



SOUTHEAST ISLAND SCHOOL DISTRICT BOARD OF EDUCATION

Work Session
November 17, 2021

PURPOSE STATEMENT

Together we will open students' minds to their dreams and aspirations and provide the tools needed to achieve them.

MISSION STATEMENT

All Southeast Island School district stakeholders will work together to provide a safe and healthy environment that fosters the development of personal, social and academic skills necessary for students to excel in our rapidly changing world and to become service-minded, life-long learners.

AGENDA

MEETING: 4:30 PM

LOCATION: Audio/Video Conference

1. Interview Candidates for Board of Education Seat 2D 2
 - A. Candidate: Molly Kimzey
 - B. Candidate: Susan Crew
2. Review FY 2021 Audited Financial Statements 3

Correction on vacancy announcement shown in **bold red text**.



SOUTHEAST ISLAND SCHOOL DISTRICT
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VACANCY

SOUTHEAST ISLAND SCHOOL DISTRICT (SISD)

SCHOOL BOARD SEAT 2D

The SISD Board of Education has a new vacancy (Seat 2D) and plans to fill this vacancy by appointing a board member to this seat at their November 17, 2021 regular meeting.

To be eligible, a candidate must reside and be registered to vote in one of the towns within Section 2, which *currently** includes the following communities:

Big Salt Lake, Calder Bay, Cape Pole, Coffman Cove, Dolomi Bay, Edna Bay, El Capitan, Hollis, Hyder, Kasaan, Kupreanof, Labouchere Bay, Long Island, Marble Island, Naukati, Point Baker, Port Alexander, Port Alice, Port Protection, Portage Bay, Rowan Bay, Smith Cove, View Cove, Whale Pass

Length of Term: Per Alaska Statute 14.12.070, the person selected to fill Seat 2D will serve until a successor is elected in the next regular election (10/04/2022).

Interested individuals: complete the attached application form and submit it to the District Office, Attn: Board of Education, by:

Wednesday, November 10, 2021

Applications can be hand delivered, faxed,
emailed, or mailed
(see letterhead for addresses/numbers).

If no letters of interest have been received by 11/10/21, the deadline will be extended until one or more applications have been received. Updated information will be posted on www.sisd.org

Candidates will be interviewed in a work session before the November 17, 2021 board meeting.

* The Department of Education & Early Development will decide whether/how section boundaries will be recast by approximately 11/15/21. If the towns in each section change, eligibility will be determined based on the updated section, seat, and community distribution.

SOUTHEAST ISLAND SCHOOL DISTRICT

Letter to the Governing Board

Year Ended June 30, 2021

SOUTHEAST ISLAND SCHOOL DISTRICT

Letter to the Governing Board

Year Ended June 30, 2021

October 27, 2021

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

We have audited the financial statements of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the Southeast Island School District for the year ended June 30, 2021, which collectively comprise the District's basic financial statements. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, the *Uniform Guidance*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 20, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies and Transactions.

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Southeast Island City Schools are described in Note 1 to the financial statements. As discussed in Note III.D. to the financial statements, in 2021 the Southeast Island School District adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*, which established criteria for identifying fiduciary activities of the District and reporting of said fiduciary activities. As a result of adopting this standard, the amount previously reported as due to student groups was reclassified to beginning fiduciary net position to align with the new principle. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

All opinion units:

Management's estimate of the collectability of accounts receivable is based on historical collections. We evaluated the key factors and assumptions used to develop the estimate of the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

Governmental activities opinion unit:

Management's estimate of the useful lives and depreciation is based on the expected life of an asset. We evaluated the key factors and assumptions used to develop the useful lives and depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimates of the District's proportionate share of the collective net pension/OPEB liability/asset and related deferred outflows and inflows of resources are based on information furnished by the State of Alaska and actuarial reports generated during the audit of the Public Employees' Retirement System and Teachers' Retirement System. The amortization of these deferrals is based on guidance provided by the Governmental Accounting Standards Board. We evaluated the key factors and assumptions used to develop the estimates of the District's proportionate share of the collective net pension/OPEB liability and deferred outflows and inflows of resources and related amortization in determining that it is reasonable in relation to the financial statements as a whole.

Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of contingencies in Note III to the financial statements. The Federal and State awarded money is subject to compliance in accordance with the grant agreement. Expenditures may be disallowed by granting agencies at any time which would have an impact on the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following are misstatements that management has determined to be immaterial, both individually and in the aggregate, to each opinion unit's financial statements taken as a whole. The misstatements were not corrected by management:

- \$17,788 overstatement of cash in the School Operating Fund
- \$9,856 understatement of payroll liabilities in the School Operating Fund

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 27, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Internal Controls

See the June 30, 2021 financial statements, compliance section for definitions of deficiencies, significant deficiencies, material weaknesses and any related findings.

Major Issues Discussed with Management Prior to Retention

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Accounting Assistance

During the audit we provided technical accounting assistance associated with Governmental Accounting Standards Board (GASB) guidance for certain reporting items, including the summarization and recording of capital assets in the government-wide financial statements. As part of our engagement, we assisted management in the drafting of the basic financial statements of the District from the District’s accounting records; however, management of the District was involved in the drafting process and retains responsibility for the basic financial statements.

Other Matters

Supplementary Information

We applied certain limited procedures to the schedule of revenues, expenditures, and changes in fund balance – original and final budget and actual – School Operating Fund and the schedules of proportionate share of net pension/OPEB liability and contributions for the public employees’ retirement system and teachers’ retirement system, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedules of revenues, expenditures and changes in fund balance – budget to actual for the School Operating Fund, the combining and individual non-major fund financial statements, the schedule of compliance AS 14.17.505, the schedule of expenditures of federal awards and the schedule of state financial assistance, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United State of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the School Board and management of Southeast Island School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Altman, Rogers & Co.

Anchorage, Alaska
October 27, 2021

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Year Ended June 30, 2021

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Year Ended June 30, 2021

SOUTHEAST ISLAND SCHOOL DISTRICT

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Southeast Island School District (District) 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, the business-type activities, each major fund and the aggregate remaining fund information of Southeast Island School District as of June 30, 2021, the respective changes in financial position thereof 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 III.D. to the financial statements, in 2021 Southeast Island School District adopted new accounting guidance, GASB 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 schedule of the Schedule of Revenues, Expenditures and Changes in Fund Balance – Original and Final Budget and Actual – School Operating Fund, the Schedules of the District's Proportionate Share of the Net Pension/OPEB Liabilities and Assets and Schedules of the District's Contributions, and the Notes to Required Supplementary Information on pages 45-55 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 Southeast Island School District's basic financial statements. The information listed in the table of contents as "Additional Supplementary Information", which includes the Schedule of Revenues, expenditures and changes in fund balance – budget to actual for major funds, and the combining and individual non-major fund financial statements; Statement of Fiduciary Net Position; Statement of Changes in Fiduciary Net Position – Student Agency Fund; Schedule of Compliance- AS 14.17.505 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and Notes to the Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the basic financial statements. The Schedule of State Financial Assistance and Notes to Schedule of State Financial Assistance are presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2021, on our consideration of Southeast Island School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Southeast Island School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southeast Island School District's internal control over financial reporting and compliance.



Anchorage, Alaska
October 27, 2021

SOUTHEAST ISLAND SCHOOL DISTRICT

Statement of Net Position

June 30, 2021

<u>Assets and Deferred Outflows of Resources</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current:			
Cash and cash equivalents	\$ 1,619,151	43,230	1,662,381
Accounts receivable	628,026	-	628,026
Inventory	78,241	-	78,241
Internal balances	207,706	(207,706)	-
Total current	<u>2,533,124</u>	<u>(164,476)</u>	<u>2,368,648</u>
Non-current:			
Capital assets	35,437,469	63,784	35,501,253
Accumulated depreciation	(19,680,715)	(19,134)	(19,699,849)
Net pension/OPEB asset	473,524	-	473,524
Total non-current	<u>16,230,278</u>	<u>44,650</u>	<u>16,274,928</u>
Deferred outflows of resources - Pension/OPEB deferrals	<u>604,614</u>	<u>-</u>	<u>604,614</u>
Total assets and deferred outflows of resources	<u>19,368,016</u>	<u>(119,826)</u>	<u>19,248,190</u>
<u>Liabilities and Deferred Inflows of Resources</u>			
Current liabilities:			
Accounts payable	143,010	-	143,010
Payroll liabilities	3,594	-	3,594
Unearned revenue	560,031	-	560,031
Total current liabilities	<u>706,635</u>	<u>-</u>	<u>706,635</u>
Long-term liabilities:			
Due within one year - accrued leave	10,484	-	10,484
Due in more than one year - net pension/OPEB liability	3,662,623	-	3,662,623
Total long term liabilities	<u>3,673,107</u>	<u>-</u>	<u>3,673,107</u>
Deferred inflows of resources - Pension/OPEB deferrals	<u>452,653</u>	<u>-</u>	<u>452,653</u>
Total liabilities and deferred inflows of resources	<u>4,832,395</u>	<u>-</u>	<u>4,832,395</u>
<u>Net Position</u>			
Net investment in capital assets	15,756,754	44,650	15,801,404
Unrestricted (deficit)	(1,221,133)	(164,476)	(1,385,609)
Total net position	<u>\$ 14,535,621</u>	<u>(119,826)</u>	<u>14,415,795</u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position (Deficit)		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Governmental Activities
Governmental Activities:							
Instruction	\$ 2,108,650	-	515,324	-	(1,593,326)	-	(1,593,326)
Special education instruction	452,057	-	68,526	-	(383,531)	-	(383,531)
Special education support services - students	140,422	-	(1,895)	-	(142,317)	-	(142,317)
Support services - students	424,050	-	417,523	-	(6,527)	-	(6,527)
Support services - instruction	1,511,775	-	331,878	-	(1,179,897)	-	(1,179,897)
School administration	151,492	-	(3,470)	-	(154,962)	-	(154,962)
School administration support services	63,063	-	3,232	-	(59,831)	-	(59,831)
District administration	383,784	-	4,431	-	(379,353)	-	(379,353)
District administration support services	362,077	-	50,793	-	(311,284)	-	(311,284)
Operations and maintenance of plant	1,855,932	90,372	31,837	403,038	(1,330,685)	-	(1,330,685)
Student activities	108,906	-	8,774	-	(100,132)	-	(100,132)
Student transportation - to and from school	186,917	-	185,339	-	(1,578)	-	(1,578)
Food services	273,988	1,444	179,823	-	(92,721)	-	(92,721)
Community services	14,799	-	14,799	-	-	-	-
Total governmental activities	\$ 8,037,912	91,816	1,806,914	403,038	(5,736,144)	-	(5,736,144)
Business-type Activities -							
Thorne Bay Restaurant	5,739	4,450	-	-	-	(1,289)	(1,289)
Total	\$ 8,043,651	96,266	1,806,914	403,038	(5,736,144)	(1,289)	(5,737,433)
General revenues:							
E-Rate					\$ 1,039,581	-	1,039,581
Grants not restricted to specific programs					4,563,281	-	4,563,281
Proceeds from sale of capital assets					4,720	-	4,720
Other					141,427	-	141,427
Total general revenues					5,749,009	-	5,749,009
Change in net position					12,865	(1,289)	11,576
Net position - beginning					14,522,756	(118,537)	14,404,219
Net position - ending					\$ 14,535,621	(119,826)	14,415,795

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2021

	School Operating Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 1,619,151	-	-	1,619,151
Accounts receivable	-	72,440	555,586	628,026
Due from other funds	645,414	636,040	982,102	2,263,556
Inventory	69,551	-	8,690	78,241
Total assets	<u>\$ 2,334,116</u>	<u>708,480</u>	<u>1,546,378</u>	<u>4,588,974</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	41,333	-	101,677	143,010
Payroll liabilities	3,594	-	-	3,594
Unearned revenue	-	373,314	186,717	560,031
Due to other funds	1,618,142	-	437,708	2,055,850
Total liabilities	<u>1,663,069</u>	<u>373,314</u>	<u>726,102</u>	<u>2,762,485</u>
Fund Balances:				
Nonspendable	69,551	-	8,690	78,241
Assigned	-	335,166	811,586	1,146,752
Unassigned	601,496	-	-	601,496
Total fund balances	<u>671,047</u>	<u>335,166</u>	<u>820,276</u>	<u>1,826,489</u>
Total liabilities and fund equity	<u>\$ 2,334,116</u>	<u>708,480</u>	<u>1,546,378</u>	<u>4,588,974</u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position

June 30, 2021

Fund balances - total governmental funds	\$ 1,826,489
Total net position reported for governmental activities in the State of Net Position is different because:	
Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.	15,756,754
Certain pension and OPEB related activities are deferred and amortized over time. These Activities are reported as follows	
Deferred outflows of resources - Pension and OPEB deferrals	604,614
Deferred inflows of resources - Pension and OPEB deferrals	(452,653)
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of	
Net pension and OPEB asset	473,524
Net pension and OPEB liability	(3,662,623)
Accrued leave	<u>(10,484)</u>
Total net position of governmental activities	<u><u>14,535,621</u></u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Year Ended June 30, 2021

	School Operating Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Charges for services	\$ -	-	91,816	91,816
E-rate	1,039,581	-	-	1,039,581
Other	141,427	47,659	4,881	193,967
Intergovernmental:				
State of Alaska	4,702,183	355,379	384,982	5,442,544
Federal sources	224,499	-	1,379,210	1,603,709
Total revenues	<u>6,107,690</u>	<u>403,038</u>	<u>1,860,889</u>	<u>8,371,617</u>
Expenditures:				
Current:				
Instruction	1,932,733	-	534,106	2,466,839
Special education instruction	382,357	-	57,054	439,411
Special education support services - students	180,908	-	-	180,908
Support services - students	52	-	418,173	418,225
Support services - instruction	1,361,451	-	326,544	1,687,995
School administration	216,549	-	-	216,549
School administration support services	46,546	-	-	46,546
District administration	418,449	-	-	418,449
District administration support services	272,443	-	43,983	316,426
Operation and maintenance of plant	1,005,802	79,442	66,712	1,151,956
Student activities	91,619	-	7,238	98,857
Student transportation - to and from school	-	20,974	96,457	117,431
Food services	-	-	265,261	265,261
Community services	-	-	14,799	14,799
Construction and facilities acquisition	-	372,514	-	372,514
Total expenditures	<u>5,908,909</u>	<u>472,930</u>	<u>1,830,327</u>	<u>8,212,166</u>
Excess of revenues over expenditures	<u>198,781</u>	<u>(69,892)</u>	<u>30,562</u>	<u>159,451</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	4,720	-	-	4,720
Transfers in	-	20,974	87,908	108,882
Transfers out	(87,908)	-	(20,974)	(108,882)
Total other financing sources (uses):	<u>(83,188)</u>	<u>20,974</u>	<u>66,934</u>	<u>4,720</u>
Net change in fund balance	115,593	(48,918)	97,496	164,171
Fund balances, beginning of year	<u>555,454</u>	<u>384,084</u>	<u>722,780</u>	<u>1,662,318</u>
Fund balances, end of year	<u>\$ 671,047</u>	<u>335,166</u>	<u>820,276</u>	<u>1,826,489</u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$	164,171
The change in net position reported for governmental activities in the State of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which depreciation exceeded capital outlays.		(347,976)
Changes related to certain deferred pension and OPEB activities can increase or decrease net position. This is the change in net position related to changes in deferred outflows, deferred inflows, and net pension/OPEB liabilities or assets.		199,800
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. The net changes in long-term liability balance is the increase in accrued leave.		<u>(3,130)</u>
Change in net position of governmental activities	\$	<u><u>12,865</u></u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Thorne Bay Restaurant Enterprise Fund

Statement of Net Position

June 30, 2021

<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ <u>43,230</u>
Property, plant and equipment:	
Plant and improvements	63,784
Accumulated depreciation	<u>(19,134)</u>
Net property, plant and equipment	<u>44,650</u>
Total assets	\$ <u><u>87,880</u></u>
<u>Liabilities and Net Position (Deficit)</u>	
Current liabilities:	
Due to other funds	<u>207,706</u>
Net position (Deficit):	
Net investment in capital assets	44,650
Unrestricted (deficit)	<u>(164,476)</u>
Total net position (Deficit)	<u>(119,826)</u>
Total liabilities and net position	\$ <u><u>87,880</u></u>

See accompanying notes to basic financial statements.

SOUTHEAST ISLAND SCHOOL DISTRICT

Thorne Bay Restaurant Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2021

Revenues:		
Local sources:		
Charges for services - rental revenue	\$	<u>4,450</u>
Expenditures:		
Operations and maintenance of plant:		
Depreciation		<u>3,189</u>
Student activities:		
Other purchased services		<u>2,550</u>
Total expenditures		<u>5,739</u>
Change in net position		(1,289)
Beginning net position (deficit)		<u>(118,537)</u>
Ending net position (deficit), end of year	\$	<u><u>(119,826)</u></u>

See accompanying notes to basic financial statements.

SOUTHEAST ISLAND SCHOOL DISTRICT

Thorne Bay Restaurant Enterprise Fund

Statement of Cash Flows

Year Ended June 30, 2021

Cash flows from (for) operating activities:	
Receipts from customers and users	\$ 4,450
Payments to suppliers	<u>(2,550)</u>
Net cash flows from (for) operating activities	<u>1,900</u>
Cash flows from financing activities - change in loan from general fund (due to)	<u>(1,900)</u>
Net increase (decrease) in cash and cash equivalents	-
Beginning cash and cash equivalents	<u>43,230</u>
Ending cash and cash equivalents	\$ <u><u>43,230</u></u>
Reconciliation of income (loss) from operations to net cash from (for) operating activities:	
Change in net position (deficit)	\$ (1,289)
Adjustments to reconcile income (loss) from operations to cash flows from operating activities:	
Depreciation	<u>3,189</u>
Net cash flows from (for) operating activities	\$ <u><u>1,900</u></u>

See accompanying notes to basic financial statements.

SOUTHEAST ISLAND SCHOOL DISTRICT

Statement of Fiduciary Net Position

Custodial Fund - Student Activities

June 30, 2021

Assets

Cash and cash equivalents	\$ <u>143,500</u>
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Net Position

Net position - assets held for others	\$ <u>143,500</u>
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The notes to the financial statements are an integral part of this statement.

SOUTHEAST ISLAND SCHOOL DISTRICT

Custodial Fund - Student Activities

Schedule of Changes in Assets and Liabilities

Year Ended June 30, 2021

Additions:	
Contributions	\$ <u>2,868</u>
Deductions:	
Program expenses	<u>10,038</u>
Change in net position	<u>(7,170)</u>
Net position, beginning of year, as previously stated	-
Change in accounting principle	<u>150,670</u>
Net position, beginning of year, as restated	<u>150,670</u>
Net position end of the year	<u>\$ <u>143,500</u></u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

Deferred inflows of resources are the acquisition of Fund Balance/Net Position by the District that are applicable to a future reporting period. Deferred outflows of resources are the consumption of Fund Balance/Net Position by the District that are applicable to a future reporting period.

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

Governmental Fund Financial Statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. There are three categories of funds: governmental, proprietary and fiduciary. The district maintains all three of these types of funds.

The District reports the following major governmental funds:

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

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

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

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

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

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Intergovernmental Revenue

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

Local Revenue

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

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

Use of Estimates

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

Indirect Costs

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

D. Assets, Liabilities and Equity

1. Cash and Cash Equivalents

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

2. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the Fund Financial Statements and are eliminated in the preparation of the Government-Wide Financial Statements.

3. Inventories and Prepaid Items

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

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

4. Capital Assets

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

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

5. Unearned Revenue

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

6. Compensated Absences

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

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

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

8. Net Position

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

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

9. Fund Balance

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

Nonspendable fund balance – amounts that are legally or contractually required to be maintained intact (such as the corpus of an endowment fund) or amounts that are not in a spendable form (such as inventory, prepaid items, supplies, and long-term receivables). Such constraint is binding until the legal or contractual requirement is repealed or the amounts become spendable.

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

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

10. Fair Value of Financial Instruments

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

II. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The District maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is reported on the balance sheet of the fund financial statements as "Cash and cash equivalents" or amounts "Due from/to other funds".

Custodial Credit Risk

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

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

At June 30, 2021, the District's bank balances totaled \$1,794,739. Deposits in each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The District's collateralized agreement covers \$1,659,981. As of June 30, 2021, the District's bank balances were fully insured or collateralized.

B. Receivables

Receivables as of June 30, 2021 are as follows:

	Capital Projects Funds	Other Governmental Funds	Total
Grants	\$ <u>72,440</u>	<u>555,586</u>	<u>628,026</u>

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

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Assets not being depreciated:				
Land	\$ 941,798	-	-	941,798
Construction in progress	<u>718,936</u>	<u>424,011</u>	<u>(462,648)</u>	<u>680,299</u>
Total assets not being depreciated	<u>1,660,734</u>	<u>424,011</u>	<u>(462,648)</u>	<u>1,622,097</u>
Assets being depreciated:				
Buildings	29,876,501	-	-	29,876,501
Machinery and equipment	2,639,286	182,066	-	2,821,352
Vehicles	<u>654,871</u>	<u>462,648</u>	-	<u>1,117,519</u>
Total assets being depreciated	<u>33,170,658</u>	<u>644,714</u>	<u>-</u>	<u>33,815,372</u>
Less accumulated depreciation	<u>(18,726,662)</u>	<u>(954,053)</u>	<u>-</u>	<u>(19,680,715)</u>
Total assets being depreciated, net	<u>14,443,996</u>	<u>(309,339)</u>	<u>-</u>	<u>14,134,657</u>
Total Government Capital Assets Net of Accumulated Depreciation	<u>\$ 16,104,730</u>	<u>114,672</u>	<u>(462,648)</u>	<u>15,756,754</u>
Business-type activities:				
Assets being depreciated - buildings	\$ 63,784	-	-	63,784
Accumulated depreciation	<u>(15,945)</u>	<u>(3,189)</u>	<u>-</u>	<u>(19,134)</u>
Total Business-type Capital Assets Net of Accumulated Depreciation	<u>\$ 47,839</u>	<u>(3,189)</u>	<u>-</u>	<u>44,650</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

Instruction	\$ 167,601
Special education instruction	16,753
Support services students	5,825
School administration	9,040
School administration support services	3,064
District administration	14,563
District administration support services	16,495
Operation and maintenance of plant	618,730
Student activities	4,117
Student transportation – to and from school	89,138
Food services	<u>8,727</u>
Total depreciation expense per function – governmental	<u>\$ 954,053</u>

D. Interfund Receivables and Payables

Interfund receivables and payables are shown as “Due To Other Funds” and “Due From Other Funds” in each of the individual funds. These balances at June 30, 2021, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School Operating Fund	Other Governmental Funds	437,708
School Operating Fund	Thorne Bay Enterprise Fund	207,706
Capital Projects Fund	School Operating Fund	636,040
Other Governmental Funds	School Operating Fund	<u>982,102</u>
		<u>\$ 2,263,556</u>

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

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
School Operating Fund	Other Governmental Funds	\$ 87,908
Other Governmental Funds	Capital Projects Fund	<u>20,974</u>
Total		<u>\$ 108,882</u>

Transfers are used to (a) use unrestricted revenues collected in the School Operating Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or (b) use unrestricted revenues collected in the School Operating Fund to meet local match requirements on State and Federal grants.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

E. Long-term Obligations

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

	Balance July 1, 2020	Change	Balance June 30, 2021	Due within One Year
Accrued Leave	\$ 7,354	3,130	10,484	10,484

F. Fund Balances

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

	School Operating Fund	Capital Projects Fund	Nonmajor Funds	Totals
Nonspendable –				
Inventory	\$ 69,551	-	8,690	78,241
Assigned:				
Food service	-	-	87,371	87,371
Pupil transportation	-	-	453,525	453,525
THRIVE program	-	-	2,130	2,130
Teacher housing	-	-	265,626	265,626
RurAL Cap program	-	-	2,934	2,934
Maintenance of buildings	-	335,166	-	335,166
Total assigned	-	335,166	811,586	1,146,752
Unassigned	601,496	-	-	601,496
Total Fund Balances	\$ 671,047	335,166	820,276	1,826,489

III. OTHER INFORMATION

A. Risk Management

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

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

B. Contingent Liabilities

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

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

C. Employee Retirement Systems and Plans

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

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

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

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

SOUTHEAST ISLAND 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 is 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>

SOUTHEAST ISLAND 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.

SOUTHEAST ISLAND 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%
Aggregate bonds	(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.

SOUTHEAST ISLAND 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, 2020 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 District decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular District function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The District must pay to have a termination study completed. The purpose of the study is to calculate the District's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The District must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS or TRS Administrator. For fiscal year 2021 the past service rate for PERS is 18.23%.

SOUTHEAST ISLAND 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.

SOUTHEAST ISLAND 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: 7.5% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drugs: 8.5% grading down to 4.5% EGWP: 8.5% grading down to 4.5%.

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

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

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.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 87,464	20,509	107,973

Public Employees Retirement Plans

For the year ended June 30, 2021 the State of Alaska contributed \$69,258 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2020 to a total of \$77,693, to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Defined Benefit:		<u>Pension</u>
District's proportionate share of the net pension liability	\$	2,352,318
State's proportionate share of the net pension liability		<u>971,866</u>
Total	\$	<u>3,324,184</u>
		<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (asset)	\$	(179,768)
State's proportionate share of the ARHCT OPEB liability (asset)		<u>(74,435)</u>
Total	\$	<u>(254,203)</u>
District's proportionate share of the ODD OPEB liability (asset)	\$	<u>(12,705)</u>
District's proportionate share of the RMP OPEB liability	\$	<u>4,126</u>
Total District's share of net pension and OPEB liabilities and assets	\$	<u>2,163,971</u>

The net pension and OPEB liabilities and assets were measured as of June 30, 2020, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities and assets were determined by an actuarial valuation as of that date. The District's proportion of the net pension and OPEB liabilities were based on the present value of contributions for FY2022 through FY2039, as determined by projections based on the June 30, 2020 valuation.

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

	<u>June 30, 2019</u> Measurement	<u>June 30, 2020</u> Measurement	<u>Change</u>
Pension	.0333%	.0399%	.0066%
OPEB:			
ARHCT	.0332%	.0397%	.0065%
ODD	.0538%	.0466%	(.0072%)
RMP	.0676%	.0582%	(.0094%)

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2020, the District recognized pension and OPEB expense of \$657,712 and (\$157,086), respectively, for the year ended June 30, 2021. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ 7,462	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	95,740	-
Changes in proportion and differences between District contributions and proportionate share of contributions	58,097	-
District contributions subsequent to the measurement date	87,464	-
Total	<u>\$ 248,763</u>	<u>-</u>

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(14,422)
Changes of assumptions	-	(125,309)
Net difference between projected and actual earnings on OPEB plan investments	72,128	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(1,062)
District contributions subsequent to the measurement date	10,103	-
Total	<u>\$ 82,231</u>	<u>(140,793)</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(4,263)
Changes of assumptions	-	(186)
Net difference between projected and actual earnings on OPEB plan investments	436	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,621	(814)
District contributions subsequent to the measurement date	2,042	-
Total	<u>\$ 4,099</u>	<u>(5,263)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21	(887)
Changes of assumptions	5,796	(10,667)
Net difference between projected and actual earnings on OPEB plan investments	1,847	-
Changes in proportion and differences between District contributions and proportionate share of contributions	883	(1,215)
District contributions subsequent to the measurement date	8,364	-
Total	<u>\$ 16,911</u>	<u>(12,769)</u>

\$87,464 and \$20,509 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities or an increase of the net pension and OPEB assets in the year ended June 30, 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 June 30,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2021	\$ 67,251	(141,372)	(558)	(484)
2022	33,669	25,673	(454)	(115)
2023	35,587	27,566	(452)	(122)
2024	24,792	19,468	(487)	(263)
2025	-	-	(597)	(708)
Thereafter	-	-	(658)	(2,530)
Total	<u>\$ 161,299</u>	<u>(68,665)</u>	<u>(3,206)</u>	<u>(4,222)</u>

For the year ended June 30, 2021, the District recognized \$228,128 and (\$4,369) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

	1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability	\$ 3,058,510	2,352,318	1,760,019
Net OPEB ARHCT liability (asset)	\$ 187,585	(179,768)	(484,046)
Net OPEB ODD liability (asset)	\$ (12,357)	(12,705)	(13,579)
Net OPEB RMP liability (asset)	\$ 25,561	4,126	(12,099)

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

	1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	\$ (519,722)	(179,768)	231,895
Net OPEB RMP liability (asset)	(14,477)	4,126	29,430

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): 1.27% for the retiree medical plan (DB), 0.31% for occupational and death and disability benefits (DB) and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is 22%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

The School District contributed \$69,556 for the year ended June 30, 2021, which included forfeitures of \$27,495 which have been applied against contributions.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

The DB Plan’s membership consisted of the following at June 30, 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.

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ <u>44,107</u>	<u>37,473</u>	<u>81,580</u>

Teachers Retirement Plans

For the year ended June 30, 2021 the State of Alaska contributed \$294,143 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date to a total of (\$39,852), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

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

	<u>Pension</u>
Defined Benefit:	
District's proportionate share of the net pension liability	\$ 1,306,179
State's proportionate share of the net pension liability	<u>2,266,313</u>
Total	\$ <u>3,572,492</u>
	<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (229,621)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(399,340)</u>
Total	\$ <u>(628,961)</u>
District's proportionate share of the ODD OPEB liability (asset)	\$ <u>(15,589)</u>
District's proportionate share of the RMP OPEB liability (asset)	\$ <u>(35,841)</u>
Total District's share of net pension and OPEB liabilities and assets	\$ <u>1,025,128</u>

The net pension and OPEB liabilities and assets were measured as of June 30, 2020 and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities and assets were determined by an actuarial valuation as of that date. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2022 through FY2039, as determined by projections based on the June 30, 2020 valuation.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

	June 30, 2019 Measurement	June 30, 2020 Measurement	Change
Pension	.0937%	.0643%	(.0294)%
OPEB:			
ARHCT	.0935%	.0642%	(.0293)%
ODD	.3126%	.3621%	.0495%
RMP	.3123%	.3633%	.0510%

Based on the measurement date of June 30, 2020, the District recognized pension expense of (\$141,238) and OPEB expense of (\$331,798), respectively, for the year ended June 30, 2021. At June 30, 2021, the 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	\$ 1,488	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	90,006	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(176,736)
District contribution subsequent to the measurement date	44,107	-
Total	<u>\$ 135,601</u>	<u>(176,736)</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(6,158)
Changes of assumptions	-	(72,236)
Net difference between projected and actual earnings on pension plan investments	44,383	-
Changes in proportion and differences between District contributions and proportionate share of contributions	14,706	-
District contribution subsequent to the measurement date	23,214	-
Total	<u>\$ 82,303</u>	<u>(78,394)</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(1,738)
Changes of assumptions	-	(14)
Net difference between projected and actual earnings on pension plan investments	386	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,215	(1,560)
District contribution subsequent to the measurement date	1,129	-
Total	<u>\$ 2,730</u>	<u>(3,312)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,618	(2,713)
Changes of assumptions	5,601	(31,073)
Net difference between projected and actual earnings on pension plan investments	4,132	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,495	(1,600)
District contribution subsequent to the measurement date	13,130	-
Total	<u>\$ 31,976</u>	<u>(35,386)</u>

\$44,107 and \$37,473 are reported as deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liability and as an increase to the net pension and OPEB assets in the year ended June 30, 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	\$ (174,235)	(63,797)	(244)	(2,085)
2022	31,794	15,752	(132)	(1,216)
2023	33,833	16,850	(126)	(1,228)
2024	23,366	11,890	(161)	(1,562)
2025	-	-	(262)	(2,556)
Thereafter	-	-	(786)	(7,893)
Total	<u>\$ (85,242)</u>	<u>(19,305)</u>	<u>(1,711)</u>	<u>(16,540)</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2021, the District recognized \$(458,568) and \$68,638 of pension and OPEB amortization of the deferred outflows and inflows of resources, respectively.

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

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

		1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability	\$	<u>1,832,977</u>	<u>1,306,179</u>	<u>863,142</u>
Net OPEB ARHCT liability (asset)	\$	<u>(12,659)</u>	<u>(229,621)</u>	<u>(408,566)</u>
Net OPEB ODD liability (asset)	\$	<u>(15,614)</u>	<u>(15,589)</u>	<u>(15,582)</u>
Net OPEB RMP liability (asset)	\$	<u>1,933</u>	<u>(35,841)</u>	<u>(64,088)</u>

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

		1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	\$	<u>(428,481)</u>	<u>(229,621)</u>	<u>12,260</u>
Net OPEB RMP liability (asset)	\$	<u>(67,990)</u>	<u>(35,841)</u>	<u>8,396</u>

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): 1.09% 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%. Plan members are 100% vested with their contributions. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The School District contributed \$138,540 for the year ended June 30, 2021, which included forfeitures of \$13,090 which have been applied against contributions.

D. Change in Accounting Principle

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

As a result of adopting this standard, the amount previously reported as due to student groups was reclassified to beginning fiduciary net position. The previously reported due to student groups liability of the Student Activities Agency Fund of \$150,670 at June 30, 2020 has been restated as beginning fiduciary net position to align with the new principle.

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 District.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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.

GASB 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.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTHEAST ISLAND SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
E-rate	\$ 1,305,864	1,411,471	1,039,581	(371,890)
Other	25,000	25,000	141,427	116,427
Intergovernmental:				
State of Alaska	5,505,435	4,703,402	4,702,183	(1,219)
Federal sources	300,000	280,000	224,499	(55,501)
Total revenues	<u>7,136,299</u>	<u>6,419,873</u>	<u>6,107,690</u>	<u>(312,183)</u>
Expenditures:				
Current:				
Instruction	2,015,757	1,925,912	1,932,733	(6,821)
Special education instruction	698,864	542,144	382,357	159,787
Special education support services - students	123,147	142,840	180,908	(38,068)
Support services - students	32,822	28,654	52	28,602
Support services - instruction	1,602,261	1,658,658	1,361,451	297,207
School administration	274,972	232,035	216,549	15,486
School administration support services	97,867	47,239	46,546	693
District administration	451,566	421,116	418,449	2,667
District administration support services	354,787	286,178	272,443	13,735
Operations and maintenance of plant	1,300,202	1,258,059	1,005,802	252,257
Student activities	164,553	119,962	91,619	28,343
Total expenditures	<u>7,116,798</u>	<u>6,662,797</u>	<u>5,908,909</u>	<u>753,888</u>
Excess of revenues over expenditures	<u>19,501</u>	<u>(242,924)</u>	<u>198,781</u>	<u>441,705</u>
Other financing sources (Uses):				
Proceeds from sale of capital assets	-	-	4,720	4,720
Transfers in (out):				
Capital projects fund	-	(2,500)	(7,908)	(5,408)
Food service special revenue fund	(19,501)	(50,000)	(80,000)	(30,000)
Net other financing sources (uses)	<u>(19,501)</u>	<u>(52,500)</u>	<u>(83,188)</u>	<u>(30,688)</u>
Net change in fund balance	\$ <u>-</u>	<u>(295,424)</u>	115,593	<u>411,017</u>
Fund balance, beginning of year			555,454	
Fund balance, end of year			\$ <u>671,047</u>	

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

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

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	1.5385%	\$ 717,565	\$ 736,222	\$ 1,453,787	\$ 734,602	98%	62.37%
2016	0.0554%	\$ 2,686,427	\$ 717,377	\$ 3,403,804	\$ 988,932	272%	63.96%
2017	0.0330%	\$ 1,846,762	\$ 234,848	\$ 2,081,610	\$ 1,101,563	168%	59.55%
2018	0.0388%	\$ 2,006,604	\$ 747,577	\$ 2,754,181	\$ 1,154,761	174%	63.37%
2019	0.0304%	\$ 1,511,338	\$ 437,051	\$ 1,948,389	\$ 928,250	163%	65.19%
2020	0.0333%	\$ 1,821,020	\$ 720,723	\$ 2,541,743	\$ 1,062,332	171%	63.42%
2021	0.0399%	\$ 2,352,318	\$ 971,866	\$ 3,324,184	\$ 891,132	264%	61.61%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND 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	0.0389%	\$ 328,329	\$ 122,609	\$ 450,938	\$ 1,154,761	28.43%	89.68%
2019	0.0304%	\$ 312,420	\$ 91,225	\$ 403,645	\$ 928,250	33.66%	88.12%
2020	0.0332%	\$ 49,267	\$ 19,556	\$ 68,823	\$ 1,062,332	4.64%	98.13%
2021	0.0397%	\$ (179,768)	\$ (74,435)	\$ (254,203)	\$ 891,132	-20.17%	106.15%
Occupational Death and Disability (ODD):							
2018	0.0535%	\$ (7,590)	\$ -	\$ (7,590)	\$ 1,154,761	-0.66%	212.97%
2019	0.0598%	\$ (11,619)	\$ -	\$ (11,619)	\$ 928,250	-1.25%	270.62%
2020	0.0538%	\$ (13,037)	\$ -	\$ (13,037)	\$ 1,062,332	-1.23%	297.43%
2021	0.0466%	\$ (12,705)	\$ -	\$ (12,705)	\$ 891,132	-1.43%	283.80%
Retiree Medical Plan (RMP):							
2018	0.0535%	\$ 2,790	\$ -	\$ 2,790	\$ 616,628	0.45%	93.98%
2019	0.0598%	\$ 7,612	\$ -	\$ 7,612	\$ 335,600	2.27%	88.71%
2020	0.0676%	\$ 16,181	\$ -	\$ 16,181	\$ 399,705	4.05%	83.17%
2021	0.0582%	\$ 4,126	\$ -	\$ 4,126	\$ 356,427	1.16%	92.23%

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See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND 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	\$ 63,677	\$ (63,677)	\$ -	\$ 988,932	6.44%
2016	\$ 77,283	\$ (77,283)	\$ -	\$ 1,101,563	7.02%
2017	\$ 89,319	\$ (89,319)	\$ -	\$ 1,154,761	7.73%
2018	\$ 95,194	\$ (95,194)	\$ -	\$ 928,250	10.26% ⁶²
2019	\$ 95,994	\$ (100,564)	\$ (4,570)	\$ 1,062,332	9.04%
2020	\$ 81,626	\$ (72,744)	\$ 8,882	\$ 891,132	9.16%
2021	\$ 84,925	\$ (87,464)	\$ (2,539)	\$ 806,950	10.52%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND 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	\$ 27,132	\$ (27,132)	\$ -	\$ 928,250	2.92%
2019	\$ 35,081	\$ (84,084)	\$ -	\$ 1,062,332	3.30%
2020	\$ 32,471	\$ (32,471)	\$ -	\$ 891,132	3.64%
2021	\$ 10,103	\$ (10,103)	\$ -	\$ 806,950	1.25%
Occupational Death and Disability (ODD):					
2018	\$ 1,083	\$ (1,083)	\$ -	\$ 928,250	0.12%
2019	\$ 2,196	\$ (2,937)	\$ -	\$ 1,062,332	0.21%
2020	\$ 2,044	\$ (2,044)	\$ -	\$ 891,132	0.23%
2021	\$ 2,042	\$ (2,042)	\$ -	\$ 806,950	0.25%
Retiree Medical Plan (RMP):					
2018	\$ 6,974	\$ (6,974)	\$ -	\$ 335,600	2.08%
2019	\$ 7,937	\$ (7,937)	\$ -	\$ 399,705	1.99%
2020	\$ 10,376	\$ (10,376)	\$ -	\$ 356,427	2.91%
2021	\$ 8,364	\$ (8,364)	\$ -	\$ 316,164	2.65%

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See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

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

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

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND 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	0.0762%	\$ 140,186	\$ 245,620	\$ 385,806	\$ 1,927,170	7.27%	93.75% ⁶⁵
2019	0.0902%	\$ 280,407	\$ 418,170	\$ 698,577	\$ 1,786,951	15.69%	90.23%
2020	0.0935%	\$ (142,907)	\$ (212,886)	\$ (355,793)	\$ 1,646,290	-8.68%	105.50%
2021	0.0642%	\$ (229,621)	\$ (399,340)	\$ (628,961)	\$ 2,063,989	-11.13%	113.78%
Occupational Death and Disability (ODD):							
2018	0.3608%	\$ (11,792)	\$ -	\$ (11,792)	\$ 1,927,170	-0.61%	1342.59%
2019	0.3368%	\$ (11,807)	\$ -	\$ (11,807)	\$ 1,786,951	-0.66%	1304.81%
2020	0.3126%	\$ (12,569)	\$ -	\$ (12,569)	\$ 1,646,290	-0.76%	1409.77%
2021	0.3621%	\$ (15,589)	\$ -	\$ (15,589)	\$ 2,063,989	-0.76%	931.08%
Retiree Medical Plan (RMP):							
2018	0.3608%	\$ (17,103)	\$ -	\$ (17,103)	\$ 1,147,033	-1.49%	118.16%
2019	0.3368%	\$ (10,770)	\$ -	\$ (10,770)	\$ 962,245	-1.12%	109.56%
2020	0.3123%	\$ (11,981)	\$ -	\$ (11,981)	\$ 981,354	-1.22%	110.03%
2021	0.3633%	\$ (35,841)	\$ -	\$ (35,841)	\$ 1,251,409	-2.86%	125.59%

See accompanying notes to Required Supplementary Information.

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

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND 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	\$ 30,659	\$ (30,659)	\$ -	\$ 1,786,951	1.72%
2019	\$ 27,611	\$ (27,611)	\$ -	\$ 1,646,290	1.68%
2020	\$ 29,845	\$ (29,845)	\$ -	\$ 2,063,989	1.45%
2021	\$ 23,214	\$ (23,214)	\$ -	\$ 1,752,540	1.32%
Occupational Death and Disability (ODD):					
2018	\$ -	\$ -	\$ -	\$ 1,786,951	0.00%
2019	\$ 975	\$ (975)	\$ -	\$ 1,646,290	0.06%
2020	\$ 1,275	\$ (1,275)	\$ -	\$ 2,063,989	0.06%
2021	\$ 1,129	\$ (1,129)	\$ -	\$ 1,752,540	0.06%
Retiree Medical Plan (RMP):					
2018	\$ 11,016	\$ (11,016)	\$ -	\$ 962,245	1.14%
2019	\$ 9,635	\$ (9,635)	\$ -	\$ 981,354	0.98%
2020	\$ 17,055	\$ (17,055)	\$ -	\$ 1,251,409	1.36%
2021	\$ 13,130	\$ (13,130)	\$ -	\$ 1,103,018	1.19%

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See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT, ALASKA

Notes to Required Supplementary Information

June 30, 2021

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

Budgets and Budgetary Accounting

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

1. Annual budgets for operation are adopted by the School Board for all operating revenues, expenditures, and interfund transfers. Budgets are prepared and presented on the modified accrual basis of accounting.
2. The adopted School Operating Fund budget is submitted to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.
3. The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs. The originally adopted budget and the final revised and approved budget are presented in these financial statements. Expenditure authority for the School Operating Fund is limited to the total approved budget and functional areas of expenditures are not to be overspent. Annual appropriations for the School Operating Fund lapse at fiscal year end.
4. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the School Operating Fund. The amount of encumbrances, if significant, is disclosed in the notes to the Basic Financial Statements as commitments. As of June 30, 2021, the District did not have any encumbrances.

Excess of Expenditures over Appropriations

For the year ended June 30, 2021, expenditures exceeded appropriations in the following funds:

School Operating Fund:		
Instruction	\$	(6,821)
Special education support services - students		(38,068)
Other Governmental Funds:		
Opioid Response Planning Special Revenue Fund		(2,908)
Select – Klawock Special Revenue Fund		(2,190)
Teacher Housing Special Revenue Fund		(11,890)

2. Public Employees' Retirement System

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

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

Changes in Methods Since the Prior Valuation – June 30, 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.

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

SOUTHEAST ISLAND 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:			
E-rate	\$ 1,411,471	1,039,581	(371,890)
Other	25,000	141,427	116,427
Total local	<u>1,436,471</u>	<u>1,181,008</u>	<u>(255,463)</u>
State sources:			
Foundation program	4,325,761	4,325,757	(4)
Quality schools	11,672	11,672	-
TRS on-behalf payment	291,761	294,143	2,382
PERS on-behalf payment	74,208	69,258	(4,950)
Other	-	1,353	1,353
Total state sources	<u>4,703,402</u>	<u>4,702,183</u>	<u>(1,219)</u>
Federal sources:			
National forest receipts	280,000	224,499	(55,501)
Total revenues	<u>6,419,873</u>	<u>6,107,690</u>	<u>(312,183)</u>
Expenditures:			
Current:			
Instruction:			
Certificated salaries	1,011,256	1,035,489	(24,233)
Non-certificated salaries	56,800	77,374	(20,574)
Employee benefits	748,002	713,844	34,158
Professional and technical services	700	5,600	(4,900)
Staff travel	300	555	(255)
Student travel	1,000	-	1,000
Utility services	19,745	22,346	(2,601)
Supplies, materials and media	86,959	76,616	10,343
Other expenses	1,150	909	241
Total instruction	<u>1,925,912</u>	<u>1,932,733</u>	<u>(6,821)</u>
Special education instruction:			
Certificated salaries	127,337	119,759	7,578
Non-certificated salaries	236,779	150,099	86,680
Employee benefits	176,028	112,139	63,889
Staff travel	-	360	(360)
Supplies, materials and media	2,000	-	2,000
Total special education instruction	<u>542,144</u>	<u>382,357</u>	<u>159,787</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

School Operating Fund

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

Expenditures, continued:	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Current:			
Special education support services - students:			
Certificated salaries	64,000	75,318	(11,318)
Employee benefits	41,031	45,248	(4,217)
Professional and technical services	20,859	53,212	(32,353)
Staff travel	5,000	1,729	3,271
Supplies, materials and media	11,950	5,401	6,549
Total special education support services - students	<u>142,840</u>	<u>180,908</u>	<u>(38,068)</u>
Support services - students:			
Certificated salaries	20,000	-	20,000
Employee benefits	8,654	-	8,654
Staff travel	-	52	(52)
Total support services - students	<u>28,654</u>	<u>52</u>	<u>28,602</u>
Support services - instruction:			
Certificated salaries	31,421	37,762	(6,341)
Non-certificated salaries	65,000	65,000	-
Employee benefits	58,449	58,952	(503)
Professional and technical services	10,000	11,000	(1,000)
Staff travel	725	2,319	(1,594)
Utility services	1,434,613	1,155,265	279,348
Other purchased services	5,500	4,350	1,150
Supplies, materials and media	41,000	25,378	15,622
Other expenses	11,950	1,425	10,525
Total support services - instruction	<u>1,658,658</u>	<u>1,361,451</u>	<u>297,207</u>
School administration:			
Certificated salaries	149,345	137,841	11,504
Employee benefits	76,926	73,105	3,821
Housing allowance	1,250	1,250	-
Staff travel	1,700	793	907
Utility services	400	723	(323)
Supplies, materials and media	1,800	2,223	(423)
Other	614	614	-
Total school administration	<u>232,035</u>	<u>216,549</u>	<u>15,486</u>
School administration support services:			
Non-certificated salaries	33,267	33,473	(206)
Employee benefits	13,472	12,588	884
Supplies, materials and media	500	485	15
Total school administration support services	<u>47,239</u>	<u>46,546</u>	<u>693</u>
District administration:			
Certificated salaries	146,883	157,526	(10,643)
Non-certificated salaries	89,254	87,133	2,121
Employee benefits	131,519	134,681	(3,162)
Professional and technical services	28,000	23,620	4,380
Staff travel	5,000	3,433	1,567
Utility services	1,400	73	1,327
Other purchased services	-	5	(5)
Supplies, materials and media	6,960	1,781	5,179
Tuition and stipends	2,000	1,000	1,000
Other expenses	10,100	9,197	903
Total district administration	<u>421,116</u>	<u>418,449</u>	<u>2,667</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures, continued:			
Current:			
District administration support services:			
Non-certificated salaries	89,024	71,883	17,141
Employee benefits	81,002	58,557	22,445
Professional and technical services	120,000	105,301	14,699
Staff travel	1,300	612	688
Utilities services	5,500	5,581	(81)
Other purchased services	4,000	2,703	1,297
Insurance and bond premiums	45,000	44,572	428
Supplies, materials and media	6,000	10,331	(4,331)
Other expenses	16,000	16,885	(885)
Indirect cost recovery	(81,648)	(43,982)	(37,666)
Total district administration support services	<u>286,178</u>	<u>272,443</u>	<u>13,735</u>
Operations and maintenance of plant:			
Certificated salaries	-	3,000	(3,000)
Non-certificated salaries	401,656	289,776	111,880
Employee benefits	178,302	139,915	38,387
Professional and technical services	7,000	6,199	801
Staff travel	6,000	1,273	4,727
Utility services	33,740	28,093	5,647
Energy	237,620	213,078	24,542
Other purchased services	79,146	71,611	7,535
Insurance and bond premiums	170,000	172,772	(2,772)
Supplies, materials and media	133,395	77,176	56,219
Other expenses	1,200	2,909	(1,709)
Equipment	10,000	-	10,000
Total operations and maintenance of plant	<u>1,258,059</u>	<u>1,005,802</u>	<u>252,257</u>
Student activities:			
Certificated salaries	45,990	11,554	34,436
Non-certificated salaries	12,390	30,135	(17,745)
Employee benefits	21,832	9,805	12,027
Staff travel	6,000	2,477	3,523
Student travel	23,500	13,049	10,451
Other purchased services	-	1,136	(1,136)
Supplies, materials and media	7,000	20,747	(13,747)
Other expenses	3,250	2,716	534
Total student activities	<u>119,962</u>	<u>91,619</u>	<u>28,343</u>
Total expenditures	<u>6,662,797</u>	<u>5,908,909</u>	<u>753,888</u>
Excess of revenues over expenditures	<u>(242,924)</u>	<u>198,781</u>	<u>441,705</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	-	4,720	4,720
Transfers in (out):			
Opioid response planning special revenue fund	(2,500)	(7,908)	(5,408)
Food service special revenue fund	(50,000)	(80,000)	(30,000)
Total transfers in (out)	<u>(52,500)</u>	<u>(87,908)</u>	<u>(35,408)</u>
Net other financing sources (uses)	<u>(52,500)</u>	<u>(83,188)</u>	<u>(30,688)</u>
Net change in fund balance	<u>\$ (295,424)</u>	<u>115,593</u>	<u>411,017</u>
Fund balance, beginning of year		<u>555,454</u>	
Fund balance, end of year		<u>\$ 671,047</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2021

Revenues:	
Local sources:	
Other	\$ <u>47,659</u>
Intergovernmental:	
State of Alaska	<u>355,379</u>
Total revenues	<u>403,038</u>
Expenditures:	
Operations and maintenance of plant:	
Non-certificated salaries	8,365
Employee benefits	3,963
Other purchased services	12,565
Supplies, materials and media	<u>54,549</u>
Total operations and maintenance of plant	<u>79,442</u>
Student transportation - to and from school:	
Non-certificated salaries	2,471
Employee benefits	1,626
Supplies, materials and media	391
Other	100
Equipment	<u>16,386</u>
Total student transportation - to and from school	<u>20,974</u>
Construction and facilities acquisition:	
Professional and technical services	242,581
Utility services	167
Other purchased services	93,998
Supplies, materials and media	<u>35,768</u>
Total construction and facilities acquisition	<u>372,514</u>
Total expenditures	<u>472,930</u>
Excess (deficiency) of revenues over expenditures	(69,892)
Other financing sources:	
Transfers in - Pupil Transportation Special Revenue Fund	<u>20,974</u>
Net change in fund balance	(48,918)
Fund balance, beginning of year	<u>384,084</u>
Fund balance, end of year	<u>\$ <u>335,166</u></u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2021

Special Revenue Funds

<u>Assets</u>	<u>Pupil Transportation</u>	<u>Early Learning</u>	<u>Food Service</u>	<u>Alaska Nutritional Foods</u>	<u>Title I-A Basic</u>	<u>Title I-C Migrant Education</u>
Accounts receivable	\$ -	-	23,068	-	20,642	27,024
Due from School Operating Fund	453,525	34,350	64,303	732	-	-
Inventory	-	-	8,690	-	-	-
	<u>453,525</u>	<u>34,350</u>	<u>96,061</u>	<u>732</u>	<u>20,642</u>	<u>27,024</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						75
Accounts payable	-	-	-	-	-	-
Unearned revenue	-	34,350	-	732	-	-
Due to School Operating Fund	-	-	-	-	20,642	27,024
Total liabilities	<u>-</u>	<u>34,350</u>	<u>-</u>	<u>732</u>	<u>20,642</u>	<u>27,024</u>
Fund balances:						
Nonspendable	-	-	8,690	-	-	-
Assigned	453,525	-	87,371	-	-	-
Total fund balances	<u>453,525</u>	<u>-</u>	<u>96,061</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 453,525</u>	<u>34,350</u>	<u>96,061</u>	<u>732</u>	<u>20,642</u>	<u>27,024</u>

(Continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

	Special Revenue Funds					
	<u>Title IV-A Innovative</u>	<u>Title II-A Teacher & Principal Training</u>	<u>Title VI-B IDEA</u>	<u>Title I-A School Improvement</u>	<u>Comprehensive State Literacy Development</u>	<u>CARES Act ESSER</u>
<u>Assets</u>						
Accounts receivable	\$ 7,308	4,369	3,595	30,353	180,295	1,239
Due from School Operating Fund	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
	<u>7,308</u>	<u>4,369</u>	<u>3,595</u>	<u>30,353</u>	<u>180,295</u>	<u>1,239</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						76
Accounts payable	-	-	-	-	77,689	-
Unearned revenue	-	-	-	-	-	-
Due to School Operating Fund	7,308	4,369	3,595	30,353	102,606	1,239
Total liabilities	<u>7,308</u>	<u>4,369</u>	<u>3,595</u>	<u>30,353</u>	<u>180,295</u>	<u>1,239</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>7,308</u>	<u>4,369</u>	<u>3,595</u>	<u>30,353</u>	<u>180,295</u>	<u>1,239</u>

(Continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

	Special Revenue Funds					
	CARES Act GEER	Distance Learning	Indian Education	Select - Klawock	A-STRIDE	THRIVE Special Revenue Fund
<u>Assets</u>						
Accounts receivable	\$ 16,107	182,086	-	13,347	40,032	-
Due from School Operating Fund	-	-	18,467	-	-	143,223
Inventory	-	-	-	-	-	-
	<u>16,107</u>	<u>182,086</u>	<u>18,467</u>	<u>13,347</u>	<u>40,032</u>	<u>143,223</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	11,000	-	-	-	-	12,858 ⁷⁷
Unearned revenue	-	-	18,467	-	-	128,235
Due to School Operating Fund	5,107	182,086	-	13,347	40,032	-
Total liabilities	<u>16,107</u>	<u>182,086</u>	<u>18,467</u>	<u>13,347</u>	<u>40,032</u>	<u>141,093</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Assigned	-	-	-	-	-	2,130
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,130</u>
Total liabilities and fund balances	\$ <u>16,107</u>	<u>182,086</u>	<u>18,467</u>	<u>13,347</u>	<u>40,032</u>	<u>143,223</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

<u>Assets</u>	Special Revenue Funds					Total Other Governmental Funds
	Teacher Housing	CIS CEO	SEIYA	NEA Alaska	RurAL Cap	
Accounts receivable	\$ 6,121	-	-	-	-	555,586
Due from School Operating Fund	259,635	1,320	1,613	2,000	2,934	982,102
Inventory	-	-	-	-	-	8,690
	<u>265,756</u>	<u>1,320</u>	<u>1,613</u>	<u>2,000</u>	<u>2,934</u>	<u>1,546,378</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	130	-	-	-	-	101,677 ⁷⁸
Unearned revenue	-	1,320	1,613	2,000	-	186,717
Due to School Operating Fund	-	-	-	-	-	437,708
Total liabilities	<u>130</u>	<u>1,320</u>	<u>1,613</u>	<u>2,000</u>	<u>-</u>	<u>726,102</u>
Fund balances:						
Nonspendable	-	-	-	-	-	8,690
Assigned	265,626	-	-	-	2,934	811,586
Total fund balances	<u>265,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,934</u>	<u>820,276</u>
Total liabilities and fund balances	\$ <u>265,756</u>	<u>1,320</u>	<u>1,613</u>	<u>2,000</u>	<u>2,934</u>	<u>1,546,378</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2021

	Special Revenue Funds						
	Broadband Assistance Grant	Pupil Transportation	Early Learning	Food Service	Fresh Fruit and Vegetables	Title I-A Basic	Title I-C Migrant Education
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	1,444	-	-	-
Other	-	-	-	-	-	-	-
Intergovernmental:							
State of Alaska	144,458	185,339	55,185	-	-	-	-
Federal sources:							
Pass through	-	-	-	161,685	7,015	49,663	36,217
Direct	-	-	-	-	-	-	-
Total revenues	<u>144,458</u>	<u>185,339</u>	<u>55,185</u>	<u>163,129</u>	<u>7,015</u>	<u>49,663</u>	<u>36,217</u>
Expenditures:							
Current:							
Instruction	-	-	52,072	-	-	47,661	34,757 ⁷⁹
Special education instruction	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-
Support services - instruction	144,458	-	-	-	-	-	-
District administration support services	-	-	2,224	-	-	2,002	1,460
Operations and maintenance of plant	-	-	889	-	-	-	-
Student activities	-	-	-	-	-	-	-
Student transportation - to and from school	-	96,457	-	-	-	-	-
Food services	-	-	-	247,123	7,015	-	-
Community services	-	-	-	-	-	-	-
Total expenditures	<u>144,458</u>	<u>96,457</u>	<u>55,185</u>	<u>247,123</u>	<u>7,015</u>	<u>49,663</u>	<u>36,217</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>88,882</u>	<u>-</u>	<u>(83,994)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	-	-	-	80,000	-	-	-
Transfers out	-	(20,974)	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>(20,974)</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>67,908</u>	<u>-</u>	<u>(3,994)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>385,617</u>	<u>-</u>	<u>100,055</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>453,525</u>	<u>-</u>	<u>96,061</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds						Comprehensive State Literacy Development
	Migrant Book	Title IV-A Innovative	Title II-A Teacher & Principal Training	Title VI-B IDEA	Section 619 Preschool Disabled	Title I-A School Improvement	
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Intergovernmental:							
State of Alaska	-	-	-	-	-	-	-
Federal sources:							
Pass through	270	12,186	10,041	57,493	1,957	75,210	285,423
Direct	-	-	-	-	-	-	-
Total revenues	<u>270</u>	<u>12,186</u>	<u>10,041</u>	<u>57,493</u>	<u>1,957</u>	<u>75,210</u>	<u>285,423</u>
Expenditures:							
Current:							
Instruction	270	11,695	9,636	-	-	72,178	273,645
Special education instruction	-	-	-	55,176	1,878	-	-
Support services - students	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-
District administration support services	-	491	405	2,317	79	3,032	11,778
Operations and maintenance of plant	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Total expenditures	<u>270</u>	<u>12,186</u>	<u>10,041</u>	<u>57,493</u>	<u>1,957</u>	<u>75,210</u>	<u>285,423</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds					
	CARES Act ESSER	CARES Act GEER	Opioid Response Planning	Distance Learning	REAP	Select - Klawock
Revenues:						
Local sources:						
Charges for services	\$ -	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
State of Alaska	-	-	-	-	-	-
Federal sources:						
Pass through	18,040	32,563	-	182,086	-	17,290
Direct	-	-	65,725	-	4,019	-
Total revenues	<u>18,040</u>	<u>32,563</u>	<u>65,725</u>	<u>182,086</u>	<u>4,019</u>	<u>17,290</u>
Expenditures:						
Current:						
Instruction	11,995	16,248	-	-	3,857	-
Special education instruction	-	-	-	-	-	-
Support services - students	-	-	63,655	-	-	17,290
Support services - instruction	-	-	-	182,086	-	-
District administration support services	727	1,313	4,978	-	162	-
Operations and maintenance of plant	754	3,179	-	-	-	-
Student activities	4,564	700	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-
Food services	-	11,123	-	-	-	-
Community services	-	-	-	-	-	-
Total expenditures	<u>18,040</u>	<u>32,563</u>	<u>68,633</u>	<u>182,086</u>	<u>4,019</u>	<u>17,290</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(2,908)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Transfers in	-	-	2,908	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>2,908</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds						Total Other Governmental Funds
	A-STRIDE	THRIVE Special Revenue Fund	Resolve YKSD	Teacher Housing	USDA Farm to School	RurAL CAP	
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	90,372	-	-	91,816
Other	-	2,130	2,715	36	-	-	4,881
Intergovernmental:							
State of Alaska	-	-	-	-	-	-	384,982
Federal sources:							
Pass through	43,616	-	-	-	-	-	990,755
Direct	-	302,755	-	-	15,956	-	388,455
Total revenues	<u>43,616</u>	<u>304,885</u>	<u>2,715</u>	<u>90,408</u>	<u>15,956</u>	<u>-</u>	<u>1,860,889</u>
Expenditures:							
Current:							
Instruction	-	-	-	-	-	92	534,106
Special education instruction	-	-	-	-	-	-	57,054
Support services - students	43,616	290,897	2,715	-	-	-	418,173
Support services - instruction	-	-	-	-	-	-	326,544
District administration support services	-	11,858	-	-	1,157	-	43,983
Operations and maintenance of plant	-	-	-	61,890	-	-	66,712
Student activities	-	-	-	-	-	1,974	7,238
Student transportation - to and from school	-	-	-	-	-	-	96,457
Food services	-	-	-	-	-	-	265,261
Community services	-	-	-	-	14,799	-	14,799
Total expenditures	<u>43,616</u>	<u>302,755</u>	<u>2,715</u>	<u>61,890</u>	<u>15,956</u>	<u>2,066</u>	<u>1,830,327</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>2,130</u>	<u>-</u>	<u>28,518</u>	<u>-</u>	<u>(2,066)</u>	<u>30,562</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	5,000	87,908
Transfers out	-	-	-	-	-	-	(20,974)
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>66,934</u>
Net change in fund balance	<u>-</u>	<u>2,130</u>	<u>-</u>	<u>28,518</u>	<u>-</u>	<u>2,934</u>	<u>97,496</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>237,108</u>	<u>-</u>	<u>-</u>	<u>722,780</u>
Fund balances, end of year	<u>\$ -</u>	<u>2,130</u>	<u>-</u>	<u>265,626</u>	<u>-</u>	<u>2,934</u>	<u>820,276</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Broadband Assistance Grant Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental:			
State of Alaska	\$ 195,046	144,458	(50,588)
	<u> </u>	<u> </u>	<u> </u>
Expenditures - current:			
Support services - instruction			
Utilities	195,046	144,458	50,588
	<u> </u>	<u> </u>	<u> </u>
Excess of revenues over expenditures	\$ <u> -</u>	-	<u> -</u>
Fund balance, beginning of year		<u> -</u>	
Fund balance, end of year		\$ <u> -</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Pupil 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	\$ 215,644	185,339	(30,305)
Expenditures - current:			
Student transportation - to and from school:			
Certificated salaries	3,728	3,647	81
Non-certificated salaries	58,713	49,324	9,389
Employee benefits	65,574	18,396	47,178
Staff travel	4,550	4,246	304
Utility services	1,500	1,072	428
Other purchased services	2,850	2,362	488
Supplies, materials and media	26,844	17,070	9,774
Other expenses	600	340	260
Total expenditures	<u>164,359</u>	<u>96,457</u>	<u>67,902</u>
Excess of revenues over expenditures	\$ <u>51,285</u>	<u>88,882</u>	<u>37,597</u>
Other financing sources (uses):			
Transfers out - School Operating Fund	<u>(20,980)</u>	<u>(20,974)</u>	<u>6</u>
Net change in fund balance	\$ <u><u>30,305</u></u>	67,908	<u><u>37,603</u></u>
Fund balance, beginning of year		<u>385,617</u>	
Fund balance, end of year		\$ <u><u>453,525</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Early Learning Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska	\$ 149,019	55,185	(93,834)
Expenditures - current:			
Instruction:			
Certificated salaries	23,000	14,000	9,000
Non-certificated salaries	52,800	17,453	35,347
Employee benefits	24,036	7,977	16,059
Professional and technical services	2,000	-	2,000
Staff travel	5,000	-	5,000
Utilities	10,397	1,330	9,067
Energy	1,020	1,018	2
Other purchased services	646	646	-
Supplies, materials and media	23,093	9,593	13,500
Other	110	55	55
Total instruction	<u>142,102</u>	<u>52,072</u>	<u>90,030</u>
District administration support services:			
Indirect costs	6,007	2,224	3,783
Operations and maintenance of plant			
Non-certificated salaries	120	120	-
Employee benefits	10	2	8
Energy	780	767	13
Total operations and maintenance of plant	<u>910</u>	<u>889</u>	<u>21</u>
Total expenditures	<u>149,019</u>	<u>55,185</u>	<u>93,834</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Food Service 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:			
Local sources:			
Charges for services	\$ 8,500	1,444	(7,056)
Intergovernmental:			
Federal sources - passed through the State of Alaska	110,000	161,685	51,685
Total revenues	<u>118,500</u>	<u>163,129</u>	<u>44,629</u>
Expenditures - current:			
Food services:			
Certificated salaries	3,628	3,647	(19)
Non-certificated salaries	79,160	73,490	5,670
Employee benefits	31,734	25,190	6,544
Professional and technical services	11,000	11,000	-
Staff travel	2,500	59	2,441
Other purchased services	-	344	(344)
Supplies, materials and media	121,500	133,373	(11,873)
Other expenses	600	20	580
Total expenditures	<u>250,122</u>	<u>247,123</u>	<u>2,999</u>
Excess (deficiency) of revenues over expenditures	<u>(131,622)</u>	<u>(83,994)</u>	<u>47,628</u>
Other financing sources:			
Transfers in - School Operating Fund	-	80,000	80,000
Net change in fund balance	<u>\$ (131,622)</u>	<u>(3,994)</u>	<u>127,628</u>
Fund balance, beginning of year		<u>100,055</u>	
Fund balance, end of year		<u>\$ 96,061</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Fresh Fruit and Vegetable Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental:			
Federal sources - passed through the State of Alaska	\$ <u>10,088</u>	<u>7,015</u>	<u>(3,073)</u>
Expenditures - current:			
Food services:			
Supplies, materials and media	<u>10,088</u>	<u>7,015</u>	<u>3,073</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title I-A Basic Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources - passed through the State of Alaska	\$ 88,578	49,663	(38,915)
Expenditures - current:			
Instruction:			
Certificated salaries	2,524	-	2,524
Non-certificated salaries	40,401	15,836	24,565
Employee benefits	9,448	3,708	5,740
Professional and technical services	9,799	5,266	4,533
Staff travel	56	-	56
Student travel	-	56	(56)
Supplies, materials and media	22,342	22,795	(453)
Other expenses	440	-	440
Total instruction	<u>85,010</u>	<u>47,661</u>	<u>37,349</u>
District administration support services:			
Indirect costs	3,568	2,002	1,566
Total expenditures	<u>88,578</u>	<u>49,663</u>	<u>38,915</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title I-C Migrant Education Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources - passed through the State of Alaska	\$ 129,040	36,217	(92,823)
Expenditures - current:			
Instruction:			
Certificated salaries	14,780	3,067	11,713
Non-certificated salaries	60,480	15,884	44,596
Employee benefits	22,000	4,577	17,423
Student travel	7,668	2,446	5,222
Utility services	350	-	350
Supplies, materials and media	18,560	8,783	9,777
Total instruction	<u>123,838</u>	<u>34,757</u>	<u>89,081</u>
District administration support services:			
Indirect costs	5,202	1,460	3,742
Total expenditures	<u>129,040</u>	<u>36,217</u>	<u>92,823</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Migrant Book 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 the State of Alaska	\$ <u> 1,920</u>	<u> 270</u>	<u> (1,650)</u>
Expenditures - current:			
Instruction:			
Supplies, materials and media	<u> 1,920</u>	<u> 270</u>	<u> 1,650</u>
Excess of revenues over expenditures	\$ <u> -</u>	<u> -</u>	<u> -</u>
Fund balance, beginning of year		<u> -</u>	
Fund balance, end of year		\$ <u> -</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title IV-A Innovative Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental:			
Federal sources - passed through the State of Alaska	\$ 17,416	12,186	(5,230)
Expenditures - current:			
Instruction:			
Supplies, materials and media	16,714	11,695	5,019
District administration support services:			
Indirect costs	702	491	211
Total expenditures	<u>17,416</u>	<u>12,186</u>	<u>5,230</u>
Excess of revenues over expenditures	\$ <u> -</u>	-	<u> -</u>
Fund balance, beginning of year		<u> -</u>	
Fund balance, end of year		\$ <u> -</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title II-A Teacher and Principal Training Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources - passed through the State of Alaska	\$ 18,482	10,041	(8,441)
Expenditures - current:			
Instruction:			
Transportation allowance	6,237	1,764	4,473
Staff travel	2,980	-	2,980
Supplies, materials and media	3,520	3,512	8
Other expenses	5,000	4,360	640
Total instruction	<u>17,737</u>	<u>9,636</u>	<u>8,101</u>
District administration support services:			
Indirect costs	745	405	340
Total expenditures	<u>18,482</u>	<u>10,041</u>	<u>8,441</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title VI-B IDEA 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	\$ 57,493	57,493	-
Expenditures - current:			
Special education instruction:			
Professional and technical services	46,390	50,557	(4,167)
Staff travel	4,500	247	4,253
Supplies, materials and media	4,286	4,372	(86)
Total special education instruction	<u>55,176</u>	<u>55,176</u>	<u>-</u>
District administration support services:			
Indirect costs	2,317	2,317	-
Total expenditures	<u>57,493</u>	<u>57,493</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Section 619 Preschool Disabled 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	\$ 4,335	1,957	(2,378)
Expenditures - current:			
Special education instruction:			
Certificated salaries	850	842	8
Employee benefits	150	135	15
Supplies, materials and media	3,160	901	2,259
Total special education instruction	<u>4,160</u>	<u>1,878</u>	<u>2,282</u>
District administration support services:			
Indirect costs	175	79	96
Total expenditures	<u>4,335</u>	<u>1,957</u>	<u>2,378</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title I-A School Improvement 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	\$ 99,643	75,210	(24,433)
Expenditures - current:			
Instruction:			
Certificated salaries	45,200	41,950	3,250
Non-certificated salaries	12,000	5,711	6,289
Employee benefits	24,642	17,157	7,485
Professional and technical services	-	590	(590)
Staff travel	1,000	-	1,000
Supplies, materials and media	12,785	6,770	6,015
Total instruction	<u>95,627</u>	<u>72,178</u>	<u>23,449</u>
District administration support services:			
Indirect costs	4,016	3,032	984
Total expenditures	<u>99,643</u>	<u>75,210</u>	<u>24,433</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Comprehensive State Literacy Development 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	\$ 512,997	285,423	(227,574)
Expenditures - current:			
Instruction:			
Certificated salaries	84,000	43,200	40,800
Non-certificated salaries	14,000	-	14,000
Employee benefits	33,846	6,723	27,123
Professional and technical services	237,000	209,014	27,986
Staff travel	30,000	-	30,000
Supplies, materials and media	8,000	-	8,000
Other expenses	85,474	14,708	70,766
Total instruction	<u>492,320</u>	<u>273,645</u>	<u>218,675</u>
District administration support services:			
Indirect costs	20,677	11,778	8,899
Total expenditures	<u>512,997</u>	<u>285,423</u>	<u>227,574</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

CARES Act ESSER 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	\$ 38,134	18,040	(20,094)
Expenditures - current:			
Instruction:			
Supplies, materials and media	10,000	11,995	(1,995)
District administration support services:			
Indirect costs	1,134	727	407
Operations and maintenance of plant:			
Supplies, materials and media	27,000	754	26,246
Student activities:			
Supplies, materials and media	-	4,564	(4,564)
Total expenditures	38,134	18,040	20,094
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

CARES Act - GEER Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources - passed through the State of Alaska	\$ 52,741	32,563	(20,178)
Expenditures - current:			
Instruction:			
Certificated salaries	14,521	7,605	6,916
Non-certificated salaries	-	330	(330)
Employee benefits	-	2,876	(2,876)
Utilities	1,090	608	482
Other purchased services	3,940	3,940	-
Supplies, materials and media	889	889	-
Total instruction	<u>20,440</u>	<u>16,248</u>	<u>4,192</u>
Operations and maintenance of plant:			
Non-certificated salaries	7,500	2,525	4,975
Employee benefits	8,000	179	7,821
Supplies, materials and media	475	475	-
Total operations and maintenance of plant	<u>15,975</u>	<u>3,179</u>	<u>12,796</u>
Student activities -			
Other purchased services	700	700	-
Food services:			
Non-certificated salaries	2,500	106	2,394
Employee benefits	-	17	(17)
Professional and technical services	11,000	11,000	-
Total food services	<u>13,500</u>	<u>11,123</u>	<u>2,377</u>
District administration support services:			
Indirect costs	2,126	1,313	813
Total expenditures	<u>52,741</u>	<u>32,563</u>	<u>20,178</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Opioid Response Planning 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	\$ 65,725	65,725	-
Expenditures - current:			
Support services - students:			
Non-certificated salaries	5,622	24,813	(19,191)
Employee benefits	10,431	16,300	(5,869)
Professional and technical services	17,914	17,925	(11)
Staff travel	13,393	52	13,341
Utility services	1,902	-	1,902
Other purchased services	-	2,106	(2,106)
Supplies, materials and media	8,935	1,859	7,076
Other expenses	2,761	600	2,161
Total support services - students	<u>60,958</u>	<u>63,655</u>	<u>(2,697)</u>
District administration support services:			
Indirect costs	4,767	4,978	(211)
Total expenditures	<u>65,725</u>	<u>68,633</u>	<u>(2,908)</u>
Excess of revenues over expenditures	-	(2,908)	(2,908)
Other financing sources - transfers in	<u>2,086</u>	<u>2,908</u>	<u>822</u>
Net change in fund balance	\$ <u><u>2,086</u></u>	-	<u><u>(2,086)</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Distance Learning Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal - passed through Hydaburg School District	\$ 182,086	182,086	-
Expenditures - current:			
Support services - instruction:			
Equipment	182,086	182,086	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

REAP Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources - direct	\$ 4,019	4,019	-
Expenditures - current:			
Instruction:			
Supplies, materials and media	4,019	3,857	162
District administration support services:			
Indirect costs	-	162	(162)
Total expenditures	4,019	4,019	-
Excess (deficiency) of revenues over expenditures	\$ -	-	-
Fund balance (deficit), beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Select - Klawock Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Federal sources - passed through Klawock City School District	\$ 15,100	17,290	2,190
Expenditures - current:			
Support services - students:			
Certificated salaries	15,100	11,836	3,264
Employee benefits	-	5,454	(5,454)
Total expenditures	15,100	17,290	(2,190)
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

A-STRIDE Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental			
Federal - passed through The Central Council			
Tlingit and Haida Indian Tribes of Alaska	\$ 44,730	43,616	(1,114)
	<u> </u>	<u> </u>	<u> </u>
Expenditures - current:			
Support services - students:			
Certificated salaries	44,730	29,907	14,823
Employee benefits	-	13,709	(13,709)
Total expenditures	<u>44,730</u>	<u>43,616</u>	<u>1,114</u>
Excess of revenues over expenditures	\$ <u> </u> <u> </u>	-	<u> </u> <u> </u>
Fund balance, beginning of year		<u> </u>	
Fund balance, end of year		\$ <u> </u> <u> </u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

THRIVE 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:			
Local - other	-	2,130	2,130
Intergovernmental:			
Federal sources - direct	\$ 579,862	302,755	(277,107)
Total revenues	<u>579,862</u>	<u>304,885</u>	<u>(274,977)</u>
Expenditures - current:			
Support services - students:			
Certificated salaries	47,800	49,438	(1,638)
Non-certificated salaries	168,658	4,067	164,591
Employee benefits	75,760	26,993	48,767
Professional and technical services	69,400	163,703	(94,303)
Staff travel	61,147	3,504	57,643
Student travel	-	1,212	(1,212)
Utility services	-	1,170	(1,170)
Other purchased services	-	8,234	(8,234)
Supplies, materials and media	50,364	25,491	24,873
Tuition and stipends	-	2,285	(2,285)
Other	83,360	4,800	78,560
Total support services - students	<u>556,489</u>	<u>290,897</u>	<u>265,592</u>
District administration support services:			
Indirect costs	23,373	11,858	11,515
Total expenditures	<u>579,862</u>	<u>302,755</u>	<u>277,107</u>
Excess of revenues over expenditures	\$ <u>-</u>	2,130	<u>2,130</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>2,130</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Resolve YKSD Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Other	\$ 27,100	2,715	(24,385)
Expenditures - current:			
Support services - students:			
Certificated salaries	27,100	1,872	25,228
Employee benefits	-	843	(843)
Total expenditures	27,100	2,715	24,385
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Teacher Housing Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Local sources:			
Charges for services - rental income	\$ 110,000	90,372	(19,628)
Other	-	36	36
Total revenues	<u>110,000</u>	<u>90,408</u>	<u>(19,592)</u>
Expenditures			
Operations and maintenance of plant:			
Non-certificated salaries	-	6,259	(6,259)
Employee benefits	-	4,281	(4,281)
Utility services	-	6,333	(6,333)
Energy	-	12,208	(12,208)
Other purchased services	-	6,590	(6,590)
Supplies, materials and media	50,000	26,219	23,781
Total expenditures	<u>50,000</u>	<u>61,890</u>	<u>(11,890)</u>
Excess of revenues over expenditures	\$ <u>60,000</u>	28,518	<u>(31,482)</u>
Fund balance, beginning of year		<u>237,108</u>	
Fund balance, end of year		\$ <u>265,626</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

USDA Farm to School 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	\$ 15,956	15,956	-
Expenditures - current:			
Community services			
Non-certificated salaries	5,482	5,067	415
Employee benefits	500	73	427
Professional and technical services	5,000	5,000	-
Staff travel	81	109	(28)
Supplies, materials and media	3,736	4,550	(814)
Total community services	<u>14,799</u>	<u>14,799</u>	<u>-</u>
District administration support services:			
Indirect costs	1,157	1,157	-
Total expenditures	<u>15,956</u>	<u>15,956</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

RurAL CAP 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:			
Local sources:			
Other	\$ 5,000	-	(5,000)
Expenditures - current:			
Instruction:			
Supplies, materials and media	5,000	92	4,908
Student activities:			
Supplies, materials and media	-	1,974	(1,974)
Total expenditures	5,000	2,066	2,934
Excess of revenues over expenditures	-	(2,066)	(2,066)
Other financing sources -			
Transfers in	-	5,000	5,000
Net change in fund balance	\$ -	2,934	2,934
Fund balance, beginning of year		-	
Fund balance, end of year		\$ 2,934	

SOUTHEAST ISLAND SCHOOL DISTRICT

Schedule of Compliance - AS 14.17.505

June 30, 2021

Total fund balance - School Operating Fund	\$ 671,047
less exemptions per 4 AAC 09.160(a)	
Inventory	<u>69,551</u>
Fund Balance Subject to 10% Limitation	\$ <u>601,496</u>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	<u>601,496</u>	=	<u>10.18%</u>
Current year expenditures	5,908,909		

SOUTHEAST ISLAND 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 Education:				
Passed through the State of Alaska Department of Education and Early Development:				
Title I-A Basic	IP 21.SISS.01	84.010	\$ 57,974	49,663
Title I-1 School Improvement, 1003(a)	SI 21.SISS.01	84.010	99,643	75,210
Total CFDA 84.040			157,617	124,873
Title I-C Migrant Education	IP 21.SISS.01	84.011	129,040	36,217
Migrant Education Books	MB 21.SISS.01	84.011	1,920	270
Total CFDA 84.011			130,960	36,487
Title II-A Improving Teacher Quality	IP 21.SISS.01	84.367	18,482	10,041
Comprehensive State Literacy Development	AL 21.SISS.01	84.371C	512,997	285,423
Title IV-A Student Support and Academic Enrichment	IP 21.SISS.01	84.424	17,416	12,186
COVID-19 CARES Act Elementary and Secondary School Emergency Relief Fund	ER 21.SISS.01	84.425D	38,134	18,040
COVID-19 CARES Act Governor's Emergency Education Relief Fund	ER 21.SISS.01	84.425C	60,665	32,563
Total CFDA 84.425			98,799	50,603
Special Education Cluster:				
Title VI-B Special Education	SE 21.SISS.01	84.027	57,493	57,493
Title VI-B Section 619 Preschool Disabled	SE 21.SISS.01	84.173	4,335	1,957
Total Special Education Cluster			61,828	59,450
Passed through:				
The Central Council Tlingit and Haida Indian Tribes of Alaska:				
A-STRIDE	S356A180036	84.356A	44,616	43,616
Klawock City School District:				
SELECT	S356A190012	84.356A	17,290	17,290
Total CFDA 84.356			61,906	60,906
Direct programs:				
Indian Education - Project THRIVE	S299A180022	84.299A	579,862	302,755
REAP	S358C200020	84.358C	4,019	4,019
Total U.S. Department of Education			1,643,886	946,743

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards, continued

<u>Grant Title</u>	<u>Grant Number</u>	Catalog of Federal Domestic Assistance <u>Number</u>	<u>Total Grant Award</u>	<u>Total Federal Expended</u>
U.S. Department of Agriculture:				
Passed through the State of Alaska Department of Education and Early Development:				
Child Nutrition Cluster:				
Commodities	None	10.555	4,796	4,796
COVID-19 Summer Food Service Program	None	10.559	16,429	16,429
Summer Food Service Program	None	10.559	139,870	139,870
Total Child Nutrition Cluster			<u>161,095</u>	<u>161,095</u>
State Administrative Expense Funds - Food Distribution Fee	FD 21.SISS.01	10.560	<u>590</u>	<u>590</u>
Fresh Fruit & Vegetable Program	FF 21.SISS.01	10.582	2,935	2,935
Fresh Fruit & Vegetable Program	FF 21.SISS.02	10.582	7,153	4,080
Total CFDA 10.582			<u>10,088</u>	<u>7,015</u>
Passed through the State of Alaska Department of Commerce and Economic Development:				
National Forest Receipts Title I	2021	10.665	<u>224,499</u>	<u>224,499</u>
Passed through Hydaburg School District	AK0745-B16	10.855	<u>237,006</u>	<u>182,086</u>
Direct program:				
Farm to School	CN-F2S-IMP-AK-1	10.575	<u>99,726</u>	<u>15,956</u>
Total U.S. Department of Agriculture			<u>733,004</u>	<u>591,241</u>
U.S. Department of Health and Human Services				
Passed through the State of Alaska Department of Education and Early Development:				
Rural Communities Opioid Response Planning	G25RH33003	93.912	<u>200,000</u>	<u>65,725</u>
Total Expenditure of Federal Awards			<u>\$ 2,576,890</u>	<u>1,603,709</u>

See accompanying notes to the schedule.

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Passed Through Awards

No amounts were passed through to subrecipients.

Note 4. Nonmonetary Assistance

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed at June 30, 2021 the District had food commodities totaling \$4,796.

SOUTHEAST ISLAND 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	\$ 4,325,757	4,325,757
Pupil Transportation	FY21	185,339	185,339
Early Learning	PE 21.SISS.01	149,019	55,185
Broadband Assistance Grant	None	195,046	144,458
Education Dividend Raffle Funds	None	1,353	1,353
Quality Scool	FY21	11,672	11,672
Kasaan K-12 School Covered Play Area	GR-19-005	440,433	1,810
Thorne Bay K-12 School Playground Upgrades	GR-19-007	221,614	50,000
Thorne Bay Maintenance Building Roof Replacement	GR-19-014	158,446	68,132
* Hollis K-12 School Replacement Design	GR-20-002	672,793	224,690
Total Department of Education and Early Development		6,361,472	5,068,396
Alaska Energy Authority:			
Direct:			
LED Lighting	7510240	23,074	10,747
Department of Administration:			
* TRS on-behalf	None	294,143	294,143
PERS on-behalf	None	69,258	69,258
Total Department of Administration		363,401	363,401
Total State Expenditures		\$ 6,747,947	5,442,544

See accompanying notes to the schedule.

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Subrecipients

No state funds were passed through to Subrecipients.

Note 4. Major Programs

* denotes a major program for compliance audit purposes.

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Southeast Island School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Southeast Island School District's basic financial statements, and have issued our report thereon dated October 27, 2021.

Internal Control over Financial Reporting

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

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

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

Members of the School Board
Southeast Island School District

Compliance and Other Matters

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

Purpose of this Report

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

Altman, Rogers & Co.

Anchorage, Alaska
October 27, 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
Southeast Island School District
Thorne Bay, Alaska

Report on Compliance for Each Major Federal Program

We have audited Southeast Island 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 Southeast Island School District's major federal programs for the year ended June 30, 2021. Southeast Island 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 Southeast Island 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 Southeast Island 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 Southeast Island School District's compliance.

Members of the School Board
Southeast Island School District

Opinion on Each Major Federal Program

In our opinion, the Southeast Island School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Southeast Island 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 Southeast Island 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 Southeast Island 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 27, 2021

SOUTHEAST ISLAND 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 No

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

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs (2 CFR 200.516(a)(1)):
 Material weakness identified? Yes No
 Significant deficiency identified? Yes None reported

Any material noncompliance with provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516(a)(2))? Yes No

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.299A	Indian Education – Project THRIVE
10.665	National Forest Receipts

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

Auditee qualified as low-risk auditee? Yes No

SOUTHEAST ISLAND SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

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

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

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited Southeast Island 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 Southeast Island School District's major state programs for the year ended June 30, 2021. Southeast Island 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 Southeast Island School District's major state programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Southeast Island 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 Southeast Island School District's compliance.

Opinion on Each Major State Program

In our opinion, Southeast Island School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Southeast Island 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 Southeast Island 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 Southeast Island 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 27, 2021

SOUTHEAST ISLAND SCHOOL DISTRICT

State Schedule of 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(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes	<u> X </u>	None reported

Noncompliance material to financial statements noted? Yes X No

State Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes	<u> X </u>	None reported

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

Dollar threshold used to distinguish a state major program: \$ 200,000

Section II – Financial Statement Findings

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

Section III – State Award Findings and Questioned Costs

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