
| 2020 | 0.0312% | \$ 46,350 | \$ 18,367 | \$ 64,717 | \$ 939,145 | 4.94% | 98.13% |
| 2021 | 0.0323% | \$ (146,062) | \$ (60,391) | \$ (206,453) | \$ 944,305 | -15.47% | 106.15% |
| 2022 | 0.0382% | \$ (978,947) | \$ (126,406) | \$ (1,105,353) | \$ 1,015,123 | -96.44% | 135.54% |
| 2023 | 0.0354% | \$ (696,829) | \$ (198,521) | \$ (895,350) | \$ 957,123 | -72.80% | 128.51% |
| 2024 | 0.0313% | \$ (720,738) | \$ (241,900) | \$ (962,638) | \$ 1,082,916 | -66.56% | 133.96% |
| Occupational Death and Disability (ODD): | | | | | | | |
| 2018 | 0.0693% | \$ (9,830) | \$ - | \$ (9,830) | \$ 971,355 | -1.01% | 212.97% |
| 2019 | 0.0648% | \$ (12,579) | \$ - | \$ (12,579) | \$ 966,073 | -1.30% | 270.62% |
| 2020 | 0.0475% | \$ (11,524) | \$ - | \$ (11,524) | \$ 939,145 | -1.23% | 297.43% |
| 2021 | 0.0476% | \$ (12,994) | \$ - | \$ (12,994) | \$ 944,305 | -1.38% | 283.80% |
| 2022 | 0.0481% | \$ (21,200) | \$ - | \$ (21,200) | \$ 1,015,123 | -2.09% | 374.22% |
| 2023 | 0.0473% | \$ (20,748) | \$ - | \$ (20,748) | \$ 957,123 | -2.17% | 348.80% |
| 2024 | 0.0478% | \$ (24,518) | \$ - | \$ (24,518) | \$ 1,082,916 | -2.26% | 349.24% |
| Retiree Medical Plan (RMP): | | | | | | | |
| 2018 | 0.0693% | \$ 3,613 | \$ - | \$ 3,613 | \$ 364,023 | 0.99% | 93.98% |
| 2019 | 0.0648% | \$ 8,241 | \$ - | \$ 8,241 | \$ 360,655 | 2.29% | 88.71% |
| 2020 | 0.0598% | \$ 14,303 | \$ - | \$ 14,303 | \$ 227,164 | 6.30% | 83.17% |
| 2021 | 0.0595% | \$ 4,220 | \$ - | \$ 4,220 | \$ 354,805 | 1.19% | 92.23% |
| 2022 | 0.0566% | \$ (15,202) | \$ - | \$ (15,202) | \$ 399,005 | -3.81% | 115.10% |
| 2023 | 0.0556% | \$ (19,314) | \$ - | \$ (19,314) | \$ 418,718 | -4.61% | 120.08% |
| 2024 | 0.0572% | \$ (27,181) | \$ - | \$ (27,181) | \$ 442,191 | -6.15% | 124.29% |

See accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT
Schedule of District's Contributions (Pensions)
Public Employees' Retirement System (PERS)

June 30, 2024

| Year | Contractually Required Contribution | Contributions Relative to the Contractually Required Contribution | Contribution Deficiency (Excess) | District's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|------|---|---|--|----------------------------------|---|
| 2015 | \$ 62,218 | \$ (62,218) | \$ - | \$ 961,766 | 6.47% |
| 2016 | \$ 73,919 | \$ (73,919) | \$ - | \$ 934,595 | 7.91% |
| 2017 | \$ 84,237 | \$ (84,237) | \$ - | \$ 971,355 | 8.67% |
| 2018 | \$ 98,860 | \$ (98,860) | \$ - | \$ 966,073 | 10.23% |
| 2019 | \$ 107,640 | \$ (107,048) | \$ 592 | \$ 939,145 | 11.46% |
| 2020 | \$ 80,752 | \$ (82,967) | \$ (2,215) | \$ 944,305 | 8.55% |
| 2021 | \$ 105,866 | \$ (109,944) | \$ (4,078) | \$ 1,015,123 | 10.43% |
| 2022 | \$ 104,296 | \$ (100,205) | \$ 4,091 | \$ 957,123 | 10.90% |
| 2023 | \$ 122,232 | \$ (126,738) | \$ (4,506) | \$ 1,082,916 | 11.29% |
| 2024 | \$ 128,999 | \$ (126,248) | \$ 2,751 | \$ 1,073,309 | 12.02% |

See accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2024

| Year | Contractually Required Contribution | Contributions Relative to the Contractually Required Contribution | Contribution Deficiency (Excess) | District's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|--|---|---|--|----------------------------------|---|
| Alaska Retiree Healthcare Trust Plan (ARHCT): | | | | | |
| 2018 | \$ 27,245 | \$ (27,245) | \$ - | \$ 966,073 | 2.82% |
| 2019 | \$ 40,631 | \$ (40,631) | \$ - | \$ 939,145 | 4.33% |
| 2020 | \$ 34,020 | \$ (34,020) | \$ - | \$ 944,305 | 3.60% |
| 2021 | \$ 12,525 | \$ (12,525) | \$ - | \$ 1,015,123 | 1.23% |
| 2022 | \$ 6,103 | \$ (6,103) | \$ - | \$ 957,123 | 0.64% |
| 2023 | \$ - | \$ - | \$ - | \$ 1,082,916 | 0.00% |
| 2024 | \$ - | \$ - | \$ - | \$ 1,073,309 | 0.00% |
| Occupational Death and Disability (ODD): | | | | | |
| 2018 | \$ 1,173 | \$ (1,173) | \$ - | \$ 966,073 | 0.12% |
| 2019 | \$ 1,941 | \$ (1,941) | \$ - | \$ 939,145 | 0.21% |
| 2020 | \$ 2,090 | \$ (2,090) | \$ - | \$ 944,305 | 0.22% |
| 2021 | \$ 2,566 | \$ (2,566) | \$ - | \$ 1,015,123 | 0.25% |
| 2022 | \$ 2,731 | \$ (2,731) | \$ - | \$ 957,123 | 0.29% |
| 2023 | \$ 2,991 | \$ (2,991) | \$ - | \$ 1,082,916 | 0.28% |
| 2024 | \$ 2,885 | \$ (2,885) | \$ - | \$ 1,073,309 | 0.27% |
| Retiree Medical Plan (RMP): | | | | | |
| 2018 | \$ 7,550 | \$ (7,550) | \$ - | \$ 360,655 | 2.09% |
| 2019 | \$ 7,016 | \$ (7,016) | \$ - | \$ 227,164 | 3.09% |
| 2020 | \$ 10,613 | \$ (10,613) | \$ - | \$ 354,805 | 2.99% |
| 2021 | \$ 10,511 | \$ (10,511) | \$ - | \$ 399,005 | 2.63% |
| 2022 | \$ 9,410 | \$ (9,410) | \$ - | \$ 418,718 | 2.25% |
| 2023 | \$ 10,966 | \$ (10,966) | \$ - | \$ 443,391 | 2.47% |
| 2024 | \$ 9,713 | \$ (9,713) | \$ - | \$ 442,191 | 2.20% |

See accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2024

| Year | District's Proportion of the Net Pension Liability | District's Proportionate Share of the Net Pension Liability | State of Alaska Proportionate Share of the Net Pension Liability | Total Net Pension Liability | District's Covered Payroll | District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------|--|---|--|-----------------------------|----------------------------|--|--|
| 2015 | 0.0461% | \$ 1,382,723 | \$ 7,530,235 | \$ 8,912,958 | \$ 2,435,721 | 56.77% | 55.70% |
| 2016 | 0.1094% | \$ 2,035,039 | \$ 3,250,885 | \$ 5,285,924 | \$ 2,486,210 | 81.85% | 73.82% |
| 2017 | 0.1297% | \$ 2,961,689 | \$ 3,522,249 | \$ 6,483,938 | \$ 2,397,150 | 123.55% | 68.40% |
| 2018 | 0.1066% | \$ 2,160,277 | \$ 3,775,986 | \$ 5,936,263 | \$ 2,509,092 | 86.10% | 72.39% |
| 2019 | 0.1297% | \$ 2,483,628 | \$ 3,688,318 | \$ 6,171,946 | \$ 2,538,989 | 97.82% | 74.09% |
| 2020 | 0.1096% | \$ 2,047,558 | \$ 3,036,448 | \$ 5,084,006 | \$ 2,262,150 | 90.51% | 74.68% |
| 2021 | 0.1062% | \$ 2,158,655 | \$ 3,749,359 | \$ 5,908,014 | \$ 2,420,732 | 89.17% | 72.81% |
| 2022 | 0.1810% | \$ 1,440,541 | \$ 1,221,493 | \$ 2,662,034 | \$ 2,789,148 | 51.65% | 89.43% |
| 2023 | 0.1498% | \$ 2,496,112 | \$ 3,325,289 | \$ 5,821,401 | \$ 2,783,089 | 89.69% | 78.33% |
| 2024 | 0.1149% | \$ 2,020,108 | \$ 3,188,128 | \$ 5,208,236 | \$ 2,783,089 | 72.59% | 77.62% |

See accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2024

| Year | District's Proportion of the Net OPEB Liability (Asset) | District's Proportionate Share of the Net OPEB Liability (Asset) | State of Alaska Proportionate Share of the Net OPEB Liability (Asset) | Total Net OPEB Liability (Asset) | District's Covered Payroll | District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset) |
|--|--|---|--|---|----------------------------------|--|---|
| Alaska Retiree Healthcare Trust Plan (ARHCT): | | | | | | | |
| 2018 | 0.0011% | \$ 195,750 | \$ 343,593 | \$ 539,343 | \$ 2,509,092 | 7.80% | 93.75% |
| 2019 | 0.1296% | \$ 402,824 | \$ 600,574 | \$ 1,003,398 | \$ 2,538,989 | 15.87% | 90.23% |
| 2020 | 0.1092% | \$ (166,888) | \$ (248,465) | \$ (415,353) | \$ 2,262,150 | -7.38% | 105.50% |
| 2021 | 0.1062% | \$ (379,849) | \$ (660,338) | \$ (1,040,187) | \$ 2,420,732 | -15.69% | 113.78% |
| 2022 | 0.1885% | \$ (2,192,003) | \$ (1,702,601) | \$ (3,894,604) | \$ 2,789,148 | -78.59% | 145.41% |
| 2023 | 0.1529% | \$ (1,340,140) | \$ (1,721,428) | \$ (3,061,568) | \$ 2,783,089 | -48.15% | 134.84% |
| 2024 | 0.1180% | \$ (1,192,267) | \$ (1,799,339) | \$ (2,991,606) | \$ 2,783,089 | -42.84% | 140.49% |
| Occupational Death and Disability (ODD): | | | | | | | |
| 2018 | 0.2872% | \$ (9,386) | \$ - | \$ (9,386) | \$ 2,509,092 | -0.37% | 1342.59% |
| 2019 | 0.2754% | \$ (9,657) | \$ - | \$ (9,657) | \$ 2,538,989 | -0.38% | 1304.81% |
| 2020 | 0.2484% | \$ (9,987) | \$ - | \$ (9,987) | \$ 2,262,150 | -0.44% | 1409.77% |
| 2021 | 0.2526% | \$ (10,875) | \$ - | \$ (10,875) | \$ 2,420,732 | -0.45% | 931.08% |
| 2022 | 0.2759% | \$ (16,814) | \$ - | \$ (16,814) | \$ 2,789,148 | -0.60% | 1254.36% |
| 2023 | 0.3259% | \$ (19,686) | \$ - | \$ (19,686) | \$ 2,783,089 | -0.71% | 1268.28% |
| 2024 | 0.3583% | \$ (24,790) | \$ - | \$ (24,790) | \$ 2,783,089 | -0.89% | 1410.42% |
| Retiree Medical Plan (RMP): | | | | | | | |
| 2018 | 0.2872% | \$ (13,614) | \$ - | \$ (13,614) | \$ 812,874 | -1.67% | 118.16% |
| 2019 | 0.2754% | \$ (8,809) | \$ - | \$ (8,809) | \$ 822,596 | -1.07% | 109.56% |
| 2020 | 0.2474% | \$ (9,489) | \$ - | \$ (9,489) | \$ 821,998 | -1.15% | 110.03% |
| 2021 | 0.2540% | \$ (25,000) | \$ - | \$ (25,000) | \$ 868,615 | -2.88% | 125.59% |
| 2022 | 0.2753% | \$ (55,291) | \$ - | \$ (55,291) | \$ 1,025,740 | -5.39% | 142.54% |
| 2023 | 0.2753% | \$ (55,291) | \$ - | \$ (55,291) | \$ 1,279,331 | -4.32% | 140.73% |
| 2024 | 0.3586% | \$ (79,442) | \$ - | \$ (79,442) | \$ 1,463,209 | -5.43% | 140.71% |

See accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT
 Schedule of District's Contributions (Pensions)
 Teachers' Retirement System (TRS)
 June 30, 2024

| Year | Contractually Required Contribution | Contributions Relative to the Contractually Required Contribution | Contribution Deficiency (Excess) | District's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|------|---|---|--|----------------------------------|---|
| 2015 | \$ 81,295 | \$ (81,295) | \$ - | \$ 2,486,210 | 3.27% |
| 2016 | \$ 104,268 | \$ (104,268) | \$ - | \$ 2,397,150 | 4.35% |
| 2017 | \$ 122,463 | \$ (122,463) | \$ - | \$ 2,509,092 | 4.88% |
| 2018 | \$ 150,213 | \$ (150,213) | \$ - | \$ 2,538,989 | 5.92% |
| 2019 | \$ 113,809 | \$ (114,815) | \$ (1,006) | \$ 2,262,150 | 5.03% |
| 2020 | \$ 106,739 | \$ (114,189) | \$ (7,450) | \$ 2,420,732 | 4.41% |
| 2021 | \$ 102,577 | \$ (102,517) | \$ 60 | \$ 2,789,148 | 3.68% |
| 2022 | \$ 107,120 | \$ (106,576) | \$ 544 | \$ 2,783,089 | 3.85% |
| 2023 | \$ 149,438 | \$ (149,849) | \$ (411) | \$ 2,783,089 | 5.37% |
| 2024 | \$ 147,733 | \$ (138,423) | \$ 9,310 | \$ 2,701,640 | 5.47% |

See accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2024

| Year | Contractually Required Contribution | Contributions Relative to the Contractually Required Contribution | Contribution Deficiency (Excess) | District's Covered Payroll | Contributions as a Percentage of Covered Payroll |
|--|---|---|--|----------------------------------|---|
| Alaska Retiree Healthcare Trust Plan (ARHCT): | | | | | |
| 2018 | \$ 65,418 | \$ (65,418) | \$ - | \$ 2,538,989 | 2.58% |
| 2019 | \$ 57,662 | \$ (57,662) | \$ - | \$ 2,262,150 | 2.55% |
| 2020 | \$ 68,621 | \$ (68,621) | \$ - | \$ 2,420,732 | 2.83% |
| 2021 | \$ 106,357 | \$ (106,357) | \$ - | \$ 2,789,148 | 3.81% |
| 2022 | \$ 86,917 | \$ (86,917) | \$ - | \$ 2,783,089 | 3.12% |
| 2023 | \$ - | \$ - | \$ - | \$ 2,783,089 | 0.00% |
| 2024 | \$ - | \$ - | \$ - | \$ 2,701,640 | 0.00% |
| Occupational Death and Disability (ODD): | | | | | |
| 2018 | \$ - | \$ - | \$ - | \$ 2,538,989 | 0.00% |
| 2019 | \$ 775 | \$ (775) | \$ - | \$ 2,262,150 | 0.03% |
| 2020 | \$ 830 | \$ (830) | \$ - | \$ 2,420,732 | 0.03% |
| 2021 | \$ 999 | \$ (999) | \$ - | \$ 2,789,148 | 0.04% |
| 2022 | \$ 1,281 | \$ (1,281) | \$ - | \$ 2,783,089 | 0.05% |
| 2023 | \$ 1,473 | \$ (1,473) | \$ - | \$ 2,783,089 | 0.05% |
| 2024 | \$ 1,521 | \$ (1,521) | \$ - | \$ 2,701,640 | 0.06% |
| Retiree Medical Plan (RMP): | | | | | |
| 2018 | \$ 9,009 | \$ (9,009) | \$ - | \$ 822,596 | 1.10% |
| 2019 | \$ 7,631 | \$ (7,631) | \$ - | \$ 821,998 | 0.93% |
| 2020 | \$ 11,306 | \$ (11,306) | \$ - | \$ 868,615 | 1.30% |
| 2021 | \$ 11,611 | \$ (11,611) | \$ - | \$ 1,025,740 | 1.13% |
| 2022 | \$ 13,292 | \$ (13,292) | \$ - | \$ 1,279,331 | 1.04% |
| 2023 | \$ 16,020 | \$ (16,020) | \$ - | \$ 1,450,748 | 1.10% |
| 2024 | \$ 15,603 | \$ (15,603) | \$ - | \$ 1,463,209 | 1.07% |

See accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

Notes to Required Supplementary Information

Year Ended June 30, 2024

1. Budgetary Information

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

School Operation Fund

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

The School Board authorizes formal budget revisions several time each year to adjust the revenues and expenditures to available resources and program needs. The originally adopted budget and the final revised and approved budget are presented in these financial statements. Expenditure authority for the School Operating Fund is limited to the total approved budget and functional areas of expenditures are not to be overspent.

2. Public Employees' Retirement System

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

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

Changes in Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022

Effective for the June 30, 2022 valuation, the Alaska Retirement Management Board adopted the changes to the demographic and economic assumptions recommended by the actuary, based on the results of an experience study performed on the plan experience from July 1, 2017 to June 30, 2021. The changes in assumptions were adopted at the June 2022 Board meeting. The effect of the new assumptions was to increase the actuarial accrued liability as of June 30, 2022 by approximately \$206 million for pension and decrease by approximately \$88 million for healthcare.

The healthcare per capital claims cost assumption is updated for each valuation. The amounts included in the Normal Cost for the administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022

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

CRAIG CITY SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022

Effective for the June 30, 2022 valuation, the Alaska Retirement Management Board adopted the changes to the demographic and economic assumptions recommended by the actuary, based on the results of an experience study performed on the plan experience from July 1, 2017 to June 30, 2021. The changes in assumptions were adopted at the June 2022 Board meeting. The effect of the new assumptions was to increase the actuarial accrued liability as of June 30, 2022 by approximately \$1,222,000 for occupational death & disability and decrease by approximately \$22,348,000 for retiree medical.

The healthcare per capital claims cost assumption is updated for each valuation. The amounts included in the Normal Cost for the administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022

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

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

Schedule of District Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2022 which was rolled forward to June 30, 2023. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

3. Teachers' Retirement System

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

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

Changes in Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022

Effective for the June 30, 2022 valuation, the Alaska Retirement Management Board adopted the changes to the demographic and economic assumptions recommended by the actuary, based on the results of an experience study performed on the plan experience from July 1, 2017 to June 30, 2021. The changes in assumptions were adopted at the June 2022 Board meeting. The effect of the new assumptions was to increase the actuarial accrued liability as of June 30, 2022 by approximately \$144 million for pension and \$21 million for healthcare.

CRAIG CITY SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

The healthcare per capital claims cost assumption is updated for each valuation. The amounts included in the Normal Cost for the administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets.

- c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022**
There were no changes in benefit provisions since the prior valuation.

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plans

- a) Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022**
There were no changes in the asset or valuation methods since the prior valuation.

- b) Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022**
Effective for the June 30, 2022 valuation, the Alaska Retirement Management Board adopted the changes to the demographic and economic assumptions recommended by the actuary, based on the results of an experience study performed on the plan experience from July 1, 2017 to June 30, 2021. The changes in assumptions were adopted at the June 2022 Board meeting. The effect of the new assumptions was to decrease the actuarial accrued liability as of June 30, 2022 by less than \$1,000 for occupational death & disability and by approximately \$3,374,000 for retiree medical.

The healthcare per capital claims cost assumption is updated for each valuation. The amounts included in the Normal Cost for the administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets.

- c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022**
There have been no changes in benefit provisions valued since the prior valuation.

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

Schedule of District Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2022 which was rolled forward to June 30, 2023. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

SUPPLEMENTARY INFORMATION

CRAIG CITY SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|-------------------------------------|------------------------------|-------------------|--|
| Revenues: | | | |
| Local sources: | | | |
| Earnings on investments | \$ 15,916 | 15,916 | - |
| E-rate revenue | 57,938 | 57,938 | - |
| Other | 13,448 | 13,448 | - |
| Total local sources | <u>87,302</u> | <u>87,302</u> | <u>-</u> |
| Intergovernmental: | | | |
| City of Craig: | | | |
| City appropriations | 685,000 | 685,000 | - |
| City in-kind contribution | 81,977 | 81,977 | - |
| Total city | <u>766,977</u> | <u>766,977</u> | <u>-</u> |
| State of Alaska: | | | |
| Foundation program | 5,099,863 | 5,099,863 | - |
| TRS on-behalf payments | 329,467 | 329,467 | - |
| PERS on-behalf payments | 30,321 | 30,321 | - |
| Other | 352,137 | 352,137 | - |
| Total State of Alaska | <u>5,811,788</u> | <u>5,811,788</u> | <u>-</u> |
| Federal sources - | | | |
| Impact Aid | <u>719,573</u> | <u>719,573</u> | <u>-</u> |
| Total revenues | <u>7,385,640</u> | <u>7,385,640</u> | <u>-</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Certificated salaries | 1,746,199 | 1,746,199 | - |
| Non-certificated salaries | 40,471 | 40,471 | - |
| Employee benefits | 1,013,086 | 1,013,086 | - |
| Professional and technical services | 11,625 | 11,625 | - |
| Supplies, materials and media | 351,579 | 351,579 | - |
| Total instruction | <u>3,162,960</u> | <u>3,162,960</u> | <u>-</u> |

(continued)

CRAIG CITY SCHOOL DISTRICT

School Operating Fund

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

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|------------------------------|-------------------|--|
| Expenditures, continued: | | | |
| Current: | | | |
| Special education instruction: | | | |
| Certificated salaries | \$ 154,705 | 154,705 | - |
| Non-certificated salaries | 126,925 | 126,925 | - |
| Employee benefits | 204,317 | 204,317 | - |
| Supplies, materials and media | 2,926 | 2,926 | - |
| Total special education instruction | <u>488,873</u> | <u>488,873</u> | <u>-</u> |
| Special education support services - students: | | | |
| Certificated salaries | 60,445 | 60,445 | - |
| Employee benefits | 40,766 | 40,766 | - |
| Professional and technical services | 223,488 | 223,488 | - |
| Staff travel | 27,375 | 27,375 | - |
| Supplies, materials and media | 2,964 | 2,964 | - |
| Total special education support services - students | <u>355,038</u> | <u>355,038</u> | <u>-</u> |
| Support services - students: | | | |
| Certificated salaries | 223 | 223 | - |
| Employee benefits | 24,088 | 24,088 | - |
| Professional and technical services | 4,416 | 4,416 | - |
| Supplies, materials and media | 1,067 | 1,067 | - |
| Total support services - students | <u>29,794</u> | <u>29,794</u> | <u>-</u> |
| Support services - instruction: | | | |
| Certificated salaries | 23,038 | 23,038 | - |
| Non-certificated salaries | 142,256 | 142,256 | - |
| Employee benefits | 136,903 | 136,903 | - |
| Professional and technical services | 404,474 | 404,474 | - |
| Staff travel | 13,126 | 13,126 | - |
| Student travel | 30,964 | 30,964 | - |
| Utility service | 184,638 | 184,638 | - |
| Other purchased services | 86,204 | 86,204 | - |
| Supplies, materials and media | 193,308 | 193,308 | - |
| Other expenses | 6,475 | 6,475 | - |
| Total support services - instruction | <u>1,221,386</u> | <u>1,221,386</u> | <u>-</u> |

(continued)

CRAIG CITY SCHOOL DISTRICT

School Operating Fund

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

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Expenditures, continued: | | | |
| Current: | | | |
| School administration: | | | |
| Certificated salaries | \$ 296,620 | 296,620 | - |
| Employee benefits | 181,250 | 181,250 | - |
| Staff travel | 1,733 | 1,733 | - |
| Utility services | 420 | 420 | - |
| Supplies, materials and media | 2,325 | 2,325 | - |
| Other expenses | 425 | 425 | - |
| Total school administration | <u>482,773</u> | <u>482,773</u> | <u>-</u> |
| School administration support services: | | | |
| Non-certificated salaries | 200,899 | 200,899 | - |
| Employee benefits | 258,993 | 258,993 | - |
| Supplies, materials and media | 4,523 | 4,523 | - |
| Total school administration support services | <u>464,415</u> | <u>464,415</u> | <u>-</u> |
| District administration: | | | |
| Certificated salaries | 129,200 | 129,200 | - |
| Non-certificated salaries | 960 | 960 | - |
| Employee benefits | 80,880 | 80,880 | - |
| Staff travel | 5,635 | 5,635 | - |
| Supplies, materials and media | 2,920 | 2,920 | - |
| Other expenses | 1,534 | 1,534 | - |
| Total district administration | <u>221,129</u> | <u>221,129</u> | <u>-</u> |
| District administration support services: | | | |
| Non-certificated salaries | 103,800 | 103,800 | - |
| Employee benefits | 65,580 | 65,580 | - |
| Professional and technical services | 84,319 | 84,319 | - |
| Utility services | 1,298 | 1,298 | - |
| Other purchased services | 10,821 | 10,821 | - |
| Insurance and bond premiums | 63,403 | 63,403 | - |
| Supplies, materials and media | 2,652 | 2,652 | - |
| Other expense | 15,268 | 15,268 | - |
| Indirect cost recovery | (25,806) | (25,806) | - |
| Total district administration support services | <u>321,335</u> | <u>321,335</u> | <u>-</u> |

(continued)

CRAIG CITY SCHOOL DISTRICT

School Operating Fund

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

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|------------------------------|-------------------|--|
| Expenditures, continued: | | | |
| Current: | | | |
| Operations and maintenance of plant: | | | |
| Non-certificated salaries | 248,171 | 248,171 | - |
| Employee benefits | 204,543 | 204,543 | - |
| Professional and technical services | 48,829 | 48,829 | - |
| Staff travel | 795 | 795 | - |
| Utility services | 37,741 | 37,741 | - |
| Energy | 376,284 | 376,284 | - |
| Other purchased services | 35,988 | 35,988 | - |
| Insurance and bond premiums | 75,186 | 75,186 | - |
| Supplies, materials and media | 208,682 | 208,682 | - |
| Total operations and maintenance of plant | <u>1,236,219</u> | <u>1,236,219</u> | <u>-</u> |
| Student activities: | | | |
| Certificated salaries | 94,239 | 94,239 | - |
| Non-certificated salaries | 13,362 | 13,362 | - |
| Employee benefits | 16,473 | 16,473 | - |
| Professional and technical services | 4,995 | 4,995 | - |
| Staff travel | 1,622 | 1,622 | - |
| Student travel | 120,070 | 120,070 | - |
| Supplies, materials and media | 9,996 | 9,996 | - |
| Other expenses | 3,388 | 3,388 | - |
| Total student activities | <u>264,145</u> | <u>264,145</u> | <u>-</u> |
| Debt service: | | | |
| Interest on long-term debt | 6,295 | 6,295 | - |
| Redemption of principal on long-term debt | 65,333 | 65,333 | - |
| Total debt service | <u>71,628</u> | <u>71,628</u> | <u>-</u> |
| Total expenditures | <u>8,319,695</u> | <u>8,319,695</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(934,055)</u> | <u>(934,055)</u> | <u>-</u> |
| Other financing sources (uses): | | | |
| Transfer out to Staff Housing Special Revenue Fund | (2,194) | - | (2,194) |
| Net other financing sources (uses) | <u>(2,194)</u> | <u>-</u> | <u>(2,194)</u> |
| Net change in fund balance | <u>\$ (936,249)</u> | (934,055) | <u>2,194</u> |
| Fund balance, beginning of year | | <u>1,019,707</u> | |
| Fund balance, end of year | | <u>\$ 85,652</u> | |

CRAIG CITY SCHOOL DISTRICT

Special Projects Capital Project Fund

Schedules of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2024

| | |
|--|----------------------------|
| Revenues - Intergovernmental - State of Alaska | \$ <u>285,238</u> |
| Expenditures: | |
| Construction and facilities acquisition - Professional and technical services | <u>316,931</u> |
| Deficiency of revenue under expenditures | (31,693) |
| Other financing uses - Transfer out to Student Transportation Special Revenue Fund | <u>(74,338)</u> |
| Net change in fund balance | (106,031) |
| Fund balance, beginning of year | <u>2,418,520</u> |
| Fund balance, end of year | \$ <u><u>2,312,489</u></u> |

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2024

| <u>Assets</u> | <u>Special Revenue Funds</u> | | | | | | | |
|---------------------------------------|-------------------------------|---------------------|---------------------|---------------------------------|------------------------------------|--------------------------------|------------------------------------|----------------------|
| | <u>Student Transportation</u> | <u>Food Service</u> | <u>Carl Perkins</u> | <u>PACE School Improvements</u> | <u>Fresh Fruits and Vegetables</u> | <u>Migrant Education Books</u> | <u>Title I-C Migrant Education</u> | <u>EHCY Homeless</u> |
| Accounts receivable | \$ - | 24,979 | 4,257 | 1,504 | 2,133 | 2,787 | 31,521 | 350 |
| Due from School Operating Fund | - | 34,433 | - | - | - | - | - | - |
| Inventory | - | 11,811 | - | - | - | - | - | - |
| Total Assets | \$ - | 71,223 | 4,257 | 1,504 | 2,133 | 2,787 | 31,521 | 350 |
| <u>Liabilities and Fund Balances</u> | | | | | | | | |
| Liabilities: | | | | | | | | |
| Due to School Operating Fund | 169,064 | - | 4,257 | 1,013 | 2,069 | 2,787 | 18,558 | 350 |
| Accounts payable | 563 | - | - | - | - | - | - | - |
| Payroll accruals and liabilities | 1,434 | 6,076 | - | 491 | 64 | - | 12,963 | - |
| Unearned revenue | - | - | - | - | - | - | - | - |
| Total liabilities | 171,061 | 6,076 | 4,257 | 1,504 | 2,133 | 2,787 | 31,521 | 350 |
| Fund balances (deficits): | | | | | | | | |
| Nonspendable | - | 11,811 | - | - | - | - | - | - |
| Committed | - | 53,336 | - | - | - | - | - | - |
| Unassigned | (171,061) | - | - | - | - | - | - | - |
| Total fund balances (deficits) | (171,061) | 65,147 | - | - | - | - | - | - |
| \$ | - | 71,223 | 4,257 | 1,504 | 2,133 | 2,787 | 31,521 | 350 |

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, Continued

| <u>Assets</u> | <u>Special Revenue Funds</u> | | | | | | | |
|---------------------------------------|--|----------------|--|----------------------------|-----------------------|-----------------------|----------------|---------------|
| | <u>Special Ed 619 IDEA ARP</u> | <u>SUCCEED</u> | <u>Consolidated Admin Pool</u> | <u>Title I-A Basic</u> | <u>Title IV-A</u> | <u>Title II-A</u> | <u>ASTRIDE</u> | <u>SELECT</u> |
| Accounts receivable | \$ 1,615 | 15,202 | 11,300 | 2,555 | 7,071 | - | - | 92,710 |
| Due from School Operating Fund | - | - | - | - | - | 1,058 | 1,343 | - |
| Inventory | - | - | - | - | - | - | - | - |
| Total Assets | \$ 1,615 | 15,202 | 11,300 | 2,555 | 7,071 | 1,058 | 1,343 | 92,710 |
| <u>Liabilities and Fund Balances</u> | | | | | | | | |
| Liabilities: | | | | | | | | |
| Due to School Operating Fund | 1,285 | 15,202 | 11,140 | 184 | 7,021 | - | - | 89,067 |
| Accounts payable | - | - | - | - | - | - | - | - |
| Payroll accruals and liabilities | 330 | - | 160 | 2,371 | 50 | - | - | 3,643 |
| Unearned revenue | - | - | - | - | - | 1,058 | 1,343 | - |
| Total liabilities | 1,615 | 15,202 | 11,300 | 2,555 | 7,071 | 1,058 | 1,343 | 92,710 |
| Fund balances (deficits): | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - |
| Total fund balances (deficits) | - | - | - | - | - | - | - | - |
| Total | \$ 1,615 | 15,202 | 11,300 | 2,555 | 7,071 | 1,058 | 1,343 | 92,710 |

(continued)

CRAIG CITY SCHOOL DISTRICT
Other Governmental Funds
Combining Balance Sheet, Continued

| Assets | Special Revenue Funds | | | | | | | AEA Boiler Capital Project Fund | Total Other Governmental Funds |
|---------------------------------------|-----------------------|---------------------|-------------------|---------------|--------------|--------------|------------------|--|---|
| | Title VI-B | Indian Education | CCTH Headstart | ESSER III | ACES | SOAR | Staff Housing | | |
| Accounts receivable | \$ 48,510 | 31,038 | - | 15,733 | 1,001 | 1,366 | - | - | 295,632 |
| Due from School Operating Fund | - | - | 59,270 | - | - | - | 26,211 | - | 122,315 |
| Inventory | - | - | - | - | - | - | 573 | - | 12,384 |
| Total Assets | \$ 48,510 | 31,038 | 59,270 | 15,733 | 1,001 | 1,366 | 26,784 | - | 430,331 |
| Liabilities and Fund Balances | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Due to School Operating Fund | 33,233 | 27,647 | - | 13,703 | 1,001 | 1,366 | - | 149,192 | 548,139 |
| Accounts payable | - | 206 | 1,241 | - | - | - | 465 | - | 2,475 |
| Payroll accruals and liabilities | 15,277 | 3,185 | - | 2,030 | - | - | - | - | 48,074 |
| Unearned revenue | - | - | - | - | - | - | - | - | 2,401 |
| Total liabilities | 48,510 | 31,038 | 1,241 | 15,733 | 1,001 | 1,366 | 465 | 149,192 | 601,089 |
| Fund balances (deficits): | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | 573 | - | 12,384 |
| Committed | - | - | - | - | - | - | 25,746 | - | 79,082 |
| Unassigned | - | - | 58,029 | - | - | - | - | (149,192) | (262,224) |
| Total fund balances (deficits) | - | - | 58,029 | - | - | - | 26,319 | (149,192) | (170,758) |
| \$ | 48,510 | 31,038 | 59,270 | 15,733 | 1,001 | 1,366 | 26,784 | - | 430,331 |

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures
and changes in Fund Balance

Year Ended June 30, 2024

Special Revenue Funds

| | Student Transportation | Food Service | Carl Perkins | PACE School Improvements | Fresh Fruits and Vegetables | Migrant Education Books | Title I-C Migrant Education |
|---|---------------------------|-----------------|-----------------|--------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| Revenues: | | | | | | | |
| Local sources - | | | | | | | |
| Charges for services | \$ - | - | - | - | - | - | - |
| Intergovernmental: | | | | | | | |
| State of Alaska | 104,202 | - | - | - | - | - | - |
| Federal sources | - | 258,732 | 14,990 | 25,000 | 8,072 | 2,787 | 104,941 |
| Total revenues | <u>104,202</u> | <u>258,732</u> | <u>14,990</u> | <u>25,000</u> | <u>8,072</u> | <u>2,787</u> | <u>104,941</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Instruction | - | - | - | - | - | - | 2,451 |
| Special education instruction | - | - | - | - | - | - | - |
| Support services - students | - | - | - | - | - | - | 66,723 |
| Support services - instruction | - | - | 14,298 | 23,516 | - | 2,621 | 29,538 |
| District administration support services | - | - | 692 | 1,484 | - | 166 | 6,229 |
| Operations and maintenance of plant | - | - | - | - | - | - | - |
| Student transportation services - to and from school | 274,112 | - | - | - | - | - | - |
| Food services | - | 284,108 | - | - | 8,072 | - | - |
| Construction and facilities acquisition | - | - | - | - | - | - | - |
| Total expenditures | <u>274,112</u> | <u>284,108</u> | <u>14,990</u> | <u>25,000</u> | <u>8,072</u> | <u>2,787</u> | <u>104,941</u> |
| Excess (deficiency) of revenues over (under) expenditures | (169,910) | (25,376) | - | - | - | - | - |
| Other financing sources - | | | | | | | |
| Transfers in | <u>74,338</u> | - | - | - | - | - | - |
| Net change in fund balance | <u>(95,572)</u> | <u>(25,376)</u> | - | - | - | - | - |
| Fund balance, beginning of year | <u>(75,489)</u> | <u>90,523</u> | - | - | - | - | - |
| Fund balance, end of year | <u>\$ (171,061)</u> | <u>65,147</u> | - | - | - | - | - |

(continued)

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

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

| | Special Revenue Funds | | | | | | |
|---|-----------------------|-------------------------------|---------------|-------------------------------|--------------------|---------------|---------------|
| | EHCY Homeless | Special Ed 619 IDEA ARP | SUCCEED | Consolidated Admin Pool | Title I-A Basic | Title IV-A | Title II-A |
| Revenues: | | | | | | | |
| Local sources - | | | | | | | |
| Charges for services | \$ - | - | - | - | - | - | - |
| Intergovernmental: | | | | | | | |
| State of Alaska | - | - | - | - | - | - | - |
| Federal sources | 350 | 2,261 | 15,202 | 11,300 | 52,512 | 9,800 | 8,874 |
| Total revenues | <u>350</u> | <u>2,261</u> | <u>15,202</u> | <u>11,300</u> | <u>52,512</u> | <u>9,800</u> | <u>8,874</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Instruction | - | - | - | 11,300 | - | - | - |
| Special education instruction | - | 2,127 | - | - | - | - | - |
| Support services - students | - | - | - | - | - | - | - |
| Support services - instruction | 350 | - | 15,202 | - | 49,395 | 9,218 | 8,348 |
| District administration support services | - | 134 | - | - | 3,117 | 582 | 526 |
| Operations and maintenance of plant | - | - | - | - | - | - | - |
| Student transportation services | - | - | - | - | - | - | - |
| Food services | - | - | - | - | - | - | - |
| Construction and facilities acquisition | - | - | - | - | - | - | - |
| Total expenditures | <u>350</u> | <u>2,261</u> | <u>15,202</u> | <u>11,300</u> | <u>52,512</u> | <u>9,800</u> | <u>8,874</u> |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | - | - | - | - |
| Other financing sources - | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Net change in fund balance | - | - | - | - | - | - | - |
| Fund balance, beginning of year | - | - | - | - | - | - | - |
| Fund balance, end of year | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

(continued)

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

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

| | Special Revenue Funds | | | | | | | AEA Boiler Capital Project Fund | Total Other Governmental Funds |
|---|-----------------------|----------------|---------------------|-------------------|---------------|---------------|------------------|--|---|
| | SELECT | Title VI-B | Indian Education | CCTH Headstart | ESSER III | SOAR | Staff Housing | | |
| Revenues: | | | | | | | | | |
| Local sources - | | | | | | | | | |
| Charges for services | \$ - | - | - | 24,000 | - | - | - | - | 24,000 |
| Intergovernmental: | | | | | | | | | |
| State of Alaska | - | - | - | - | - | - | - | - | 104,202 |
| Federal sources | 146,946 | 162,825 | 94,798 | - | 54,104 | 30,000 | - | 316,682 | 1,320,176 |
| Total revenues | <u>146,946</u> | <u>162,825</u> | <u>94,798</u> | <u>24,000</u> | <u>54,104</u> | <u>30,000</u> | <u>-</u> | <u>316,682</u> | <u>1,448,378</u> |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 30,510 | - | 86,563 | - | 31,331 | 30,000 | - | - | 192,155 |
| Special education instruction | - | 153,160 | - | - | - | - | - | - | 155,287 |
| Support services - students | 116,436 | - | 8,235 | - | - | - | - | - | 191,394 |
| Support services - instruction | - | - | - | - | 19,562 | - | - | - | 172,048 |
| District administration support services | - | 9,665 | - | - | 3,211 | - | - | - | 25,806 |
| Operation and maintenance of plant | - | - | - | 5,025 | - | - | 6,702 | - | 11,727 |
| Student transportation services | - | - | - | - | - | - | - | - | 274,112 |
| Food services | - | - | - | - | - | - | - | - | 292,180 |
| Construction and facilities acquisition | - | - | - | - | - | - | - | 420,633 | 420,633 |
| Total expenditures | <u>146,946</u> | <u>162,825</u> | <u>94,798</u> | <u>5,025</u> | <u>54,104</u> | <u>30,000</u> | <u>6,702</u> | <u>420,633</u> | <u>1,735,342</u> |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | 18,975 | - | - | (6,702) | (103,951) | (286,964) |
| Other financing sources - | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | 74,338 |
| Net change in fund balance | - | - | - | 18,975 | - | - | (6,702) | (103,951) | (212,626) |
| Fund balance, beginning of year | - | - | - | 39,054 | - | - | 33,021 | (45,241) | 41,868 |
| Fund balance, end of year | \$ - | - | - | <u>58,029</u> | - | - | <u>26,319</u> | <u>(149,192)</u> | <u>(170,758)</u> |

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|----------------------------|--|
| Revenues: | | | |
| Intergovernmental - State of Alaska | \$ 104,202 | 104,202 | - |
| Expenditures - | | | |
| Current - | | | |
| Student transportation - to and from school: | | | |
| Non-certificated salaries | 50,427 | 50,427 | - |
| Employee benefits | 53,452 | 53,452 | - |
| Professional and technical services | 30 | 30 | - |
| Energy | 1,281 | 1,281 | - |
| Other purchased service | 2,300 | 2,300 | - |
| Insurance and bond premiums | 5,585 | 5,585 | - |
| Supplies, materials and media | 33,681 | 33,681 | - |
| Equipment | 127,356 | 127,356 | - |
| Total expenditures | <u>274,112</u> | <u>274,112</u> | <u>-</u> |
| Deficiency of revenues over expenditures | (169,910) | (169,910) | - |
| Other financing source - | | | |
| Transfer in from Special Projects | | | |
| Capital Project Fund | <u>-</u> | <u>74,338</u> | <u>74,338</u> |
| Net change in fund balance | \$ <u>(169,910)</u> | (95,572) | <u>74,338</u> |
| Fund balance, beginning of year | | <u>(75,489)</u> | |
| Fund balance, end of year | | \$ <u><u>(171,061)</u></u> | |

CRAIG CITY SCHOOL DISTRICT

Food Service Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|------------------------------|-------------------------|--|
| Revenues - | | | |
| Intergovernmental - Federal sources passed through the State of Alaska | \$ 258,732 | 258,732 | - |
| Expenditures | | | |
| Current - | | | |
| Food services: | | | |
| Non-certificated salaries | 106,235 | 106,235 | - |
| Employee benefits | 45,966 | 45,966 | - |
| Energy | 2,252 | 2,252 | - |
| Supplies, materials and media | 129,655 | 129,655 | - |
| Total expenditures | <u>284,108</u> | <u>284,108</u> | - |
| Excess (deficiency) of revenues over expenditures | \$ <u>(25,376)</u> | (25,376) | <u>-</u> |
| Fund balance, beginning of year | | <u>90,523</u> | |
| Fund balance, end of year | | \$ <u><u>65,147</u></u> | |

CRAIG CITY SCHOOL DISTRICT

Carl Perkins Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - | | | |
| Federal sources passed through State of Alaska | \$ 22,000 | 14,990 | (7,010) |
| Expenditures: | | | |
| Current: | | | |
| Support services - instruction: | | | |
| Staff travel | 1,600 | 538 | 1,062 |
| Student travel | 3,000 | 2,199 | 801 |
| Supplies, materials, media | 13,019 | 11,111 | 1,908 |
| Tuition - student stipends | 3,500 | 450 | 3,050 |
| Total support services - instruction | <u>21,119</u> | <u>14,298</u> | <u>6,821</u> |
| District administration support services - | | | |
| Indirect costs | <u>881</u> | <u>692</u> | <u>189</u> |
| Total expenditures | <u>22,000</u> | <u>14,990</u> | <u>7,010</u> |
| Excess of revenues over expenditures | \$ <u>-</u> | - | <u>-</u> |
| Fund balance, beginning of year | | <u>-</u> | |
| Fund balance, end of year | | <u>\$ -</u> | |

CRAIG CITY SCHOOL DISTRICT

PACE School Improvements Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - | | | |
| Federal sources passed through State of Alaska | \$ 25,000 | 25,000 | - |
| Expenditures: | | | |
| Current: | | | |
| Support services - instruction: | | | |
| Non-certificated salaries | 17,755 | 17,755 | - |
| Staff travel | 5,761 | 5,761 | - |
| Total support services - instruction | <u>23,516</u> | <u>23,516</u> | - |
| District administration support services - | | | |
| Indirect costs | <u>1,484</u> | <u>1,484</u> | - |
| Total expenditures | <u>25,000</u> | <u>25,000</u> | - |
| Excess of revenues over expenditures | \$ <u>-</u> | - | <u>-</u> |
| Fund balance, beginning of year | | <u>-</u> | |
| Fund balance, end of year | | \$ <u>-</u> | |

CRAIG CITY SCHOOL DISTRICT

Fresh Fruits and Vegetables Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - | | | |
| Federal sources passed through State of Alaska | \$ 8,072 | 8,072 | - |
| Expenditures: | | | |
| Current: | | | |
| Food services: | | | |
| Non-certificated salaries | 1,018 | 1,018 | - |
| Employee benefits | 366 | 366 | - |
| Supplies, materials and media | 6,688 | 6,688 | |
| Total expenditures | <u>8,072</u> | <u>8,072</u> | <u>-</u> |
| Excess of revenues over expenditures | \$ <u>-</u> | - | <u>-</u> |
| Fund balance, beginning of year | | <u>-</u> | |
| Fund balance, end of year | | <u>\$ -</u> | |

CRAIG CITY SCHOOL DISTRICT

Migrant Education Books Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - | | | |
| Federal sources passed through State of Alaska | \$ 2,868 | 2,787 | (81) |
| Expenditures - | | | |
| Current - | | | |
| Support services - instruction - | | | |
| Supplies, materials and media | 2,698 | 2,621 | 77 |
| District administration support services - | | | |
| Indirect costs | 170 | 166 | 4 |
| Total expenditures | 2,868 | 2,787 | 81 |
| Excess of revenues over expenditures | \$ - | - | - |
| Fund balance, beginning of year | | - | |
| Fund balance, end of year | | \$ - | |

CRAIG CITY SCHOOL DISTRICT

Title I-C Migrant Education Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - | | | |
| Federal sources passed through State of Alaska | \$ 104,941 | 104,941 | - |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Employee benefits | 2,451 | 2,451 | - |
| Total instruction | 2,451 | 2,451 | - |
| Support services - students: | | | |
| Certificated salaries | 60,000 | 60,000 | - |
| Employee benefits | 6,723 | 6,723 | - |
| Total support services - students | 66,723 | 66,723 | - |
| Support services - instruction: | | | |
| Non-certificated salaries | 20,200 | 20,200 | - |
| Employee benefits | 8,208 | 8,208 | - |
| Supplies, materials and media | 1,130 | 1,130 | - |
| Total support services - instruction | 29,538 | 29,538 | - |
| District administration support services - | | | |
| Indirect costs | 6,229 | 6,229 | - |
| Total expenditures | 104,941 | 104,941 | - |
| Excess of revenues over expenditures | \$ - | - | - |
| Fund balance, beginning of year | | - | |
| Fund balance, end of year | | \$ - | |

CRAIG CITY SCHOOL DISTRICT

EHCY Homeless Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - | | | |
| Federal sources passed through State of Alaska | \$ 1,000 | 350 | (650) |
| Expenditures: | | | |
| Current: | | | |
| Support services - instruction: | | | |
| Staff travel | 1,000 | 350 | 650 |
| Total support services - students | 1,000 | 350 | 650 |
| Total expenditures | 1,000 | 350 | 650 |
| Excess of revenues over expenditures | \$ - | - | - |
| Fund balance, beginning of year | | - | |
| Fund balance, end of year | | \$ - | |

CRAIG CITY SCHOOL DISTRICT

Special Education Program 619 IDEA ARP Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - | | | |
| Federal sources passed through State of Alaska | \$ 2,261 | 2,261 | - |
| Expenditures: | | | |
| Current: | | | |
| Special education instruction | | | |
| Certificated salaries | 2,127 | 2,127 | - |
| Direct administration support services - | | | |
| Indirect costs | 134 | 134 | - |
| Total expenditures | 2,261 | 2,261 | - |
| Excess of revenues over expenditures | \$ - | - | - |
| Fund balance, beginning of year | | - | |
| Fund balance, end of year | | \$ - | |

CRAIG CITY SCHOOL DISTRICT

SUCCEED Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - Federal sources passed other intermediate agencies | \$ 15,202 | 15,202 | - |
| Expenditures: Current: Support services - instruction - Student travel | 15,202 | 15,202 | - |
| Excess of revenues over expenditures | \$ - | - | - |
| Fund balance, beginning of year | | - | |
| Fund balance, end of year | | \$ - | |

CRAIG CITY SCHOOL DISTRICT

Consolidated Admin Pool Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - | | | |
| Federal sources passed through State of Alaska | \$ 11,300 | 11,300 | - |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Certificated salaries | 11,300 | 11,300 | - |
| Excess of revenues over expenditures | \$ - | - | - |
| Fund balance, beginning of year | | - | |
| Fund balance, end of year | | \$ - | |

CRAIG CITY SCHOOL DISTRICT

Title I-A Basic Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - | | | |
| Federal sources passed through State of Alaska | \$ 54,743 | 52,512 | (2,231) |
| Expenditures: | | | |
| Current: | | | |
| Support services - instruction: | | | |
| Certificated salaries | 23,450 | 23,450 | - |
| Non-certificated salaries | 12,000 | 12,000 | - |
| Employee benefits | 7,894 | 7,894 | - |
| Professional and technical services | 700 | - | 700 |
| Staff travel | 3,600 | 3,600 | - |
| Supplies, materials and media | 3,850 | 2,451 | 1,399 |
| Total support services - instruction | 51,494 | 49,395 | 2,099 |
| District administration support services - | | | |
| Indirect costs | 3,249 | 3,117 | 132 |
| Total expenditures | 54,743 | 52,512 | 2,231 |
| Excess of revenues over expenditures | \$ - | - | - |
| Fund balance, beginning of year | | - | |
| Fund balance, end of year | | \$ - | |

CRAIG CITY SCHOOL DISTRICT

Title IV-A Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - | | | |
| Federal sources passed through State of Alaska | \$ 9,800 | 9,800 | - |
| Expenditures: | | | |
| Current: | | | |
| Support services - instruction: | | | |
| Non-certificated salaries | 3,982 | 3,982 | - |
| Student travel | 5,236 | 5,236 | - |
| Total support services - instruction | 9,218 | 9,218 | - |
| District administration support services - | | | |
| Indirect costs | 582 | 582 | - |
| Total expenditures | 9,800 | 9,800 | - |
| Excess of revenues over expenditures | \$ - | - | - |
| Fund balance, beginning of year | | - | |
| Fund balance, end of year | | \$ - | |

CRAIG CITY SCHOOL DISTRICT

Title II-A Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - | | | |
| Federal sources passed through State of Alaska | \$ 17,857 | 8,874 | (8,983) |
| Expenditures: | | | |
| Current: | | | |
| Support services - instruction: | | | |
| Professional and technical services | 4,297 | 406 | 3,891 |
| Staff travel | 12,500 | 7,942 | 4,558 |
| Total support services - instruction | 16,797 | 8,348 | 8,449 |
| District administration support services - | | | |
| Indirect costs | 1,060 | 526 | 534 |
| Total expenditures | 17,857 | 8,874 | 8,983 |
| Excess of revenues over expenditures | \$ - | - | - |
| Fund balance, beginning of year | | - | |
| Fund balance, end of year | | \$ - | |

CRAIG CITY SCHOOL DISTRICT

SELECT Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|------------------------------|-------------------|--|
| Revenues - intergovernmental - Federal sources passed through other intermediate agencies | \$ 146,946 | 146,946 | - |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Supplies, materials, and media | 30,510 | 30,510 | - |
| Support services - students: | | | |
| Certificated salaries | 91,022 | 91,022 | - |
| Employee benefits | 25,414 | 25,414 | - |
| Total support services - students | 116,436 | 116,436 | - |
| Total expenditures | 146,946 | 146,946 | - |
| Excess of revenues over expenditures | \$ - | - | - |
| Fund balance, beginning of year | | - | |
| Fund balance, end of year | | \$ - | |

CRAIG CITY SCHOOL DISTRICT

Title VI-B Special Education Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - | | | |
| Federal sources passed through State of Alaska | \$ 167,077 | 162,825 | (4,252) |
| Expenditures: | | | |
| Current: | | | |
| Special education instruction: | | | |
| Certificated salaries | 58,000 | 58,000 | - |
| Non-certificated salaries | 54,000 | 54,000 | - |
| Employee benefits | 20,000 | 20,000 | - |
| Professional and technical services | 21,160 | 21,160 | - |
| Supplies, material and media | 4,000 | - | 4,000 |
| Total special education instruction | <u>157,160</u> | <u>153,160</u> | <u>4,000</u> |
| District administration support services - | | | |
| Indirect costs | 9,917 | 9,665 | 252 |
| Total expenditures | <u>167,077</u> | <u>162,825</u> | <u>4,252</u> |
| Excess of revenues over expenditures | \$ <u>-</u> | - | <u>-</u> |
| Fund balance, beginning of year | | <u>-</u> | |
| Fund balance, end of year | | <u>\$ -</u> | |

CRAIG CITY SCHOOL DISTRICT

Indian Education Act Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - Federal sources - direct | \$ 94,798 | 94,798 | - |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Certificated salaries | 53,107 | 53,107 | - |
| Employee benefits | 33,456 | 33,456 | - |
| Total instruction | 86,563 | 86,563 | - |
| Support services - students: Supplies, materials, media | 8,235 | 8,235 | |
| Total expenditures | 94,798 | 94,798 | - |
| Excess of revenues over expenditures | \$ - | - | - |
| Fund balance, beginning of year | | - | |
| Fund balance, end of year | | \$ - | |

CRAIG CITY SCHOOL DISTRICT

CCTH Headstart Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - local sources - charges for service | \$ 24,000 | 24,000 | - |
| Expenditures: | | | |
| Current: | | | |
| Operations and maintenance of plant: | | | |
| Energy | 1,317 | 1,317 | - |
| Insurance and bond premiums | 1,860 | 1,860 | - |
| Supplies, materials, media | 1,848 | 1,848 | |
| Total expenditures | <u>5,025</u> | <u>5,025</u> | <u>-</u> |
| Excess of revenues over expenditures | \$ <u>18,975</u> | 18,975 | <u>-</u> |
| Fund balance, beginning of year | | <u>39,054</u> | |
| Fund balance, end of year | | <u>\$ 58,029</u> | |

CRAIG CITY SCHOOL DISTRICT

ESSER III Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues: | | | |
| Intergovernmental - | | | |
| Federal sources - passed through the State of Alaska | \$ 54,104 | 54,104 | - |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Certificated salaries | 30,000 | 30,000 | - |
| Employee benefits | 1,447 | 1,331 | 116 |
| Total instruction | <u>31,447</u> | <u>31,331</u> | <u>116</u> |
| Support services - instruction: | | | |
| Non-certificated salaries | 18,000 | 18,000 | - |
| Employee benefits | 1,446 | 1,562 | (116) |
| Total support services - instruction | <u>19,446</u> | <u>19,562</u> | <u>(116)</u> |
| District administration support services: | | | |
| Indirect costs | <u>3,211</u> | <u>3,211</u> | - |
| Total expenditures | <u>54,104</u> | <u>54,104</u> | - |
| Excess of revenues over expenditures | <u>\$ -</u> | - | <u>-</u> |
| Fund balance, beginning of year | | - | |
| Fund balance, end of year | | <u>\$ -</u> | |

CRAIG CITY SCHOOL DISTRICT

SOAR Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------------------|-------------------|--|
| Revenues - intergovernmental - Federal source passed through other intermediate agencies | \$ 30,000 | 30,000 | - |
| Expenditures: Current: Instruction - Supplies, materials and media | 30,000 | 30,000 | - |
| Excess of revenues over expenditures | \$ - | - | - |
| Fund balance, beginning of year | | - | |
| Fund balance, end of year | | \$ - | |

CRAIG CITY SCHOOL DISTRICT

Staff Housing Special Revenue Fund

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

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|------------------------------|-------------------|--|
| Revenues - | | | |
| Local sources - charges for services | \$ - | - | - |
| Expenditures: | | | |
| Current: | | | |
| Operations and maintenance of plant: | | | |
| Utility services | 5,167 | 5,167 | - |
| Energy | 1,041 | 1,041 | - |
| Insurance and bond premiums | 465 | 465 | - |
| Supplies, materials and media | 29 | 29 | - |
| Total expenditures | <u>6,702</u> | <u>6,702</u> | <u>-</u> |
| Deficiency of revenues under expenditures | \$ <u>(6,702)</u> | (6,702) | <u>-</u> |
| Fund balance, beginning of year | | <u>33,021</u> | |
| Fund balance, end of year | | <u>\$ 26,319</u> | |

CRAIG CITY SCHOOL DISTRICT

AEA Boiler Capital Project Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2024

| | |
|--|----------------------------|
| Revenues - Intergovernmental - | |
| Federal sources passed through State of Alaska | \$ <u>316,682</u> |
| Expenditures: | |
| Current: | |
| Construction and facilities acquisition: | |
| Professional and technical services | <u>420,633</u> |
| Deficiency of revenues under expenditures | <u>(103,951)</u> |
| Fund balance, beginning of year | <u>(45,241)</u> |
| Fund balance, end of year | \$ <u><u>(149,192)</u></u> |

CRAIG CITY SCHOOL DISTRICT
 PACE Statewide Correspondence Program
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual

Year Ended June 30, 2024

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|------------------------------|-------------------|--|
| Revenues: | | | |
| Local sources: | | | |
| E-rate | \$ 7,226 | 7,226 | - |
| Other | 4,665 | 4,665 | - |
| Total local sources | <u>11,891</u> | <u>11,891</u> | <u>-</u> |
| Intergovernmental | | | |
| State of Alaska: | | | |
| Foundation program | 2,250,194 | 2,250,194 | - |
| TRS on-behalf payments | 65,953 | 65,953 | - |
| PERS on-behalf payments | 2,930 | 2,930 | - |
| Total State of Alaska | <u>2,319,077</u> | <u>2,319,077</u> | <u>-</u> |
| Total revenues | <u>2,330,968</u> | <u>2,330,968</u> | <u>-</u> |
| Expenditures: | | | |
| Current: | | | |
| Correspondence instruction: | | | |
| Certificated salaries | 445,053 | 373,791 | 71,262 |
| Employee benefits | 147,224 | 126,635 | 20,589 |
| Supplies, materials and media | 550,000 | 327,519 | 222,481 |
| Total instruction | <u>1,142,277</u> | <u>827,945</u> | <u>314,332</u> |
| Special education instruction: | | | |
| Certificated salaries | 77,272 | 72,339 | 4,933 |
| Employee benefits | 75,915 | 45,198 | 30,717 |
| Supplies, materials and media | 100 | - | 100 |
| Total special education instruction | <u>153,287</u> | <u>117,537</u> | <u>35,750</u> |
| Special education support services - students - | | | |
| Professional & technical | 40,000 | 61,902 | (21,902) |
| Supplies, materials and media | - | 195 | (195) |
| Total special education support services - students | <u>40,000</u> | <u>62,097</u> | <u>(22,097)</u> |

(continued)

CRAIG CITY SCHOOL DISTRICT

PACE Statewide Correspondence Program

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

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|------------------------------|-------------------|--|
| Expenditures: | | | |
| Current: | | | |
| Support services - instruction: | | | |
| Non-certificated salaries | \$ 109,139 | 94,164 | 14,975 |
| Employee benefits | 86,499 | 125,749 | (39,250) |
| Professional & technical | 410,500 | 314,678 | 95,822 |
| Staff travel | 10,000 | 9,469 | 531 |
| Utility services | 95,000 | 114,614 | (19,614) |
| Other purchased services | 54,998 | 61,165 | (6,167) |
| Supplies, materials and media | 150,000 | 91,593 | 58,407 |
| Other expenses | 1,200 | 2,249 | (1,049) |
| Total support services - instruction | <u>917,336</u> | <u>813,681</u> | <u>103,655</u> |
| School administration: | | | |
| Certificated salaries | 62,769 | 62,769 | - |
| Employee benefits | 54,454 | 34,583 | 19,871 |
| Staff travel | 500 | - | 500 |
| Supplies, materials and media | - | 185 | (185) |
| Other expenses | 614 | - | 614 |
| Total school administration | <u>118,337</u> | <u>97,537</u> | <u>20,800</u> |
| Operations and maintenance of plant: | | | |
| Non-certificated salaries | 1,200 | 733 | 467 |
| Employee benefits | 836 | 441 | 395 |
| Energy | 6,300 | 3,739 | 2,561 |
| Other purchased services | 107,994 | 100,518 | 7,476 |
| Total operations and maintenance of plant | <u>116,330</u> | <u>105,431</u> | <u>10,899</u> |
| Student activities - | | | |
| Other expense | 600 | - | 600 |
| Total expenditures | <u>2,488,167</u> | <u>2,024,228</u> | <u>463,939</u> |
| Excess of revenues over expenditures | <u>\$ (157,199)</u> | <u>306,740</u> | <u>(463,939)</u> |

CRAIG CITY SCHOOL DISTRICT

Schedule of Compliance - AS 14.17.505

Year Ended June 30, 2024

| <u>School Operating Fund</u> | | | |
|---------------------------------|--------------------------------------|--|---------------|
| | <u>Reserved Fund Balance</u> | <u>Unreserved Fund Balance</u> | <u>Total</u> |
| Reserved: | | | |
| Inventory | \$ 27,933 | - | 27,933 |
| Impact Aid | 519,447 | - | 519,447 |
| PACE carryover family allotment | 189,377 | - | 189,377 |
| Unreserved - undesignated | - | (651,105) | (651,105) |
| Total fund balance | \$ <u>736,757</u> | <u>(651,105)</u> | <u>85,652</u> |

Unreserved fund balance as a percentage of current year expenditures:

$$\frac{\text{Unreserved fund balance}}{\text{Current year expenditures}} = \frac{(651,105)}{8,319,695} = \underline{\underline{-7.83\%}}$$

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

CRAIG CITY SCHOOL DISTRICT

Craig MS-ES Rehabilitations GR-23-003 / GR-23-006

Schedule of the Results of Operations of Capital Project Funds

Year Ended June 30, 2024

| | Prior Years | Current Year | Inception to Date |
|-------------------------------------|-------------------|-------------------|-------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Expenditures: | | | |
| Professional and technical services | - | 316,931 | 316,931 |
| Total expenditures | <u> </u> | <u> </u> | <u> </u> |
| | - | 316,931 | 316,931 |

CRAIG CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

| <u>Grant Title</u> | <u>Grant Number</u> | <u>Assistance Listing Number</u> | <u>Total Federal Expended</u> |
|---|-------------------------|--|---------------------------------------|
| U.S. Department of Agriculture | | | |
| Passed through the State of Alaska, Department of Education and Early Development: | | | |
| Child Nutrition Cluster: | | | |
| NSL Breakfast | None | 10.553 | 70,067 |
| NSL Lunch | None | 10.555 | 175,431 |
| Supply Chain Assistance | FD 24.CGSD.02 | 10.555 | 11,581 |
| Fresh Fruit and Vegetable Program | FF 24.CGSD.02 | 10.582 | 8,072 |
| Commodities | None | 10.555 | 1,653 |
| Total Child Nutrition Cluster | | | <u>266,804</u> |
| Total U.S. Department of Agriculture | | | <u>266,804</u> |
| U.S. Department of Education | | | |
| Passed through the State of Alaska, Department of Education and Early Development: | | | |
| School Improvement, 1003(a) | SI 24.CGSD.01 | 84.010A | 25,000 |
| Consolidated Admin Pool | CS CGSD.01 | 84.010A | 5,000 |
| Title I-A Basic | IP 24.CGSD.01 | 84.010A | 52,512 |
| Total ALN 84.010 | | | <u>82,512</u> |
| Consolidated Admin Pool | CS CGSD.01 | 84.011A | 5,000 |
| Title I-C Migrant | IP 24.CGSD.01 | 84.011A | 104,940 |
| Migrant Literacy | MB 24.CGSD.01 | 84.011A | 2,787 |
| Total ALN 84.011 | | | <u>112,727</u> |
| Education for Homeless Children and Youth | AH 24.CGSD.01 | 84.196A | 350 |
| COVID-19 Emergency Relief Fund III | ER 24.CGSD.01 | 84.425U | 54,104 |
| Special Education Cluster: | | | |
| Title VI-B Special Education | SE 24.CGSD.01 | 84.027A | 162,825 |
| Title VI-B Section 619 Preschool Disabled | SE 24.CGSD.01 | 84.173A | 2,261 |
| Total Special Education Cluster | | | <u>165,086</u> |
| Consolidated Admin Pool | IP 24.CGSD.01 | 84.367A | 1,100 |
| Title II-A, ESEA Consolidated | IP 24.CGSD.01 | 84.367A | 8,874 |
| Total ALN 84.367 | | | <u>9,974</u> |
| Consolidated Admin Pool | CS CGSD.01 | 84.424 | 200 |
| Title IV-A | IP 24.CGSD.01 | 84.424A | 9,800 |
| Total ALN 84.424 | | | <u>10,000</u> |
| Carl Perkins Vocational Ed Secondary | EK 24.CGSD.01 | 84.048A | 14,990 |

(continued)

CRAIG CITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards, Continued

| <u>Grant Title</u> | <u>Grant Number</u> | <u>Assistance Listing Number</u> | <u>Total Federal Expended</u> |
|---|-------------------------|--|---------------------------------------|
| Passed through the Klawock City School District - SELECT | S356A190012 | 84.356A | \$ <u>146,948</u> |
| Passed through South Island School District SUCCEED | S299A220018 | 84.299A | <u>15,202</u> |
| Direct programs: | | | |
| Indian Education | S060A210872 | 84.060A | <u>94,798</u> |
| SOAR | S356A220034 | 84.356A | <u>30,000</u> |
| Impact Aid | None | 84.041 | <u>896,092</u> |
| Total U.S. Department of Education | | | <u>1,632,783</u> |
| Denali Commission - | | | |
| Passed through Alaska Energy Authority - Craig High School Biomass Project | 7910073 | 90.100 | <u>316,681</u> |
| Total Expenditure of Federal Awards | | | \$ <u><u>2,216,268</u></u> |

See accompanying notes to the schedule.

CRAIG CITY SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Craig City School District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Craig City School District, it is not intended to and does not present the basic financial statements of Craig City School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Craig City School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Passed Through Awards

No amounts were passed through to subrecipients.

Note 4. Nonmonetary Assistance

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed for the year ended June 30, 2024 the District had food commodities totaling \$1,653.

Note 5. Impact Aid Commitment

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

Note 6. Total Expenditures for ALN #84.356

Craig City School District received an award directly from U.S. Department of Education with expenditures of \$30,000. The District also received one award passed through other intermediaries with total expenditures for \$146,948. Total expenditures for ALN 84.356 was \$176,948.

Note 7. Reconciliation to Basic Financial Statements:

| | |
|--|---------------------|
| Federal Expenditures per previous page | \$ 2,216,268 |
| Adjustments: | |
| Statutory Impact Aid committed in FY 2023 | (695,966) |
| Statutory Impact Aid committed in FY 2024 | 519,447 |
| Total federal revenue per basic financial statements | \$ <u>2,039,749</u> |

CRAIG CITY SCHOOL DISTRICT

Schedule of State Financial Assistance

Year Ended June 30, 2024

| <u>Grant Title</u> | <u>Grant Number</u> | <u>Total State Expended</u> |
|--|-------------------------|-------------------------------------|
| Department of Education and Early Development: | | |
| Direct programs: | | |
| * Public School Foundation Program | FY24 | \$ 5,099,863 |
| Pupil Transportation | FY24 | 104,202 |
| Quality Schools | FY24 | 15,806 |
| Education Dividend Raffle Funds | None | 1,917 |
| * HB 281 Onetime Grant | None | 334,414 |
| * Craig Elementary and Middle Schools Rehabilitation | GR - 23.003 | 285,238 |
| Total Department of Education and Early Development | | <u>5,841,440</u> |
| Total State Expenditures | | <u>\$ 5,841,440</u> |

See accompanying notes to the Schedule.

CRAIG CITY SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Craig City School District under programs of the State of Alaska for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Craig City School District, it is not intended to and does not present the basic financial statements of Craig City School District.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Subrecipients

No state funds were passed through to Subrecipients.

Note 4. Major Programs

* denotes a major program for compliance audit purposes.

Note 5. Reconciliation of State Expenditures to the Financial Statements

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

| | | |
|--|----|------------------|
| Total Schedule of State Financial Assistance | \$ | 5,841,440 |
| PERS On-Behalf | | 30,321 |
| TRS On-Behalf | | <u>329,467</u> |
| Total State Financial Assistance | \$ | <u>6,201,228</u> |

COMPLIANCE REPORTS

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Craig City School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Craig City School District's basic financial statements, and have issued our report thereon dated November 6, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Craig City School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Craig City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Craig City School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items Finding 2024-001 and Finding 2024-002 that we consider to be material weaknesses.

Members of the School Board
Craig City School District

Craig City School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Craig City School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Craig City School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Craig City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Anchorage, Alaska
November 6, 2024

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Craig City School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Craig City School District's major federal programs for the year ended June 30, 2024. Craig City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Craig City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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



Anchorage, Alaska
November 6, 2024

CRAIG CITY SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Financial Statements

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

Unmodified

Is a going concern emphasis-of-matter paragraph included in the audit report?

Yes No

Internal control over financial reporting:

Material weakness identified?

Yes No

Significant deficiency identified?

Yes None reported

Noncompliance material to the financial statements noted?

Yes No

Federal Awards

Internal control over major federal programs (2 CFR 200.516(a)(1)):

Material weakness identified?

Yes No

Significant deficiency identified?

Yes None reported

Any material noncompliance with provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516(a)(2))?

Yes No

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR 200.516(a)(3) or (4)?

Yes No

Identification of major programs:

Assistance Listing Number

84.041

Name of Federal Program or Cluster

Impact Aid

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

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No

CRAIG CITY SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

Finding 2024-001
Material Weakness

Lack of Internal Controls over Payroll

Criteria: Adequate internal control over payroll transactions should be in place to ensure that employees are only paid at their approved wage rate.

Condition and Context: During the audit, we tested a random sample of 40 transactions. We noted multiple instances where employees were missing signed payrate forms. We believe their current system involving letter of intent forms to be insufficient in documenting employee pay rates.

Cause: Lack of internal controls over payroll transactions

Effect: The lack of proper controls over approved pay rates may allow for the potential for misstatement of expenditures.

Repeat Finding: No.

Recommendation: We recommend that the District adhere to their internal control policies to ensure accurate reporting of payroll transactions.

Management’s Response: See Corrective Action Plan.

Finding 2024-002
Material Weakness

Financial Reporting and Year End Close

Criteria: Internal controls should be in place to ensure timely reconciliation and review of all general ledger accounts to ensure financial statement amounts are properly stated.

Condition and Context: During the audit, we noted several accounts were not properly reconciled in accordance with GAAP. Unearned revenue and associated revenue accounts were not reconciled in the Capital Project Funds. Beginning fund balance and cash accounts required material adjustments to properly state balances. Fuel and food inventory were not adjusted prior to the audit. We also identified several accounts including grant revenue/accounts receivable, accounts payable, PERS/TRS on-behalf, and City in-kind revenue that were not adjusted by the District prior the start of the audit.

CRAIG CITY SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

- Cause:** Lack of internal controls over financial reporting and year end close procedures.
- Effect:** Lack of adequate internal control over financial reporting and year end could result in the material misstatement of the District's financial statements that would not be prevented, detected and corrected, on a timely basis.
- Repeat Finding:** This is a repeat finding of 2023-002
- Recommendation:** We recommend the District ensure that shortly after year end, all accounting transactions have been accurately reflected in the financial statements. The District should follow existing year end close procedures to ensure that account balances are accurate prior to the start of the audit.
- Management's Response:** See Corrective Action Plan.

Section III – Federal Award Findings and Questioned Costs

Craig City School District did not have any findings that relate to the federal awards.

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

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Craig City School District's compliance with the types of compliance requirements identified as subject to audit in the State of Alaska Audit Guide and Compliance Supplements that could have a direct and material effect on each of Craig City School District's major state programs for the year ended June 30, 2024. Craig City School District's major state programs are identified on the Schedule of State Financial Assistance.

In our opinion, Craig City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State of Alaska Audit Guide, we:

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

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

Report on Internal Control over Compliance

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

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

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

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



Anchorage, Alaska
November 6, 2024

CRAIG CITY SCHOOL DISTRICT

State Schedule Findings and Questioned Costs

Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness identified?

X Yes No

Significant deficiency identified?

Yes X None reported

Noncompliance material to the financial statements noted?

Yes X No

State Financial Assistance

Internal control over major programs:

Material weakness identified?

Yes X No

Significant deficiency identified?

Yes X None reported

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

Unmodified

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

\$ 750,000

Auditee qualified as low-risk auditee?

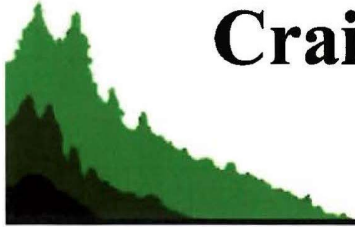
X Yes No

Section II – Financial Statement Findings

Financial statement findings for the District are reported in the federal schedule of findings and questioned costs.

Section III – State Award Findings and Questioned Costs

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



Craig City School District

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Phone (907) 826.3274
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Jackie Hanson, Superintendent
David Harris, Elem./MS Principal
Josh Andrews, HS Principal
Heather Mendonsa, PACE Principal

Summary Schedule of Prior Audit Findings

June 30, 2024

Section II – Financial Statement Findings

Finding 2023-001 Material Weakness

Cash Reconciliations

Condition:

During the year, starting with the January bank statements, cash reconciliations were not being performed in a timely manner due to issues with the software conversion. As a result, bank reconciliations for January 2023 through June 2023 were not performed until after year end.

Status:

This finding has been resolved.

Finding 2023-002 Material Weakness

Financial Reporting and Year End Close

Condition:

An effective internal control system over financial reporting provides reasonable assurance that assets are safeguarded against loss and theft, and that reliable financial statements are prepared in accordance with the appropriate accounting standards and in compliance with applicable laws and regulations. During our audit, we noted that the District's year-end financial statement close procedures were ineffective to meet these objectives. The District did not properly adjust the ending balances for payroll liabilities, inventory, grant revenue and receivables, and various general fund revenues,

Status:

This finding has not been resolved. Repeated as Finding 2024-002.

Finding 2023-003 Material Weakness

Accounting Software Conversion

Condition:

Mid-way through the year, the District went from using existing accounting software to a new accounting software. During audit fieldwork, we discovered that the trial balance in the new system did not contain activity for the first half of the year since existing balances were not brought forward. The auditor's had to propose a large journal entry to bring in beginning account balances for the new accounting system.

Status:

This finding has been resolved.

CRAIG CITY SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings, Continued

Finding 2023-004
Material Weakness

Lack of Internal Control over Payroll

Condition: During the audit, we tested a random sample of 40 payroll transactions. We noted one instance where an employee was paid the incorrect rate according to their documented approved wage rate.

Status: This finding has not been resolved and is repeated as Finding 2024-001.

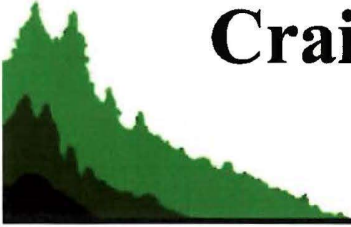
Section III – Federal Award Findings and Questioned Costs

Finding 2023-005
Material Weakness

Late Reporting and Noncompliance with Reporting Requirements

Condition: During our review of the 2024 application, we noted that the application was not submitted timely. The application was not considered submitted until February 1, 2023.

Status: This finding has been resolved.



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Corrective Action Plan

June 30, 2024

Financial Statement Findings

Finding 2024-001:

Lack of Internal Controls over Payroll

Name of Contact Person:

Melinda Bass

Corrective Action Plan:

All contracts and payroll authorizations for both certified and classified staff will be processed digitally through AdobeSign and/or Tyler School ERP Pro Software, then uploaded immediately upon receiving required signatures.

Proposed Completion Date:

June 30, 2025.

Finding 2023-002:

Financial Reporting and Year End Close

Name of Contact Person:

Melinda Bass

Corrective Action Plan:

CCSD has ensured that staff involved with audit preparation will not use vacation days during the time period of audit preparation. CCSD has also contracted the services of additional support when needed from another Alaska school district Business Manager who is very familiar with the same accounting software used by CCSD.

Reconciliations for grants, accounts payable, accounts receivable, inventory, PERS/TRS On-Behalf, City In-Kind, etc will be completed prior to the review stage of audit.

Proposed Completion Date:

June 30, 2025.