

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

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

Year Ended June 30, 2021

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

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

Year Ended June 30, 2021

CRAIG CITY SCHOOL DISTRICT

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1-3
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	A-1	4
Statement of Activities	B-1	5
Fund Financial Statements:		
Balance Sheet - Governmental Funds	C-1	6
Reconciliation of Governmental Funds Balance Sheet To Statement of Net Position	C-2	7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	D-1	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-2	9
Statement of Fiduciary Net Position	E-1	10
Statement of Changes in Fiduciary Net Position	E-2	11
Notes to Basic Financial Statements		12-41
Required Supplementary Information:		
Statement of Revenues, Expenditures, and Changes in Fund Balance – Original and Final Budget and Actual – School Operating Fund	F-1	42
Public Employees' Retirement System:		
Schedule of District's Proportionate Share of the Net Pension Liability	G-1	43
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)	G-2	44
Schedule of the District's Contributions (Pensions)	G-3	45
Schedule of the District's Contributions (OPEB)	G-4	46
Teachers' Retirement System:		
Schedule of District's Proportionate Share of the Net Pension Liability	G-5	47
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)	G-6	48
Schedule of the District's Contributions (Pensions)	G-7	49
Schedule of the District's Contributions (OPEB)	G-8	50
Notes to Required Supplementary Information		51-52

CRAIG CITY SCHOOL DISTRICT

Table of Contents, Continued

	<u>Exhibit</u>	<u>Page</u>
Additional Supplementary Information:		
Major Governmental Funds:		
Schedule of Revenues, Expenditures		
and Changes in Fund Balance - Budget and Actual -		
School Operating Fund	H-1	53-56
Special Projects Capital Project Fund	H-2	57
Other Governmental Funds:		
Combining Balance Sheet	I-1	58-60
Combining Statement of Revenues, Expenditures		
and Changes in Fund Balances	I-2	61-63
Schedule of Revenues, Expenditures and Changes		
in Fund Balance - Budget and Actual:		
Special Revenue Funds:		
Student Transportation	I-3	64
Food Service	I-4	65
Summer Food Service Program	I-5	66
Carl Perkins	I-6	67
PACE School Improvements	I-7	68
Fresh Fruit and Vegetables	I-8	69
Migrant Education Books	I-9	70
Title I-C Migrant Education	I-10	71
Special Education Program 619	I-11	72
Governor's Emergency Education Relief	I-12	73
CARES Act	I-13	74
SAIL	I-14	75
Consolidated Admin Pool	I-15	76
Title I-A Basic	I-16	77
Title IV-A	I-17	78
Title II-A	I-18	79
ASTRIDE	I-19	80
SELECT	I-20	81
REAP	I-21	82
Special Education Title VI-B	I-22	83
Indian Education Act	I-23	84
CRRSA Emergency Relief	I-24	85
Johnson O'Malley FY16-FY18	I-25	86
ACES	I-26	87
Staff Housing	I-27	88

CRAIG CITY SCHOOL DISTRICT

Table of Contents, Continued

	<u>Exhibit</u>	<u>Page</u>
Additional Supplementary Information, Continued:		
PACE Statewide Correspondence Program	J-1	89-90
Schedule of Compliance – AS 14.17.505	K-1	91
Schedule of Expenditures of Federal Awards	L-1	92-93
Notes to Schedule of Expenditures of Federal Awards		94
Schedule of State Financial Assistance	M-1	95
Notes to Schedule of State Financial Assistance		96
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 <i>Government Auditing Standards</i>		97-98
Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the <i>Uniform Guidance</i>		99-100
Federal Schedule of Findings and Questioned Costs		101-102
Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the <i>State of Alaska Audit Guide and Compliance Supplement for State Single Audits</i>		103-104
State Schedule of Findings and Questioned Costs		105

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Craig City School District (District), a component unit of the City of Craig, Alaska, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Craig City School District as of June 30, 2021, the respective changes in financial position thereof, and the respective budgetary comparison for the School Operating Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note V.F. to the financial statements, in 2021 the District adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Statement No. 84 established criteria for identifying fiduciary activities and the reporting requirements of said fiduciary activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedules of the District's Proportionate Share of Net Pension and OPEB Liabilities and Assets, the District's Schedules of Contributions for the Public Employees' Retirement System and Teachers' Retirement System, and the Schedule of Revenues, Expenditures, Changes in Fund Balance – Original and Final – Budget and Actual, and the related notes to required supplementary information, on pages 42-52, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Craig City School District's basic financial statements. The information listed in the table of contents as "Additional Supplementary Information", which includes the Major Governmental Funds: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, Other Governmental Funds: Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual; the Schedule of Compliance – AS 14.17.505; the PACE Statewide Correspondence Program; the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Notes to Schedule of Expenditures of Federal Awards; the Schedule of State Financial Assistance; and Notes to Schedule of State Financial Assistance, as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, is presented for purpose of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2021, on our consideration of 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 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 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 Craig City School District's internal control over financial reporting and compliance.



Anchorage, Alaska
October 5, 2021

CRAIG CITY SCHOOL DISTRICT

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>
<u>Assets and Deferred Outflows of Resources</u>	
Current assets:	
Cash and cash equivalents	\$ 4,942,814
Accounts receivable	340,625
Inventory	40,404
Prepaid expenses	4,958
Total current assets	<u>5,328,801</u>
Long-term assets:	
Capital assets (net of accumulated depreciation)	193,469
OPEB assets	574,780
Total long-term assets	<u>768,249</u>
Deferred outflows of resources -	
Pension and OPEB deferrals	<u>770,638</u>
Total assets and deferred outflows of resources	<u>6,867,688</u>
<u>Liabilities and Deferred Inflows of Resources</u>	
Current liabilities:	
Accounts payable	26,432
Payroll accruals and liabilities	307,352
Accrued leave	9,166
Unearned revenue	26,692
Total current liabilities	<u>369,642</u>
Long-term liabilities -	
Net pension and OPEB liabilities	<u>4,068,819</u>
Deferred inflows of resources -	
Pension and OPEB deferrals	<u>324,246</u>
Total liabilities and deferred inflows of resources	<u>4,762,707</u>
<u>Net Position</u>	
Net investment in capital assets	193,469
Unrestricted	1,911,512
Total net position	<u>\$ 2,104,981</u>

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

CRAIG CITY SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental Activities:				
Instruction	\$ 3,040,954	-	78,913	(2,962,041)
Special education instruction	510,645	-	101,555	(409,090)
Special education support services - students	133,423	-	45,832	(87,591)
Support services - students	106,464	-	91,302	(15,162)
Support services - instruction	2,013,293	-	488,452	(1,524,841)
School administration	310,444	-	(6,367)	(316,811)
School administration support services	238,129	-	6,391	(231,738)
District administration	104,464	-	(1,970)	(106,434)
District administration support services	217,941	-	42,294	(175,647)
Operations and maintenance of plant	798,006	-	13,000	(785,006)
Student activities	116,567	-	(1,074)	(117,641)
Student transportation services	153,630	1,500	97,047	(55,083)
Food service	371,264	5,607	368,239	2,582
Total governmental activities	\$ 8,115,224	7,107	1,323,614	(6,784,503)
General revenues:				
City of Craig appropriations				\$ 696,265
Grants not restricted to specific programs				6,918,202
Unrestricted investments and interest earnings				2,785
E-rate				84,402
Other				16,224
Total general revenues				7,717,878
Change in net position				933,375
Net position, beginning, as previously stated				1,373,497
Cumulative effect of change in accounting principle				(201,891)
Net position, beginning, as restated				1,171,606
Net position, end of year				\$ 2,104,981

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

CRAIG CITY SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2021

	School Operating Fund	Special Projects Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 2,077,543	2,865,271	-	4,942,814
Accounts receivable	22,680	-	317,945	340,625
Due from other funds	312,540	-	119,626	432,166
Inventory	28,342	-	12,062	40,404
Prepaid expenses	4,958	-	-	4,958
Total assets	<u>\$ 2,446,063</u>	<u>2,865,271</u>	<u>449,633</u>	<u>5,760,967</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	14,756	-	11,676	26,432
Payroll accruals and liabilities	307,352	-	-	307,352
Due to other funds	119,626	-	312,540	432,166
Unearned revenue	-	-	26,692	26,692
Total liabilities	<u>441,734</u>	<u>-</u>	<u>350,908</u>	<u>792,642</u>
Fund balances:				
Nonspendable	33,300	-	12,062	45,362
Committed	485,157	2,865,271	86,663	3,437,091
Unassigned	1,485,872	-	-	1,485,872
Total fund balances	<u>2,004,329</u>	<u>2,865,271</u>	<u>98,725</u>	<u>4,968,325</u>
Total liabilities and fund balances	<u>\$ 2,446,063</u>	<u>2,865,271</u>	<u>449,633</u>	<u>5,760,967</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, 2021

Fund balances - total governmental funds		\$	4,968,325
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.			193,469
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Accrued leave			(9,166)
Proportionate share of the collective net pension and OPEB assets:			
PERS	159,056		
TRS	415,724		574,780
Proportionate share of the collective net pension and OPEB liabilities:			
PERS	(1,910,164)		
TRS	(2,158,655)		(4,068,819)
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	288,907		
TRS	481,731		770,638
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources:			
PERS	(130,853)		
TRS	(193,393)		(324,246)
Net position of governmental activities		\$	<u>2,104,981</u>

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

CRAIG CITY SCHOOL DISTRICT

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

Year Ended June 30, 2021

	School Operating Fund	Special Projects Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Charges for services	\$ 1,080	-	5,607	6,687
E-rate	84,402	-	-	84,402
Other	16,224	1,705	1,500	19,429
Intergovernmental:				
City of Craig	696,265	-	-	696,265
State of Alaska	6,906,435	-	97,047	7,003,482
Federal sources	567,725	-	1,229,223	1,796,948
Total revenues	<u>8,272,131</u>	<u>1,705</u>	<u>1,333,377</u>	<u>9,607,213</u>
Expenditures:				
Current:				
Instruction	3,622,276	-	124,292	3,746,568
Special education instruction	517,510	-	100,681	618,191
Special education support services - students	99,041	-	46,628	145,669
Support services - students	59,096	-	69,304	128,400
Support services - instruction	1,551,677	-	483,819	2,035,496
School administration	408,367	-	-	408,367
School administration support services	241,679	-	-	241,679
District administration	136,442	-	-	136,442
District administration support services	185,071	-	36,260	221,331
Operations and maintenance of plant	794,977	-	5,545	800,522
Student activities	135,208	-	-	135,208
Student transportation services	-	-	125,890	125,890
Food service	-	-	371,264	371,264
Total expenditures	<u>7,751,344</u>	<u>-</u>	<u>1,363,683</u>	<u>9,115,027</u>
Excess (deficiency) of revenues over expenditures	<u>520,787</u>	<u>1,705</u>	<u>(30,306)</u>	<u>492,186</u>
Other financing sources (uses):				
Transfers in	-	-	75,852	75,852
Transfers out	(75,852)	-	-	(75,852)
Net other financing sources (uses)	<u>(75,852)</u>	<u>-</u>	<u>75,852</u>	<u>-</u>
Net change in fund balances	<u>444,935</u>	<u>1,705</u>	<u>45,546</u>	<u>492,186</u>
Fund balances, beginning, as previously stated	1,559,394	2,863,566	255,070	4,678,030
Cumulative effect of change in accounting principle	-	-	(201,891)	(201,891)
Fund balances, beginning, as restated	<u>1,559,394</u>	<u>2,863,566</u>	<u>53,179</u>	<u>4,476,139</u>
Fund balances, end of year	<u>\$ 2,004,329</u>	<u>2,865,271</u>	<u>98,725</u>	<u>4,968,325</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, 2021

Net change in fund balance - total government funds	\$	492,186
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p>		
<p>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.</p>		
<p>Change in unfunded net pension and OPEB liability and asset:</p>		
PERS	6,100	
TRS	118,263	124,363
<p>Deferred inflows and outflows of resources are the result of timing differences in the actuarial report:</p>		
<p>Pension and OPEB related assets in the current fiscal year are presented as a change in deferred outflows of resources;</p>		
PERS	5,185	
TRS	357,983	363,168
<p>Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the funds. The liability is recorded in the Government-wide financial statements.</p>		
Compensated absences		2,047
<p>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.</p>		
<p>This is the amount by which depreciation exceeds capital outlays</p>		
Depreciation expense	(48,389)	(48,389)
Change in net position of governmental activities	\$	933,375

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

CRAIG CITY SCHOOL DISTRICT

Statement of Fiduciary Net Position

June 30, 2021

	Scholarships Custodial Fund	Student Activities Custodial Fund	Total Custodial Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 53,647	155,398	209,045
<u>Net Position</u>			
Fiduciary net position - held for others	\$ 53,647	155,398	209,045

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, 2021

	Scholarships Custodial Fund	Student Activities Custodial Fund	Total Fiduciary Activity
Additions:			
Interest	\$ 298	-	298
Donations	1,399	33,706	35,105
Total additions	<u>1,697</u>	<u>33,706</u>	<u>35,403</u>
Deductions:			
Scholarships awarded	2,300	-	2,300
Program expenses	-	25,949	25,949
Total deductions	<u>2,300</u>	<u>25,949</u>	<u>28,249</u>
Changes in net position	<u>(603)</u>	<u>7,757</u>	<u>7,154</u>
Net position, beginning, as previously stated	-	-	-
Cumulative effect of change in accounting principle	54,250	147,641	201,891
Net position, beginning, as restated	<u>54,250</u>	<u>147,641</u>	<u>201,891</u>
Net position, end of year	<u>\$ 53,647</u>	<u>155,398</u>	<u>209,045</u>

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

(This page was left blank intentionally)

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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.

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

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

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

The District reports the following major governmental funds:

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

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

Additionally, the District reports the following fiduciary funds:

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

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

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

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

Intergovernmental Revenue

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Local Revenue

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

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

Estimates

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

Indirect Costs

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

D. Assets, Liabilities and Equity

1. Cash and Cash Equivalents

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

2. Short-term Interfund Receivables and Payables

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

3. Inventories and Prepaid Items

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

Payments made to vendors for services that are applicable to future accounting periods are recorded as prepaid items. 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.

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. 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.

6. 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.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

7. Compensated Absences

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.

8. 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.

9. 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.

10. 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.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

- Committed fund balance – amounts that can be used only for the specific purposes determined by a formal action of the School Board. Commitments may be changed or lifted by the Board taking the same formal action that imposed the constraint originally.
- Assigned fund balance – amounts intended to be used by the District for specific purposes: intent can be expressed by the School Board or Superintendent or designee. Such constraint is binding unless modified or eliminated by the Board or Superintendent. In governmental funds other than the School Operating Fund, assigned fund balance represents the amount that is not restricted or committed.
- Unassigned fund balance – amounts not contained in the other classifications and available for any purpose. Positive unassigned amounts will be reported only in the School Operating Fund. If another governmental fund, other than the School Operating Fund, has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund.

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

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

11. 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.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

Custodial Credit Risk

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

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

As of June 30, 2021, the District's cash and cash equivalents were fully insured and collateralized.

B. Receivables

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

	School Operating Fund	Other Governmental Funds	Total
Grants	\$ -	317,945	317,945
Miscellaneous	22,680	-	22,680
Total	\$ 22,680	317,945	340,625

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

C. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, being depreciated:				
Infrastructure & buildings	\$ 369,152	-	-	369,152
Vehicles & equipment	799,940	-	(64,942)	734,998
Total capital assets being depreciated	<u>1,169,092</u>	<u>-</u>	<u>(64,942)</u>	<u>1,104,150</u>
Less accumulated depreciation:				
Infrastructure & Buildings	(346,529)	(2,056)	-	(348,585)
Vehicles & equipment	(580,705)	(46,333)	64,942	(562,096)
Total accumulated depreciation	<u>(927,234)</u>	<u>(48,389)</u>	<u>64,942</u>	<u>(910,681)</u>
Net Governmental capital assets	<u>\$ 241,858</u>	<u>(48,389)</u>	<u>-</u>	<u>193,469</u>

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

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

Support services - instruction	\$ 15,868
Operations and maintenance of plant	4,781
Student transportation	27,740
Total	<u>\$ 48,389</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, 2021 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	School Operating Fund	\$ 119,626
School Operating Fund	Other Governmental Funds	<u>312,540</u>
		<u>\$ 432,166</u>

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

<u>Transfers Out</u>	<u>Transfer In</u>	<u>Amount</u>
School Operating Fund	Other Governmental Funds	<u>\$75,852</u>

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

E. Fund Balance and Net Position

Detailed information related to amounts nonspendable, restricted, committed, and assigned in fund balance as at June 30, 2021 are as follows:

<u>Fund Balance</u>				
	School Operating Fund	Special Projects Capital Project Fund	Other Governmental Funds	Total Fund Balance
Non-spendable:				
Prepaid items	\$ 4,958	-	-	4,958
Inventory	28,342	-	12,062	40,404
Total non-spendable	<u>\$ 33,300</u>	<u>-</u>	<u>12,062</u>	<u>45,362</u>
Committed for:				
Special Capital Projects	\$ -	2,865,271	-	2,865,271
Staff Housing	-	-	40,324	40,324
Food Service	-	-	46,339	46,339
PACE Carryover	485,157	-	-	485,157
Total committed	<u>\$ 485,157</u>	<u>2,865,271</u>	<u>86,663</u>	<u>3,437,091</u>
Unassigned	<u>\$ 1,485,872</u>	<u>-</u>	<u>-</u>	<u>1,485,872</u>

F. Related Party Transactions

Craig City School District received payments and in-kind services from a related party during the year ended June 30, 2021:

City of Craig	\$ <u>696,265</u>
---------------	-------------------

E. Long-term Obligations

Accrued leave of governmental activities are also accounted for by the School District. Leave is generally liquidated by the General Fund. Changes in these obligations for the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Change	Balance June 30, 2021	Due within One Year
Accrued Leave	\$ <u>11,213</u>	<u>(2,047)</u>	<u>9,166</u>	<u>9,166</u>

V. 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.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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 school administration, school administration support services, district administration, and operations and maintenance of plant to report negative program revenues.

C. Employee Retirement Systems and Plans

The Craig City School 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 Craig City School District participate in either the State of Alaska Public Employees' Retirement System (PERS) or the State of Alaska Teachers' Retirement System (TRS). In addition to the pension plan both systems also administer other post-employment benefit (OPEB) plans.

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

Other Postemployment Benefit Plans (OPEB)

Occupational Death and Disability Plan (ODD)

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 2021 the employer contribution rate 0.31% for PERS and 0.08% for TRS

Membership in the plan consisted of the following at June 30, 2020 (latest available report):

Membership	PERS	TRS
Active plan members	23,378	5,569
Participating employers	152	57

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2020 (latest available information) employer contributions were 4.88% for PERS and 4.53% for TRS of annual payroll. Membership in the plan consisted of the following at June 30, 2020 (latest report available):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	36,140	13,053
Inactive plan members entitled to but not yet receiving benefits	7,208	774
Inactive plan members not entitled to benefits	10,575	1,745
Active plan members	11,162	3,812
Total plan membership	<u>65,085</u>	<u>19,384</u>

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Retiree Medical Plan (RMP)

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended June 30, 2021 employer contributions were 1.27% for PERS and 0.93% for TRS. Membership in the plan consists of the following at June 30, 2020 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	46	17
Inactive plan members entitled to but not yet receiving benefits	1,717	782
Inactive plan members not entitled to benefits	14,643	2,757
Active plan members	23,378	5,569
Total plan membership	39,784	9,125

Healthcare Reimbursement Arrangement Plan

The Healthcare Reimbursement Arrangement Plan was established to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants. Employer contributions are 3% of the average annual compensation of all employees in the PERS and TRS plans. Membership in the plan consists of the following at June 30, 2020 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	63	19
Inactive plan members entitled to but not yet receiving benefits	1,717	782
Inactive plan members not entitled to benefits	14,643	2,757
Active plan members	23,378	5,569
Total plan membership	39,801	9,127

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, 2020 (latest available report) for the DB Pension Plan for PERS and TRS is 4.03% and 4.01%, for the ARHCT plan is 4.16% and 4.16%, for the ODD Plan is 4.28% and 4.22%, and for the RMP is 4.33% and 4.26%, respectively.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Broad Domestic Equity	6.24%
Global Equity (non-U.S.)	6.67%
Intermediate Treasuries	(0.16%)
Opportunistic	3.01%
Real Assets	3.82%
Private Equity	10.00%
Cash Equivalents	(1.09%)

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.38%, which represents a decrease of 0.00% since the prior measurement period. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 2.66% as of June 30, 2020.

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

Employer Contribution rates for PERS and TRS for the year ended June 30, 2021 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	14.57%	26.58%	8.85%
OPEB	7.43%	4.27%	0%
Total PERS contribution rates	<u>22.00%</u>	<u>30.85%</u>	<u>8.85%</u>
TRS:			
Pension	5.65%	27.07%	17.91%
OPEB	6.91%	3.40%	0%
Total TRS contribution rates	<u>12.56%</u>	<u>30.47%</u>	<u>17.91%</u>

Termination Costs: If the Craig City School 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 Craig City School District function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The Craig City School District must pay to have a termination study completed. The purpose of the study is to calculate the Craig City School 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 Craig City School District must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS or TRS Administrator. For fiscal year 2021 the past service rate for PERS is 18.23%.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2020 (latest available) were determined by an actuarial valuation as of June 30, 2019 which was rolled forward to the measurement date June 30, 2020. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017:

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

TRS Disability	Incidence rates based on 2013-2017 actual experience. Disabilities are assumed to be occupational 15% of the time. Post-disability mortality in accordance with the RP-2014 disabled table with MP-2017 generational improvement.
Retirement	Retirement rates based upon the 2013-2017 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date.
PERS Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. For others, 75% of male members and 70% of female members are assumed to be married. For peace officers/firefighters, 85% of male members and 60% female members are assumed to be married.
TRS Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. 85% of male members and 75% of female members are assumed to be married at termination from active service.
Healthcare cost trend rates (ARHCT Plan and RMP)	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drugs: 8.0% grading down to 4.5% EGWP: 8.0% grading down to 4.5%.

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

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Plan Description. The Craig City School 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 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 151 employers participating in PERS defined benefit plan, including the State of Alaska and 150 political subdivisions and public organizations.

The DB Plan's membership consisted of the following at June 30, 2020 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	36,140
Inactive plan members entitled to but not receiving benefits	7,208
Inactive members not entitled to benefits	10,575
Active plan members	<u>11,162</u>
Total DB plan membership	<u>65,085</u>

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

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

Employer contributions for the year ended June 30, 2021, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	109,944	25,602	135,546

Public Employees Retirement Plans

For the year ended June 30, 2021 the State of Alaska contributed \$86,833 (100% pension cost) on-behalf of the Craig City School 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, 2020 to a total of \$63,077 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, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2021, the Craig City School District reported liabilities that reflected a reduction for State pension and OPEB support provided to the Craig City School District. The amount recognized by the Craig City School District as its proportionate share of net pension and OPEB liabilities, the related State support, and the total portion of the net pension and OPEB liabilities that was associated with the Craig City School District were as follows:

Defined Benefit:		<u>Pension</u>
District's proportionate share of the net pension liability	\$	1,905,944
State's proportionate share of the net pension liability		<u>788,829</u>
Total	\$	<u>2,694,773</u>
		<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (asset)	\$	(146,062)
State's proportionate share of the ARHCT OPEB liability (asset)		<u>(60,391)</u>
Total	\$	<u>(206,453)</u>
District's proportionate share of the ODD OPEB liability (asset)	\$	<u>(12,994)</u>
District's proportionate share of the RMP OPEB liability	\$	<u>4,220</u>
Total District's share of net pension and OPEB liabilities	\$	<u>1,751,108</u>

The net pension and OPEB liabilities were measured as of June 30, 2020 and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities were determined by an actuarial valuation as of that date. The Craig City School District's proportion of the net pension and OPEB liabilities were based on the present value of contributions for FY2021 through FY2039, as determined by projections based on the June 30, 2020 valuation.

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

	<u>June 30, 2019</u> <u>Measurement</u>	<u>June 30, 2020</u> <u>Measurement</u>	<u>Change</u>
Pension	0.0312%	0.0323%	0.0011%
OPEB:			
ARHCT	0.0312%	0.0323%	0.0011%
ODD	0.0475%	0.0476%	0.0001%
RMP	0.0598%	0.0595%	(0.0003)%

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2020, the Craig City School District recognized pension and OPEB expense of \$318,187 and \$(125,020), respectively, for the year ended June 30, 2021. At June 30, 2021, the Craig City School District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ 6,047	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	77,572	-
Changes in proportion and differences between District contributions and proportionate share of contributions	555	-
District contributions subsequent to the measurement date	109,944	-
Total	<u>\$ 194,118</u>	<u>-</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(11,717)
Changes of assumptions	-	(101,814)
Net difference between projected and actual earnings on OPEB plan investments	58,604	-
Changes in proportion and differences between District contributions and proportionate share of contributions	244	-
District contributions subsequent to the measurement date	12,525	-
Total	<u>\$ 71,373</u>	<u>(113,531)</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	\$ -	(4,360)
Changes of assumptions	-	(190)
Net difference between projected and actual earnings on OPEB plan investments	445	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,957	(326)
District contributions subsequent to the measurement date	<u>2,566</u>	<u>-</u>
Total	<u>\$ 4,968</u>	<u>(4,876)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22	(906)
Changes of assumptions	5,926	(10,910)
Net difference between projected and actual earnings on OPEB plan investments	1,890	-
Changes in proportion and differences between District contributions and proportionate share of contributions	99	(630)
District contributions subsequent to the measurement date	<u>10,511</u>	<u>-</u>
Total	<u>\$ 18,448</u>	<u>(12,446)</u>

\$109,944 and \$25,602 are reported as deferred outflows of resources related to pension and OPEB resulting from Craig City School District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities in the year ended June 30, 2021, 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		OPEB	OPEB	OPEB
June 30,	Pension	ARHCT	ODD	RMP
2021	\$ 7,973	(113,759)	(421)	(549)
2022	27,280	20,860	(316)	(173)
2023	28,834	22,398	(314)	(179)
2024	20,087	15,818	(349)	(324)
2025	-	-	(461)	(779)
Thereafter	-	-	(613)	(2,505)
Total	<u>\$ 84,174</u>	<u>(54,683)</u>	<u>(2,474)</u>	<u>(4,509)</u>

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2021, the Craig City School District recognized \$(30,058) and \$(3,281) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

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

	1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability	\$ 2,478,130	1,905,944	1,426,040
Net OPEB ARHCT liability (asset)	\$ 152,413	(146,062)	(393,287)
Net OPEB ODD asset	\$ (12,211)	(12,994)	(13,621)
Net OPEB RMP liability (asset)	\$ 26,143	4,220	(12,375)

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

	1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	\$ (422,274)	(146,062)	188,415
Net OPEB ODD asset	N/A	(12,994)	N/A
Net OPEB RMP liability (asset)	(14,807)	4,220	30,100

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

Plan Description and Funding Requirements. School Districts and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.32% for the retiree medical plan (DB), 0.26% for occupational and death and disability benefits (DB) and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is 22%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The Craig City School District contributed \$87,781 for the year ended June 30, 2021, which included forfeitures of \$2,955 which has been applied against contributions.

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

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

The DB Plan’s membership consisted of the following at June 30, 2020 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	13,053
Inactive plan members entitled to but not receiving benefits	774
Inactive plan members not entitled to benefits	1,745
Active plan members	<u>3,812</u>
Total DB plan membership	<u>19,384</u>

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

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

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Employer contributions for the year ended June 30, 2021, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	102,517	118,967	221,484

Teachers Retirement Plans

For the year ended June 30, 2021 the State of Alaska contributed \$469,125 (100% pension cost) on-behalf of the Craig City School District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date to a total of \$(65,733), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

Pension and OPEB Liabilities, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2021, the Craig City School District reported liabilities that reflected a reduction for State pension and OPEB support provided to the Craig City School District. The amount recognized by the Craig City School District as its proportionate share of net pension and OPEB liabilities, the related State support, and the total portion of the net pension and OPEB liabilities that was associated with the Craig City School District were as follows:

	<u>Pension</u>
Defined Benefit:	
District's proportionate share of the net pension liability	\$ 2,158,655
State's proportionate share of the net pension liability	<u>3,749,359</u>
Total	<u>\$ 5,908,014</u>
	<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (Asset)	\$ (379,849)
State's proportionate share of the ARHCT OPEB liability (Asset)	<u>(660,338)</u>
Total	<u>\$ (1,040,187)</u>
District's proportionate share of the ODD OPEB liability (Asset)	<u>\$ (10,875)</u>
District's proportionate share of the RMP OPEB liability (Asset)	<u>\$ (25,000)</u>
Total District's share of net pension and OPEB liabilities	<u>\$ 1,742,931</u>

The net pension and OPEB liabilities were measured as of June 30, 2020, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities were determined by an actuarial valuation as of that date. The Craig City School District's proportion of the net pension and OPEB liabilities were based on the present value of contributions for FY2021 through FY2039, as determined by projections based on the June 30, 2020 valuation.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

	June 30, 2019 Measurement	June 30, 2020 Measurement	Change
Pension	0.1096%	0.1062%	(0.0034)%
OPEB:			
ARHCT	0.1092%	0.1062%	(0.0030)%
ODD	0.2484%	0.2526%	0.0042%
RMP	0.2474%	0.2534%	0.0060%

Based on the measurement date of June 30, 2020, the Craig City School District recognized pension expense of \$259,876 and OPEB expense of \$(589,064), respectively, for the year ended June 30, 2021. At June 30, 2020, the Craig City School District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pensions	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ 2,459	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	148,749	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(38,597)
District contribution subsequent to the measurement date	102,517	-
Total	<u>\$ 253,725</u>	<u>(38,597)</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(10,186)
Changes of assumptions	-	(119,497)
Net difference between projected and actual earnings on pension plan investments	73,419	-
Changes in proportion and differences between District contributions and proportionate share of contributions	20,913	-
District contribution subsequent to the measurement date	106,357	-
Total	<u>\$ 200,689</u>	<u>(129,683)</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	\$ -	(1,213)
Changes of assumptions	-	(10)
Net difference between projected and actual earnings on pension plan investments	269	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,035	(135)
District contribution subsequent to the measurement date	999	-
Total	\$ <u>2,303</u>	<u>(1,358)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,314	(1,892)
Changes of assumptions	3,907	(21,674)
Net difference between projected and actual earnings on pension plan investments	2,882	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,300	(190)
District contribution subsequent to the measurement date	11,611	-
Total	\$ <u>25,014</u>	<u>(23,756)</u>

\$102,517 and \$118,967 are reported as deferred outflows of resources related to pensions and OPEB resulting from Craig City School District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020 (actuarial), respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension expense as follows:

Year Ended June 30,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2021	\$ (34,464)	(108,952)	(26)	(1,301)
2022	52,545	26,057	53	(696)
2023	55,914	27,874	57	(705)
2024	38,616	19,670	32	(938)
2025	-	-	(38)	(1,631)
Thereafter	-	-	(131)	(5,082)
Total	\$ <u>112,611</u>	<u>(35,351)</u>	<u>(53)</u>	<u>(10,353)</u>

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2021, the District recognized \$(264,908) and \$32,549 of pension and OPEB amortization of the deferred outflows and inflows of resources, respectively.

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

		1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability	\$	3,029,268	2,158,655	1,426,471
Net OPEB ARHCT asset	\$	(20,941)	(379,849)	(675,868)
Net OPEB ODD asset	\$	(10,893)	(10,875)	(10,870)
Net OPEB RMP liability (asset)	\$	1,348	(25,000)	(44,703)

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

		1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	\$	(708,811)	(379,849)	20,281
Net OPEB ODD asset	\$	N/A	(10,875)	N/A
Net OPEB RMP liability (asset)	\$	(47,425)	(25,000)	5,857

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

Plan Description and Funding Requirements. School Districts and Public Employers in the State of Alaska have a defined contribution retirement plan for new hires first enrolled on or after July 1, 2006. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. State statutes require the employer to contribute 7% of employees' eligible compensation. Additionally, employers are required to contribute to other post-employment benefits (DB): .093% for the retiree medical plan, 0.08% for occupational death and disability, and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The employer effective contribution rate is 12.56%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

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 Craig City School District contributed \$128,833 for the year ended June 30, 2021, which included no forfeitures.

E. Subsequent Accounting Pronouncements

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

- GASB 87 *Leases*. Effective for fiscal years beginning after June 15, 2021.
- GASB 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*. Effective for fiscal years beginning after December 15, 2020.
- GASB 92 *Omnibus 2020*. This Statement has multiple effective dates which vary by topic.
- GASB 93 *Replacement of Interbank Offered Rates*. Effective for fiscal years beginning after June 15, 2021.
- GASB 94 *Public-Private and Public-Public Partnerships and Availability Payments Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*. Effective immediately.
- GASB 96 *Subscription-Based Information Technology Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Effective for fiscal years beginning after June 15, 2021.

Statement 94 is not expected to have any significant impact on the financial statements of the Craig City School District.

GASB Statement No. 87, the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

SB Statement No. 89 requires interest costs incurred before the end of a construction period to be recognized as an expenditure or expense in the period in which the cost is incurred for financial statements prepared under the current financial resources measurement focus or the economic resource measurement focus.

GASB Statement No. 92, the objectives of this Statement are to enhance comparability and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, addresses the fact that some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

GASB Statement No. 95 provides temporary relief to governments in light of the COVID-19 pandemic. The effective dates of the following pronouncement are postponed by one year: GASB Statements No. 83, No. 84, No. 88, No. 89, No. 90, No. 91, No. 92, and No. 93. The effective date for GASB 87 has been postponed by 18 months.

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

GASB Statement No. 97 will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

F. Change in Accounting Principle

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

CRAIG CITY SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

As a result of adopting this standing, the Scholarship Special Revenue Fund and the Student Activities Special Revenue Funds have been restated as custodial funds. The previously reported combined beginning fund balance of \$201,891 at June 30, 2020, has been restated to beginning fiduciary net position to align with the new principle.

**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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Earnings on investments	\$ 1,359	1,200	1,080	(120)
E-rate	82,655	82,655	84,402	1,747
Other	120,848	71,380	16,224	(55,156)
Intergovernmental:				
City of Craig	642,949	640,327	696,265	55,938
State of Alaska	5,322,466	6,796,484	6,906,435	109,951
Federal sources	500,000	567,725	567,725	-
Total revenues	<u>6,670,277</u>	<u>8,159,771</u>	<u>8,272,131</u>	<u>112,360</u>
Expenditures:				
Current:				
Instruction	3,100,849	3,671,176	3,622,276	48,900
Special education instruction	555,437	525,124	517,510	7,614
Special education support services - students	178,656	155,672	99,041	56,631
Support services - students	132,449	50,601	59,096	(8,495)
Support services - instruction	1,236,547	1,917,400	1,551,677	365,723
School administration	375,352	364,138	408,367	(44,229)
School administration support services	259,498	250,458	241,679	8,779
District administration	133,575	121,680	136,442	(14,762)
District administration support services	222,655	186,241	185,071	1,170
Operations and maintenance of plant	863,581	844,422	794,977	49,445
Student activities	262,062	143,797	135,208	8,589
Total expenditures	<u>7,320,661</u>	<u>8,230,709</u>	<u>7,751,344</u>	<u>479,365</u>
Excess (deficiency) of revenues over expenditures	<u>(650,384)</u>	<u>(70,938)</u>	<u>520,787</u>	<u>591,725</u>
Other financing uses:				
Transfers out	<u>(54,394)</u>	<u>(75,852)</u>	<u>(75,852)</u>	<u>-</u>
Net change in fund balance	<u>\$ (704,778)</u>	<u>(146,790)</u>	<u>444,935</u>	<u>591,725</u>
Fund balance, beginning of year			<u>1,559,394</u>	
Fund balance, end of year			<u>\$ 2,004,329</u>	

Please see accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2021

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%	62.37%
2016	0.0433%	\$ 2,100,756	\$ 565,121	\$ 2,665,877	\$ 961,766	218%	63.96%
2017	0.0381%	\$ 2,131,427	\$ 269,245	\$ 2,400,672	\$ 934,595	228%	59.55%
2018	0.0328%	\$ 1,694,954	\$ 631,903	\$ 2,326,857	\$ 971,355	174%	63.37%
2019	0.0327%	\$ 1,622,435	\$ 470,590	\$ 2,093,025	\$ 966,073	168%	65.19%
2020	0.0312%	\$ 1,708,079	\$ 678,807	\$ 2,386,886	\$ 939,145	182%	63.42%
2021	0.0323%	\$ 1,905,944	\$ 788,829	\$ 2,694,773	\$ 944,305	202%	61.61%

Please see accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2021

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%
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%
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%

Please see accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT
 Schedule of the District's Contributions (Pensions)
 Public Employees' Retirement System (PERS)
 June 30, 2021

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	\$ (97,224)	\$ 1,636	\$ 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%

Please see accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

Schedule of the District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2021

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%
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%
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%

Please see accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2021

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%

Please see accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2021

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.1064%	\$ 195,750	\$ 343,593	\$ 539,343	\$ 2,509,092	7.80%	93.75%
2019	0.1296%	\$ 402,824	\$ 600,574	\$ 1,003,398	\$ 2,538,989	15.87%	90.23%
2020	0.1092%	\$ (166,888)	\$ (248,465)	\$ (415,353)	\$ 2,262,150	-7.38%	105.50%
2021	0.1062%	\$ (379,849)	\$ (660,338)	\$ (1,040,187)	\$ 2,420,732	-15.69%	113.78%
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%
Retiree Medical Plan (RMP):							
2018	0.2872%	\$ (13,614)	\$ -	\$ (13,614)	\$ 812,874	-1.67%	118.16%
2019	0.2754%	\$ (8,809)	\$ -	\$ (8,809)	\$ 822,596	-1.07%	109.56%
2020	0.2474%	\$ (9,489)	\$ -	\$ (9,489)	\$ 821,998	-1.15%	110.03%
2021	0.0254%	\$ (25,000)	\$ -	\$ (25,000)	\$ 868,615	-2.88%	125.59%

Please see accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT
 Schedule of the District's Contributions (Pensions)
 Teachers' Retirement System (TRS)
 June 30, 2021

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	\$ (141,152)	\$ 9,061	\$ 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%

Please see accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

Schedule of the District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2021

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%
Occupational Death and Disability (ODD):					
2018	\$ -	\$ -	\$ -	\$ 2,538,989	0.00%
2019	\$ 775	\$ (1,612)	\$ (837)	\$ 2,262,150	0.03%
2020	\$ 830	\$ (830)	\$ -	\$ 2,420,732	0.03%
2021	\$ 999	\$ (999)	\$ -	\$ 2,789,148	0.04%
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%

Please see accompanying notes to Required Supplementary Information.

CRAIG CITY SCHOOL DISTRICT

Notes to Required Supplementary Information

June 30, 2021

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.

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.

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

	<u>Amount in Excess of Appropriations</u>
Support services – students	\$ 8,495
School administration	44,229
District administration	14,762

2. Public Employee’s Retirement System

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

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

Changes in Methods Since the Prior Valuation – June 30, 2019 to June 30, 2020:

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

Changes in Assumptions Since the Prior Valuation – June 30, 2019 to June 30, 2020:

Healthcare claim costs are updated annually. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10% decrease from 2019 to 2020. The Further Consolidated Appropriations Act, 2020 that was signed in December 2019 made several changes, including the repeal of the Cadillac Tax. The amounts included in the Normal Cost for administrative expenses were updated based on the most recent two years of actual administrative expenses paid from plan assets.

Changes in Benefit Provisions Since the Prior Valuation – June 30, 2019 to June 30, 2020:

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

CRAIG CITY SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

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, 2019 which was rolled forward to June 30, 2020. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

3. Teachers' Retirement System

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

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

Changes in Methods Since the Prior Valuation – June 30, 2019 to June 30, 2020:

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

Changes in Assumptions Since the Prior Valuation – June 30, 2019 to June 30, 2020:

Healthcare claim costs are updated annually. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10% decrease from 2019 to 2020. The Further Consolidated Appropriations Act, 2020 that was signed in December 2019 made several changes, including the repeal of the Cadillac Tax. The amounts included in the Normal Cost for administrative expenses were updated based on the most recent two years of actual administrative expenses paid from plan assets.

Changes in Benefit Provisions Since the Prior Valuation – June 30, 2019 to June 30, 2020:

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

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

Schedule of District Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2019 which was rolled forward to June 30, 2020. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

**ADDITIONAL 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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Earnings on investments	\$ 1,200	1,080	(120)
E-rate revenue	82,655	84,402	1,747
Other	71,380	16,224	(55,156)
Total local sources	<u>155,235</u>	<u>101,706</u>	<u>(53,529)</u>
Intergovernmental:			
City of Craig:			
City appropriations	572,935	626,588	53,653
City in-kind contribution	67,392	69,677	2,285
Total city	<u>640,327</u>	<u>696,265</u>	<u>55,938</u>
State of Alaska:			
Foundation program	6,375,194	6,329,005	(46,189)
Quality schools	19,242	19,242	-
TRS on-behalf payments	368,348	469,125	100,777
PERS on-behalf payments	31,470	86,833	55,363
Other	2,230	2,230	-
Total State of Alaska	<u>6,796,484</u>	<u>6,906,435</u>	<u>109,951</u>
Federal sources -			
Impact Aid	<u>567,725</u>	<u>567,725</u>	<u>-</u>
Total revenues	<u>8,159,771</u>	<u>8,272,131</u>	<u>112,360</u>
Expenditures:			
Current:			
Instruction:			
Certificated salaries	1,765,993	1,793,885	(27,892)
Non-certificated salaries	25,311	13,852	11,459
Employee benefits	1,175,045	1,132,343	42,702
Professional and technical services	7,275	7,275	-
Staff travel	4,300	-	4,300
Supplies, materials and media	693,252	674,921	18,331
Total instruction	<u>3,671,176</u>	<u>3,622,276</u>	<u>48,900</u>

(continued)

CRAIG CITY SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Current:			
Special education instruction:			
Certificated salaries	\$ 277,396	253,683	23,713
Non-certificated salaries	82,125	81,728	397
Employee benefits	159,240	180,366	(21,126)
Supplies, materials and media	6,363	1,733	4,630
Total special education instruction	<u>525,124</u>	<u>517,510</u>	<u>7,614</u>
Special education support services - students:			
Certificated salaries	30,860	33,764	(2,904)
Employee benefits	11,193	17,354	(6,161)
Professional and technical services	106,169	43,230	62,939
Staff travel	1,586	-	1,586
Supplies, materials and media	5,864	4,693	1,171
Total special education support services - students	<u>155,672</u>	<u>99,041</u>	<u>56,631</u>
Support services - students:			
Certificated salaries	10,244	7,411	2,833
Employee benefits	38,375	50,368	(11,993)
Staff travel	80	80	-
Supplies, materials and media	1,902	1,237	665
Total support services - students	<u>50,601</u>	<u>59,096</u>	<u>(8,495)</u>
Support services - instruction:			
Certificated salaries	27,515	28,701	(1,186)
Non-certificated salaries	197,911	224,027	(26,116)
Employee benefits	201,957	224,736	(22,779)
Professional and technical services	782,744	328,524	454,220
Staff travel	323	323	-
Student travel	486	486	-
Utility service	252,688	304,290	(51,602)
Other purchased services	70,903	70,095	808
Supplies, materials and media	378,675	366,750	11,925
Other expenses	4,198	3,745	453
Total support services - instruction	<u>1,917,400</u>	<u>1,551,677</u>	<u>365,723</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	\$ 269,971	269,970	1
Employee benefits	87,674	131,909	(44,235)
Staff travel	431	-	431
Utility services	1,267	1,515	(248)
Supplies, materials and media	2,619	3,131	(512)
Other expenses	2,176	1,842	334
Total school administration	<u>364,138</u>	<u>408,367</u>	<u>(44,229)</u>
School administration support services:			
Non-certificated salaries	112,505	102,758	9,747
Employee benefits	137,953	138,921	(968)
Total school administration support services	<u>250,458</u>	<u>241,679</u>	<u>8,779</u>
District administration:			
Certificated salaries	76,000	76,004	(4)
Non-certificated salaries	1,680	1,655	25
Employee benefits	21,952	37,158	(15,206)
Staff travel	650	350	300
Supplies, materials and media	6,619	6,496	123
Other expenses	14,779	14,779	-
Total district administration	<u>121,680</u>	<u>136,442</u>	<u>(14,762)</u>
District administration support services:			
Non-certificated salaries	89,962	96,378	(6,416)
Employee benefits	70,567	70,646	(79)
Professional and technical services	31,627	32,032	(405)
Utility services	1,256	1,370	(114)
Other purchased services	1,700	1,870	(170)
Insurance and bond premiums	15,751	15,751	-
Supplies, materials and media	2,800	2,708	92
Other expense	578	578	-
Indirect cost recovery	(28,000)	(36,262)	8,262
Total district administration support services	<u>186,241</u>	<u>185,071</u>	<u>1,170</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	\$ 239,189	210,690	28,499
Employee benefits	136,617	145,537	(8,920)
Professional and technical services	64,827	39,587	25,240
Utility services	38,451	39,268	(817)
Energy	187,850	179,410	8,440
Other purchased services	90,087	86,714	3,373
Insurance and bond premiums	50,521	50,521	-
Supplies, materials and media	36,880	43,250	(6,370)
Total operations and maintenance of plant	<u>844,422</u>	<u>794,977</u>	<u>49,445</u>
Student activities:			
Certificated salaries	79,990	62,435	17,555
Non-certificated salaries	5,950	2,790	3,160
Employee benefits	14,443	17,728	(3,285)
Professional and technical services	190	190	-
Student travel	33,552	31,333	2,219
Supplies, materials and media	8,182	20,732	(12,550)
Other expenses	1,490	-	1,490
Total student activities	<u>143,797</u>	<u>135,208</u>	<u>8,589</u>
Total expenditures	<u>\$ 8,230,709</u>	<u>7,751,344</u>	<u>479,365</u>
Excess (deficiency) of revenues over expenditures	<u>(70,938)</u>	<u>520,787</u>	<u>(367,005)</u>
Other financing uses:			
Transfers out:			
Summer Food Service Program Special Revenue Fund	(49,000)	(49,000)	-
Student Transportation Special Revenue Fund	(26,852)	(26,852)	-
Total transfers out	<u>(75,852)</u>	<u>(75,852)</u>	<u>-</u>
Net change in fund balance	<u>\$ (146,790)</u>	444,935	<u>(367,005)</u>
Fund balance, beginning of year		<u>1,559,394</u>	
Fund balance, end of year		<u>\$ 2,004,329</u>	

CRAIG CITY SCHOOL DISTRICT

Special Projects Capital Project Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2021

Revenues - local sources	\$ <u>1,705</u>
Expenditures	<u>-</u>
Excess of revenues over expenditures	1,705
Fund balance, beginning of year	<u>2,863,566</u>
Fund balance, end of year	\$ <u><u>2,865,271</u></u>

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2021

<u>Assets</u>	<u>Special Revenue Funds</u>							
	<u>Student Transportation</u>	<u>Food Service</u>	<u>Summer Food Service Program</u>	<u>Carl Perkins</u>	<u>PACE School Improvements</u>	<u>Migrant Education Books</u>	<u>Title I-C Migrant Education</u>	<u>Special Education Program 619</u>
Accounts receivable	\$ -	-	5,405	3,165	10,112	1,793	75,515	753
Due from School Operating Fund	270	13,065	39,198	-	-	-	-	-
Inventory	-	-	11,607	-	-	-	-	-
Total Assets	\$ 270	13,065	56,210	3,165	10,112	1,793	75,515	753
 <u>Liabilities and Fund Balances</u>								
Liabilities:								
Due to School Operating Fund	-	-	-	3,165	10,112	1,793	75,515	753
Accounts payable	270	9,127	2,202	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	270	9,127	2,202	3,165	10,112	1,793	75,515	753
Fund balances:								
Nonspendable	-	-	11,607	-	-	-	-	-
Committed	-	3,938	42,401	-	-	-	-	-
Total fund balances	-	3,938	54,008	-	-	-	-	-
	\$ 270	13,065	56,210	3,165	10,112	1,793	75,515	753

(continued)

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, Continued

Assets	Special Revenue Funds							
	Governor's Emergency Education Relief Fund	CARES Act	SAIL	Consolidated Admin Pool	Title I-A Basic	Title IV-A	Title II-A	ASTRIDE
Accounts receivable	\$ 21,845	10,851	31,808	1,100	15,605	3,414	3,292	3,250
Due from School Operating Fund	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total Assets	\$ 21,845	10,851	31,808	1,100	15,605	3,414	3,292	3,250
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Due to School Operating Fund	21,845	10,851	31,808	1,100	15,605	3,414	3,292	3,250
Accounts payable	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	21,845	10,851	31,808	1,100	15,605	3,414	3,292	3,250
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-
	\$ 21,845	10,851	31,808	1,100	15,605	3,414	3,292	3,250

(continued)

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, Continued

Assets	Special Revenue Funds								Total Other Governmental Funds	
	SELECT	REAP	Special Education Title VI-B	Indian Education Act	CRRSA Emergency Relief	Johnson O'Malley FY16-FY18	Johnson O'Malley FY19	ACES		Staff Housing
Accounts receivable	910	2,884	33,302	27,281	21,154	-	-	44,506	-	317,945
Due from School Operating Fund	-	-	-	-	-	7,325	19,367	-	40,401	119,626
Inventory	-	-	-	-	-	-	-	-	455	12,062
Total Assets	\$ 910	2,884	33,302	27,281	21,154	7,325	19,367	44,506	40,856	449,633
Liabilities and Fund Balances										
Liabilities:										
Due to School Operating Fund	910	2,884	33,302	27,281	21,154	-	-	44,506	-	312,540
Accounts payable	-	-	-	-	-	-	-	-	77	11,676
Unearned revenue	-	-	-	-	-	7,325	19,367	-	-	26,692
Total liabilities	910	2,884	33,302	27,281	21,154	7,325	19,367	44,506	77	350,908
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	455	12,062
Committed	-	-	-	-	-	-	-	-	40,324	86,663
Total fund balances	-	-	-	-	-	-	-	-	40,779	98,725
Total	\$ 910	2,884	33,302	27,281	21,154	7,325	19,367	44,506	40,856	449,633

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures
and changes in Fund Balance

Year Ended June 30, 2021

Special Revenue Funds

	Student Transportation	Food Service	Summer Food Service Program	Carl Perkins	PACE School Improvements	Fresh Fruits and Vegetables	Migrant Education Books	Title I-C Migrant Education	Special Education Program 619
Revenues:									
Local sources:									
Charges for services	\$ -	5,607	-	-	-	-	-	-	-
Other	1,500	-	-	-	-	-	-	-	-
Intergovernmental:									
State of Alaska	97,047	-	-	-	-	-	-	-	-
Federal sources	-	1,844	354,946	19,457	29,016	11,449	2,393	143,268	1,876
Total revenues	<u>98,547</u>	<u>7,451</u>	<u>354,946</u>	<u>19,457</u>	<u>29,016</u>	<u>11,449</u>	<u>2,393</u>	<u>143,268</u>	<u>1,876</u>
Expenditures:									
Current:									
Instruction	-	-	-	18,531	12,119	-	-	-	-
Special education instruction	-	-	-	-	-	-	-	-	1,808
Special education support services - students	-	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	69,304	-
Support services - instruction	-	-	-	-	15,494	-	2,393	65,258	-
District administration support services	-	-	-	926	1,403	-	-	8,706	68
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-
Student transportation services	125,890	-	-	-	-	-	-	-	-
Food service	-	16,983	342,832	-	-	11,449	-	-	-
Total expenditures	<u>125,890</u>	<u>16,983</u>	<u>342,832</u>	<u>19,457</u>	<u>29,016</u>	<u>11,449</u>	<u>2,393</u>	<u>143,268</u>	<u>1,876</u>
Excess (deficiency) of revenues over expenditures	(27,343)	(9,532)	12,114	-	-	-	-	-	-
Other financing sources (uses):									
Transfers in -									
School Operating Fund	26,852	-	49,000	-	-	-	-	-	-
Net change in fund balances	(491)	(9,532)	61,114	-	-	-	-	-	-
Fund balances, beginning, as previously stated	491	13,470	(7,106)	-	-	-	-	-	-
Cumulative effect of change in accounting principle	-	-	-	-	-	-	-	-	-
Fund balances, beginning, as restated	491	13,470	(7,106)	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>3,938</u>	<u>54,008</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 Balance, Continued

	Special Revenue Funds									
	Governor's Emergency Education Relief Fund	CARES Act	SAIL	Consolidated Admin Pool	Title I-A Basic	Title IV-A	Title II-A	ASTRIDE	SELECT	REAP
Revenues:										
Local sources:										
Charges for services	\$ -	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Intergovernmental:										
State of Alaska	-	-	-	-	-	-	-	-	-	-
Federal sources	32,129	63,396	77,581	10,100	66,913	9,563	13,504	13,000	1,781	5,665
Total revenues	<u>32,129</u>	<u>63,396</u>	<u>77,581</u>	<u>10,100</u>	<u>66,913</u>	<u>9,563</u>	<u>13,504</u>	<u>13,000</u>	<u>1,781</u>	<u>5,665</u>
Expenditures:										
Current:										
Instruction	9,660	6,455	-	10,100	-	-	-	-	-	-
Special education instruction	-	-	-	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-	-	-
Support services - instruction	20,518	53,089	77,581	-	62,847	8,982	12,692	13,000	1,781	5,395
District administration support services	1,951	3,852	-	-	4,066	581	812	-	-	270
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-	-
Student transportation services	-	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>32,129</u>	<u>63,396</u>	<u>77,581</u>	<u>10,100</u>	<u>66,913</u>	<u>9,563</u>	<u>13,504</u>	<u>13,000</u>	<u>1,781</u>	<u>5,665</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses):										
Transfers in -										
School Operating Fund	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-
Fund balances, beginning, as previously stated	-	-	-	-	-	-	-	-	-	-
Cumulative effect of change in accounting principle	-	-	-	-	-	-	-	-	-	-
Fund balances, beginning, as restated	-	-	-	-	-	-	-	-	-	-
Fund balances, end of year	\$ -	-	-	-	-	-	-	-	-	-

(continued)

CRAIG CITY SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds								Total Other Governmental Funds
	Special Education Title VI-B	Indian Education Act	CRRSA Emergency Relief	Johnson O'Malley FY16-FY18	ACES	Staff Housing	Scholarship Fund	Student Activity Fund	
Revenues:									
Local sources:									
Charges for services	\$ -	-	-	-	-	-	-	-	5,607
Other	-	-	-	-	-	-	-	-	1,500
Intergovernmental:									
State of Alaska	-	-	-	-	-	-	-	-	97,047
Federal sources	154,915	61,840	21,154	14,392	119,041	-	-	-	1,229,223
Total revenues	<u>154,915</u>	<u>61,840</u>	<u>21,154</u>	<u>14,392</u>	<u>119,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,333,377</u>
Expenditures:									
Current:									
Instruction	-	58,895	-	8,532	-	-	-	-	124,292
Special education instruction	98,873	-	-	-	-	-	-	-	100,681
Special education support services - students	46,628	-	-	-	-	-	-	-	46,628
Support services - students	-	-	-	-	-	-	-	-	69,304
Support services - instruction	-	-	20,533	5,215	119,041	-	-	-	483,819
District administration support services	9,414	2,945	621	645	-	-	-	-	36,260
Operation and maintenance of plant	-	-	-	-	-	5,545	-	-	5,545
Student transportation services	-	-	-	-	-	-	-	-	125,890
Food service	-	-	-	-	-	-	-	-	371,264
Total expenditures	<u>154,915</u>	<u>61,840</u>	<u>21,154</u>	<u>14,392</u>	<u>119,041</u>	<u>5,545</u>	<u>-</u>	<u>-</u>	<u>1,363,683</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	(5,545)	-	-	(30,306)
Other financing sources (uses):									
Transfers in -									
School Operating Fund	-	-	-	-	-	-	-	-	75,852
Net change in fund balances	-	-	-	-	-	(5,545)	-	-	45,546
Fund balances, beginning, as previously stated	-	-	-	-	-	46,324	54,250	147,641	255,070
Cumulative effect of change in accounting principle	-	-	-	-	-	-	(54,250)	(147,641)	(201,891)
Fund balances, beginning, as restated	-	-	-	-	-	46,324	-	-	53,179
Fund balances, end of year	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,779</u>	<u>-</u>	<u>-</u>	<u>98,725</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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental - State of Alaska	\$ 97,047	97,047	-
Local sources - other	1,500	1,500	-
Total revenues	<u>98,547</u>	<u>98,547</u>	<u>-</u>
Expenditures:			
Current			
Student transportation - to and from school:			
Non-certificated salaries	41,900	41,900	-
Employee benefits	53,739	53,739	-
Professional and technical services	1,703	1,703	-
Energy	1,886	1,886	-
Other purchased service	5,550	5,550	-
Insurance and bond premiums	9,115	9,115	-
Supplies, materials and media	11,997	11,997	-
Total expenditures	<u>125,890</u>	<u>125,890</u>	<u>-</u>
Deficiency of revenues over expenditures	(27,343)	(27,343)	-
Other financing sources - transfers in - School Operating Fund	<u>26,852</u>	<u>26,852</u>	<u>-</u>
Net change in fund balance	<u>\$ (491)</u>	<u>(491)</u>	<u>-</u>
Fund balance, beginning of year		<u>491</u>	
Fund balance, end of year		<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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources - charges for services	\$ 5,607	5,607	-
Intergovernmental - Federal sources passed through the State of Alaska	1,844	1,844	-
Total revenues	<u>7,451</u>	<u>7,451</u>	<u>-</u>
Expenditures:			
Current:			
Food service:			
Non-certificated salaries	9,041	9,041	-
Employee benefits	3,603	3,603	-
Energy	843	843	-
Supplies, materials and media	3,496	3,496	-
Total expenditures	<u>16,983</u>	<u>16,983</u>	<u>-</u>
Deficiency of revenues over expenditures	\$ <u>(9,532)</u>	(9,532)	<u>-</u>
Fund balance, beginning of year		<u>13,470</u>	
Fund balance, end of year		\$ <u><u>3,938</u></u>	

CRAIG CITY SCHOOL DISTRICT

Summer Food Service Program Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental - Federal sources passed through the State of Alaska:			
Grant reimbursement	338,435	338,435	-
Donated commodities	16,511	16,511	-
Total revenues	\$ 354,946	354,946	-
Expenditures			
Current:			
Food service:			
Non-certificated salaries	96,796	96,796	-
Employee benefits	51,032	51,032	-
Supplies, materials and media	195,004	195,004	-
Total expenditures	342,832	342,832	-
Excess of revenues over expenditures	12,114	12,114	-
Other financing sources - transfers in - School Operating Fund	49,000	49,000	-
Net change in fund balance	\$ 61,114	61,114	-
Fund balance, beginning of year		(7,106)	
Fund balance, end of year		\$ 54,008	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 20,423	19,457	(966)
Expenditures:			
Current			
Instruction:			
Student travel	5,701	-	5,701
Supplies, materials and media	12,797	18,531	(5,734)
Tuition - students and stipends	1,000	-	1,000
Total instruction	<u>19,498</u>	<u>18,531</u>	<u>967</u>
District administration support services -			
Indirect costs	<u>925</u>	<u>926</u>	<u>(1)</u>
Total expenditures	<u>20,423</u>	<u>19,457</u>	<u>966</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 55,575	29,016	(26,559)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	28,717	12,119	16,598
Staff travel	3,481	-	3,481
Total instruction	<u>32,198</u>	<u>12,119</u>	<u>20,079</u>
Support services - instruction -			
Non-certificated salaries	<u>20,000</u>	<u>15,494</u>	<u>4,506</u>
District administration support services -			
Indirect costs	<u>3,377</u>	<u>1,403</u>	<u>1,974</u>
Total expenditures	<u>55,575</u>	<u>29,016</u>	<u>26,559</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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 11,449	11,449	-
Expenditures:			
Current:			
Food service:			
Non-certificated salaries	1,480	1,480	-
Employee benefits	493	493	-
Supplies, materials and media	9,476	9,476	-
Total expenditures	<u>11,449</u>	<u>11,449</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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 2,393	2,393	-
Expenditures:			
Current:			
Support services - instruction -			
Supplies, materials and media	2,393	2,393	-
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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through State of Alaska	\$ 169,123	143,268	(25,855)
Expenditures:			
Current:			
Support services - students:			
Certificated salaries	71,000	60,021	10,979
Employee benefits	11,186	9,283	1,903
Total support services - students	<u>82,186</u>	<u>69,304</u>	<u>12,882</u>
Support services - instruction:			
Non-certificated salaries	38,000	24,696	13,304
Employee benefits	6,024	7,927	(1,903)
Supplies, materials and media	32,635	32,635	-
Total support services - instruction	<u>76,659</u>	<u>65,258</u>	<u>11,401</u>
District administration support services - Indirect cost	<u>10,278</u>	<u>8,706</u>	<u>1,572</u>
Total expenditures	<u>169,123</u>	<u>143,268</u>	<u>25,855</u>
Excess of revenues over expenditures	<u>\$ -</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		<u>\$ -</u>	

CRAIG CITY SCHOOL DISTRICT

Special Education Program 619 Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through State of Alaska	\$ 2,071	1,876	(195)
Expenditures:			
Current:			
Special education instruction - Certificated salaries	1,945	1,808	137
Direct administration support services - Indirect costs	126	68	58
Total expenditures	2,071	1,876	195
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

Governor's Emergency Education Relief Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 32,129	32,129	-
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	9,660	9,660	-
Support services - instruction -			
Supplies, materials and media	20,518	20,518	-
District administration support services -			
Indirect costs	1,951	1,951	-
Total expenditures	32,129	32,129	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

CARES Act Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 69,134	63,396	(5,738)
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	6,455	6,455	-
Support services - instruction:			
Certificated salaries	44,700	39,311	5,389
Employee benefits	4,000	4,000	-
Supplies, materials and media	9,778	9,778	-
Total support services - instruction	58,478	53,089	5,389
District administration support services -			
Indirect costs	4,201	3,852	349
Total expenditures	69,134	63,396	5,738
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

SAIL Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through Hydaburg City School District	\$ 77,581	77,581	-
Expenditures:			
Current:			
Support services - instruction:			
Non-certificated salaries	21,430	21,430	-
Employee benefits	30,277	30,277	-
Supplies, materials and media	25,874	25,874	-
Total expenditures	<u>77,581</u>	<u>77,581</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

CRAIG CITY SCHOOL DISTRICT

Consolidated Admin Pool Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 11,100	10,100	(1,000)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	10,100	10,100	-
Staff travel	1,000	-	1,000
Total expenditures	<u>11,100</u>	<u>10,100</u>	<u>1,000</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 73,876	66,913	(6,963)
Expenditures:			
Current:			
Support services - instruction:			
Certificated salaries	28,000	28,000	-
Non-certificated salaries	24,223	21,625	2,598
Employee benefits	9,500	9,500	-
Staff travel	4,000	-	4,000
Supplies, materials and media	3,664	3,722	(58)
Total support services - instruction	<u>69,387</u>	<u>62,847</u>	<u>6,540</u>
District administration support services -			
Indirect costs	<u>4,489</u>	<u>4,066</u>	<u>423</u>
Total expenditures	<u>73,876</u>	<u>66,913</u>	<u>6,963</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

Title IV-A Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 12,518	9,563	(2,955)
Expenditures:			
Current:			
Support services - instruction:			
Non-certificated salaries	5,658	5,658	-
Student travel	3,000	225	2,775
Supplies, materials and media	3,099	3,099	-
Total support services - instruction	<u>11,757</u>	<u>8,982</u>	<u>2,775</u>
District administration support services - Indirect costs	<u>761</u>	<u>581</u>	<u>180</u>
Total expenditures	<u>12,518</u>	<u>9,563</u>	<u>2,955</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

Title II-A Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 30,861	13,504	(17,357)
Expenditures:			
Current:			
Support services - instruction:			
Professional and technical services	26,500	11,600	14,900
Staff travel	1,394	-	1,394
Supplies, materials and media	1,092	1,092	-
Total support services - instruction	<u>28,986</u>	<u>12,692</u>	<u>16,294</u>
District administration support services -			
Indirect costs	<u>1,875</u>	<u>812</u>	<u>1,063</u>
Total expenditures	<u>30,861</u>	<u>13,504</u>	<u>17,357</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

CRAIG CITY SCHOOL DISTRICT

ASTRIDE Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the CCTHITA	\$ 13,000	13,000	-
Expenditures:			
Current:			
Support services - instruction - Other purchased services	13,000	13,000	-
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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through Klawock City School District	\$ 1,781	1,781	-
Expenditures: Current: Support services - instruction - Supplies, materials and media	1,781	1,781	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

REAP Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources - direct	\$ 5,665	5,665	-
Expenditures:			
Current:			
Support services - instruction - Supplies, materials, and media	5,395	5,395	-
District administration support services - Indirect costs	270	270	-
Total expenditures	5,665	5,665	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

Special Education Title VI-B Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 163,908	154,915	(8,993)
Expenditures:			
Current:			
Special education instruction:			
Certificated salaries	35,000	35,000	-
Non-certificated salaries	54,000	45,553	8,447
Employee benefits	18,320	18,320	-
Total special education instruction	<u>107,320</u>	<u>98,873</u>	<u>8,447</u>
Special education support services - students -			
Professional and technical services	<u>46,628</u>	<u>46,628</u>	<u>-</u>
District administration support services -			
Indirect costs	<u>9,960</u>	<u>9,414</u>	<u>546</u>
Total expenditures	<u>163,908</u>	<u>154,915</u>	<u>8,993</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 Fund Balance - Budget and Actual

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources - direct	\$ 61,840	61,840	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	48,938	48,938	-
Employee benefits	9,957	9,957	-
Total instruction	58,895	58,895	-
District administration support services - Indirect costs	2,945	2,945	-
Total expenditures	61,840	61,840	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

CRRSA Emergency Relief Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental -			
Federal sources passed through State of Alaska	\$ 260,807	21,154	(239,653)
Expenditures:			
Support services - instruction:			
Professional and technical services	40,000	9,592	30,408
Supplies, materials and media	218,219	10,941	207,278
Total support services - instruction	258,219	20,533	237,686
District administration support services -			
Indirect costs	2,588	621	1,967
Total expenditures	260,807	21,154	239,653
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

CRAIG CITY SCHOOL DISTRICT

Johnson O'Malley FY16 - FY18 Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources - direct	\$ 14,392	14,392	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	7,400	7,400	-
Employee benefits	1,132	1,132	-
Total instruction	<u>8,532</u>	<u>8,532</u>	-
Support services - instruction - Supplies, materials and media	<u>5,215</u>	<u>5,215</u>	-
District administration support services - Indirect expense	<u>645</u>	<u>645</u>	-
Total expenditures	<u>14,392</u>	<u>14,392</u>	-
Excess of revenues over expenditures	<u>\$ -</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		<u>\$ -</u>	

CRAIG CITY SCHOOL DISTRICT

ACES Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal source passed through Craig Tribal Association	\$ 119,041	119,041	-
Expenditures:			
Current:			
Support services - instruction:			
Certificated salaries	38,682	38,682	-
Non-certificated salaries	21,702	21,702	-
Employee benefits	24,531	24,531	-
Professional and technical services	17,066	17,066	-
Supplies, materials media	17,060	17,060	-
Total expenditures	<u>119,041</u>	<u>119,041</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

CRAIG CITY SCHOOL DISTRICT

Staff Housing Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues	\$ -	-	-
Expenditures:			
Current:			
Operations and maintenance of plant:			
Utility services.	2,802	2,802	-
Energy	470	470	-
Insurance and bond premiums	310	310	-
Supplies, materials and media	1,963	1,963	-
Total expenditures	<u>5,545</u>	<u>5,545</u>	<u>-</u>
Deficiency of revenues over expenditures	\$ <u>(5,545)</u>	(5,545)	<u>-</u>
Fund balance, beginning of year		<u>46,324</u>	
Fund balance, end of year		\$ <u><u>40,779</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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
E-rate	10,000	10,000	-
Other	6,442	6,442	-
Total local sources	<u>16,442</u>	<u>16,442</u>	<u>-</u>
Intergovernmental			
State of Alaska:			
Foundation program	3,570,045	3,570,045	-
TRS on-behalf payments	92,807	92,807	-
PERS on-behalf payments	11,263	11,263	-
Total State of Alaska	<u>3,674,115</u>	<u>3,674,115</u>	<u>-</u>
Total revenues	<u>3,690,557</u>	<u>3,690,557</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Certificated salaries	417,746	454,372	(36,626)
Non-certificated salaries	-	602	(602)
Employee benefits	172,694	289,649	(116,955)
Supplies, materials and media	550,000	543,555	6,445
Total instruction	<u>1,140,440</u>	<u>1,288,178</u>	<u>(147,738)</u>
Special education instruction:			
Certificated salaries	74,437	52,726	21,711
Employee benefits	45,486	17,298	28,188
Supplies, materials, and media	62	62	-
Total special education instruction	<u>119,985</u>	<u>70,086</u>	<u>49,899</u>
Special education support services - students:			
Professional & technical	2,053	2,053	-
Supplies, materials and media	450	450	-
Total special education support services - students	<u>2,503</u>	<u>2,503</u>	<u>-</u>

(continued)

CRAIG CITY SCHOOL DISTRICT

PACE Statewide Correspondence Program

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures:			
Current:			
Support services - instruction:			
Non-certificated salaries	\$ 96,972	116,794	(19,822)
Employee benefits	76,314	103,156	(26,842)
Professional & technical	723,015	279,823	443,192
Staff travel	323	323	-
Utility services	157,082	161,695	(4,613)
Other purchased services	51,711	51,366	345
Supplies, materials and media	300,000	276,530	23,470
Other expenses	1,200	1,200	-
Total support services - instruction	<u>1,406,617</u>	<u>990,887</u>	<u>415,730</u>
School administration:			
Certificated salaries	53,151	53,151	-
Employee benefits	20,681	28,423	(7,742)
Utility services	-	540	(540)
Supplies, materials and media	-	623	(623)
Other expenses	614	614	-
Total school administration	<u>74,446</u>	<u>83,351</u>	<u>(8,905)</u>
Operations and maintenance of plant:			
Non-certificated salaries	2,500	582	1,918
Employee benefits	742	228	514
Energy	2,200	2,075	125
Other purchased services	79,685	79,685	-
Insurance and bond premiums	678	678	-
Supplies, materials and media	2,422	624	1,798
Total operations and maintenance of plant	<u>88,227</u>	<u>83,872</u>	<u>4,355</u>
Student activities -			
Other expenses	1,490	-	1,490.00
Total expenditures	<u>2,833,708</u>	<u>2,518,877</u>	<u>314,831</u>
Excess (deficiency) of revenues over expenditures	<u>856,849</u>	<u>1,171,680</u>	<u>(314,831)</u>

CRAIG CITY SCHOOL DISTRICT

Schedule of Compliance - AS 14.17.505

Year Ended June 30, 2021

	School Operating Fund		
	Reserved Fund Balance	Unreserved Fund	Total
Reserved:			
Inventory	\$ 33,300	-	33,300
Impact Aid	497,125	-	497,125
PACE carryover family allotment	485,157	-	485,157
Unreserved - undesignated	-	988,747	988,747
Total fund balance	\$ <u>1,015,582</u>	<u>988,747</u>	<u>2,004,329</u>

Unreserved fund balance as a percentage of current year expenditures:

$$\frac{\text{Unreserved fund balance}}{\text{Current year expenditures}} = \frac{988,747}{7,751,344} = \underline{\underline{12.76\%}}$$

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

CRAIG CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<u>Grant Title</u>	<u>Grant Number</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Total Grant Award</u>	<u>Total Federal Expended</u>
U.S. Department of Agriculture Passed through the State of Alaska, Department of Education and Early Development:				
Fresh Fruit & Vegetable Program	FF 21.CGSD.02	10.582	11,452	11,449
Child Nutrition Cluster;				
Summer Food Service Program	None	10.559	283,986	282,263
COVID-19 Summer Food Service Program	None	10.559	56,172	56,172
Donated Commodities	None	10.555	16,511	16,511
Total Child Nutrition Cluster			356,669	354,946
Food Distribution Administrative Fee Reimbursement	None	10.560	1,844	1,844
Total U.S. Department of Agriculture			369,965	368,239
U.S. Department of Education Passed through the State of Alaska, Department of Education and Early Development:				
School Improvements	SI 21.013.01	84.010	55,575	29,016
Consolidated Admin Pool	CS CGSD.01	84.010	11,100	10,100
Title I-A Basic	IP 21.013.01	84.010A	73,876	66,913
Total CFDA 84.010			140,551	106,029
Title IC Migrant	IP 21.013.01	84.011	169,127	143,268
Migrant Education Book	MB 21.CGSD.01	84.011A	2,400	2,393
Total CFDA 84.011			171,527	145,661
COVID-19 Governor's Emergency Education Relief Fund	ER 21.013.01	84.425C	32,129	32,129
COVID-19 Elementary and Secondary School				
Emergency Relief Fund	ER 21.013.01	84.425D	69,134	63,396
COVID-19 Elementary and Secondary School				
Emergency Relief Fund II	CA 21.013.01	84.425D	260,807	21,154
Total CFDA 84.425			362,070	116,679
Special Education Cluster:				
Title VI-B Special Education	SE 21.013.01	84.027A	163,908	154,915
Title VI-B Section 619 Preschool Disabled	SE 21.013.01	84.173A	2,071	1,876
Total Special Education Cluster			165,979	156,791
Title II-A, ESEA Consolidated	IP 21.013.01	84.367A	30,861	13,504
Title IV-A	IP 21.013.01	84.424A	12,517	9,563
Carl Perkins Vocational Ed Secondary	EK 21.013.01	84.048A	20,423	19,457

(continued)

CRAIG CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Continued
Year Ended June 30, 2021

<u>Grant Title</u>	<u>Grant Number</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Total Grant Award</u>	<u>Total Federal Expended</u>
U.S. Department of Education, continued:				
Passed through the Hydaburg City School District - Supporting Alaska Improving Literacy (SAIL)	S215G180155	84.215	77,581	77,581
Passed through the Central Council of Tlingit & Haida Indian Tribes of Alaska - ASTRIDE	None	84.356A	13,000	13,000
Passed through Craig Tribal Association - ACES	S356A1980041	84.356A	144,405	119,041
Passed through the Klawock City School District - SELECT	S356A190012	84.356A	1,781	1,781
Total CFDA 84.356			159,186	133,822
Direct programs:				
Indian Education	S060A200872	84.060A	62,040	61,840
Impact Aid	11-AK-2019-0901	84.041	62,533	62,533
Impact Aid	11-AK-2020-0901	84.041	730,707	730,707
Total impact aid			793,240	793,240
Rural Education Achievement Program (REAP)	S358C200004	84.358C	5,665	5,665
Total U.S. Department of Education			2,001,640	1,639,832
U.S. Department of the Interior:				
Direct program - Johnson O'Malley FY17	A16AV00612	15.130	52,923	14,392
Total Expenditure of Federal Awards			\$ 2,424,528	2,022,463

CRAIG CITY SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Craig City School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Craig City School District, it is not intended to and does not present the basic financial statements of Craig City School District.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Passed Through Awards

No amounts were passed through to subrecipients.

Note 4. Nonmonetary Assistance

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed at June 30, 2021 the District had food commodities totaling \$16,511.

Note 5. Impact Aid Commitment

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

Note 6. Reconciliation to Basic Financial Statements:

Federal Expenditures per previous page	\$2,022,463
Adjustments:	
Statutory Impact Aid committed in FY 2020	(722,640)
Statutory Impact Aid committed in FY 2021	<u>497,125</u>
Total federal revenue per basic financial statements	<u>\$1,796,948</u>

CRAIG CITY SCHOOL DISTRICT
 Schedule of State Financial Assistance
 Year Ended June 30, 2021

<u>Grant Title</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>Total State Expended</u>
Department of Education and Early Development:			
Direct programs:			
* Public School Foundation Program	FY21	\$ 6,329,005	6,329,005
Pupil Transportation	FY21	97,047	97,047
Education Dividend Raffle Funds	None	2,230	2,230
Quality Schools	FY21	19,242	19,242
Total Department of Education and Early Development		<u>6,447,524</u>	<u>6,447,524</u>
Department of Administration:			
* TRS in-kind payment	None	469,125	469,125
PERS in-kind payment	None	86,833	86,833
Total Department of Administration		<u>555,958</u>	<u>555,958</u>
Total State Expenditures		<u>\$ 7,003,482</u>	<u>7,003,482</u>

Please see accompanying notes to the Schedule.

CRAIG CITY SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2021

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, 2021. 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.

(This page was left blank intentionally)

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 the Craig City School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Craig City School District's basic financial statements, and have issued our report thereon dated October 5, 2021.

Internal Control Over Financial Reporting

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

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

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

Members of the School Board
Craig City School District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

Altman, Rogers & Co.

Anchorage, Alaska
October 5, 2021

**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

We have audited Craig City School District's compliance with the types of compliance requirements described 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, 2021. Craig City School District's major federal programs are identified in the summary of auditor's results section of the accompanying Federal Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the 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, 2021.

Report on Internal Control Over Compliance

Management of the Craig City School District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Craig City School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Craig City School District's internal control over compliance.

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

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

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

Altman, Rogers & Co.

Anchorage, Alaska
October 5, 2021

CRAIG CITY SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

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 X No

Internal control over financial reporting:

Material weakness identified?

___ Yes X No

Significant deficiency identified?

___ Yes X None reported

Noncompliance material to the financial statements noted?

___ Yes X No

Federal Awards

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

Material weakness identified?

___ Yes X No

Significant deficiency identified?

___ Yes X None reported

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

___ Yes X No

Type of auditor's report issued on compliance for major 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 X No

Identification of major programs:

CFDA 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?

X Yes ___ No

CRAIG CITY SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

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

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

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited Craig City School District's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of Craig City School District's major state programs for the year ended June 30, 2021. Craig City School District's major state programs are identified in the accompanying schedule of state financial assistance.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

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

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

Opinion on Each Major State Program

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, 2021.

Report on Internal Control over Compliance

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

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

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

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



Anchorage, Alaska
October 5, 2021

CRAIG CITY SCHOOL DISTRICT

State Schedule Findings and Questioned Costs

Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness identified?

Yes No

Significant deficiency identified?

Yes None reported

Noncompliance material to the financial statements noted?

Yes No

State Awards

Internal control over major programs:

Material weakness identified?

Yes No

Significant deficiency identified?

Yes None reported

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

Unmodified

Dollar threshold used to distinguish a state major program:

\$ 200,000

Section II – Financial Statement Findings

See 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.