

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Management Discussion and Analysis, Basic Financial
Statements, Required Supplementary Information, Additional
Supplementary Information and Compliance Reports

Year Ended June 30, 2020

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

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Independent Auditor's Report

Members of the School Board
Kodiak Island Borough School District
Kodiak, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kodiak Island Borough School District (the District), a component unit of the Kodiak Island Borough, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kodiak Island Borough School District, as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund and Pupil Transportation Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and the Schedules of the District's Proportionate Share of the Net Pension and OPEB Liabilities (Assets) and Contributions for the Public Employees' Retirement System and the Teachers' Retirement System on pages 4-10 and 54-61 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.

Other Information

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

The “Additional Supplementary Information,” as listed previously, 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.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America the District’s basic financial statements for the year ended June 30, 2019, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements as a whole. The Balance Sheets – General Fund; Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund, Pupil Transportation Special Revenue Fund, and Impact Aid Capital Project Fund for the year ended June 30, 2019, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2019 “Additional Supplementary Information” is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2020, on our consideration of the Kodiak Island Borough School District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Kodiak Island Borough 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 Kodiak Island Borough School District’s internal control over financial reporting and compliance.



Anchorage, Alaska
November 6, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Management Discussion and Analysis

For the Fiscal Year Ended June 30, 2020

Introduction

This section of Kodiak Island Borough School District's (District) annual audit presents management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2020 (FY20). In some instances comparative information for the fiscal year ended June 30, 2019 has been presented. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the 2020 fiscal year include the following:

- The liabilities and deferred inflows of resources of the Kodiak Island Borough School District exceeded its total assets and deferred outflows of resources at the close of the most recent year by \$11,661,856.
- In total, net position increased by \$7,479,592 in FY20 compared to a prior year increase of \$3,431,719. All activities at the School District are governmental activities. There were no business activities in 2020 or 2019.
- Total general revenues were \$43,768,559, or 90% of all revenues in FY20 compared to \$42,565,298, (83%) in FY19. Program specific revenues in the form of charges for services (for rentals and lunch sales) and grants accounted for \$4,742,582 or 10% of total revenues of \$48,511,141 in FY20. Program specific revenues accounted for \$9,013,114 or 17% of total revenues of \$51,578,412 in FY19.
- The School District had \$39,398,734 in expense in FY20 compared to \$48,146,693 in FY19. In FY20 only \$4,742,582 of these expenses were offset by program specific charges for services and grants. General revenues (primarily from unrestricted grants) of \$43,768,559 helped to provide for these services. In FY19 \$9,013,114 of these expenses were offset by program specific charges for services and grants. General revenues of \$42,565,298 were adequate to cover the remaining expenses.
- For FY20 School District's governmental funds reported combined ending fund balances of \$12,568,708 compared to \$11,590,454 in FY19. In FY20, \$591,198 is nonspendable, \$5,541,200 is committed, \$2,478,144 is assigned, and \$3,958,166 is unassigned.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)
Management Discussion and Analysis, Continued

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The basic financial statements include two kinds of statements that present different views of the District's activities.

Government-wide financial statements – The district-wide financial statements provide both short-term and long-term information about the District's overall financial status, in a manner similar to a private-sector business enterprise. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. The statement is designed to display the financial position of the District. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information, which shows how the District's net position changed during the most recent fiscal year. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector business. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

The statement of net position and the statement of activities present functions of the District as governmental activities, that is, functions principally supported by intergovernmental revenues. The governmental activities of the District include instruction, support services, administration, operations and maintenance, student activities, student transportation services and food services.

Fund financial statements – A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate fiscal accountability. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

- Some funds are required by state law and/or governmental accounting standards.
- The District establishes other funds to control and manage money for a particular purpose or to show that it is properly using certain fund revenues (such as federal grants).

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Management Discussion and Analysis, Continued

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decision. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the general fund and special revenue funds. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

Fiduciary funds – Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the District cannot use these assets for its operations. The District’s only fiduciary fund is an agency fund used to account for various student and school-related organizations.

Notes to financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$11,661,856 at June 30, 2020, compared to liabilities and deferred inflows of resources exceeding assets and deferred outflows of resources by \$19,141,448 at June 30, 2019.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)
Management Discussion and Analysis, Continued

The following table provides a summary of the District's net position for FY20 and FY19:

Table 1

Assets and Deferred Outflows of Resources	2020	2019
Current assets	\$ 18,911,619	16,936,973
Capital assets, net	1,101,927	761,429
Net OPEB assets	1,343,528	-
Total assets	21,357,074	17,698,702
Deferred outflows of resources	3,869,526	5,697,038
Total assets and deferred outflows of resources	25,226,600	23,395,740
Liabilities and Deferred Inflows of Resources		
Current liabilities	6,366,676	5,369,153
Noncurrent liabilities:		
Due within one year	730,785	671,940
Due in more than one year	24,937	48,702
Net pension and OPEB liabilities	26,025,881	33,673,642
Total noncurrent liabilities	26,781,603	34,394,284
Deferred inflows of resources	3,740,177	2,773,751
Total liabilities and deferred inflows of resources	36,888,456	42,537,188
Net Position		
Net investment in capital assets	854,451	690,393
Restricted	198,774	-
Unrestricted	(12,715,081)	(19,831,941)
Total net position	\$ (11,661,856)	(19,141,448)

Significant differences between the Statement of Net Position for fiscal year ending June 30, 2020 and fiscal year ending June 30, 2019 can be summarized as follows:

- Total assets and deferred outflows for fiscal year ending June 30, 2020 increased from the prior year by \$1,830,860 due primarily to an increase in the amount due from Kodiak Island Borough and net OPEB asset.
- Total liabilities and deferred inflows of resources for fiscal year ending June 30, 2020 are less than prior year liabilities and deferred inflows of resources by \$5,648,732, due primarily to a decrease in the net pension and OPEB liabilities.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2020 and 2019. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Management Discussion and Analysis, Continued

Revenue is further divided into two major components: Program Revenue and General Revenue. Program revenue is defined as charges for services, operating and capital grants and contributions. General Revenue includes revenue and unrestricted grants such as state foundation support and federal appropriations.

Expenses are shown in programs including Instruction, Support Services, Administration, Operation and Maintenance, Transportation and Food Service.

Table 2 – Changes in Net Position

	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues:		
Charges for services	\$ 160,535	222,479
Operating grants and contributions	4,513,115	8,709,821
Capital grants and contributions	68,932	80,814
General revenues:		
Foundation program	27,998,271	27,298,312
Borough direct appropriation	10,455,244	9,890,244
Federal impact aid	2,788,640	3,241,346
Other	2,526,404	2,135,396
Total revenues	<u>48,511,141</u>	<u>51,578,412</u>
Expenses:		
Instruction	13,324,189	18,226,859
Special education instruction	3,708,286	4,947,453
Special education support services – students	1,366,530	1,481,889
Support services – students	1,037,750	1,717,370
Support services – instruction	4,880,895	4,728,639
School administration	1,388,526	1,827,145
School administration – support services	780,490	958,209
District administration	1,028,193	1,433,149
District administration support services	1,776,805	2,324,019
Operations and maintenance of plant	5,750,349	6,595,268
Student activities	608,469	631,349
Student transportation	1,865,174	1,919,684
Food service	1,879,512	1,351,015
Unallocated interest	3,566	4,645
Total expenses	<u>39,398,734</u>	<u>48,861,120</u>
Transfer out – component unit	<u>(1,632,815)</u>	<u>-</u>
Change in net position	7,479,592	3,431,719
Net position, beginning of year	<u>(19,141,448)</u>	<u>(22,573,167)</u>
Net position, end of year	\$ <u>(11,661,856)</u>	<u>(19,141,448)</u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)
Management Discussion and Analysis, Continued

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the District's governmental funds is to provide information on near-term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Did the District generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$12,568,708, an increase of \$978,254 in comparison with the prior year. A portion of that balance, \$565,068 is related to inventory and \$26,130 is related to prepaid items, which are nonspendable, indicating that it will never convert to cash because of its form.

There is also a committed portion for pupil transportation fund balance in the amount of \$1,416,242, federal impact aid funding in the amount of \$3,027,963, homeschool allotment rollover of \$32,394, and construction of \$1,064,601.

The General Fund is the chief operating fund of the District and the fund balance is assigned and unassigned; \$1,267,503 is assigned for encumbrances, \$654,098 is assigned for compensated absences, and \$500,000 is assigned for self-insurance. The unassigned \$3,958,166 is available for spending at the District's discretion. This was a \$390,135 increase in unassigned fund balance from the prior year.

Economic Factors and the Next Year's Budget

In setting the budgets for FY21, the District considered a number of issues with government-wide impact, among them:

Revenue:

- **Local Sources:** Kodiak Island Borough (KIB) has committed local funding a minimum amount of \$9,390,089. This is a (\$1,065,155) decrease from FY20. This amount is \$2,106,874 below the projected allowable maximum local contribution for FY21.
- **State Sources:** The final FY21 budget is calculated based on the DEED estimated ADM (student count derivative) of 2,215.
- **Federal Sources:** The Impact Aid for FY21 is presented based on impact aid reports. No indication of sequestration has been received by the district, thus the full amount of anticipated federal support is used in these scenarios.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)
Management Discussion and Analysis, Continued

Expenditure consideration for FY21 included the following:

- Regular movement and contractual obligations of FY21 certified staffing levels as adjusted by known attrition. Classified staff considerations include regular movement and contractual obligations of FY21 classified staffing levels as adjusted by known attrition.
- Health insurance rates will increase by approximately 3%.
- Transfers of \$180,000 are budgeted to offset the costs of the school lunch program.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finance. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Sandy Daws
Chief Financial Officer
Kodiak Island Borough School District
722 Mill Bay Road
Kodiak, Alaska 99615
Phone (907) 486-7557
Fax (907) 481-6108

BASIC FINANCIAL STATEMENTS

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Statement of Net Position

Year Ended June 30, 2020

	Governmental Activities
<u>Assets and Deferred Outflows of Resources</u>	
Assets:	
Current:	
Due from Kodiak Island Borough	\$ 16,204,948
Receivables	2,115,473
Inventories	565,068
Prepays	26,130
Total current	18,911,619
Non-current:	
Assets to be contributed to Kodiak Island Borough	198,774
Capital assets, net	903,153
Net OPEB assets	1,343,528
Total non-current	2,445,455
Deferred outflows of resources - pension and OPEB deferrals	3,869,526
Total assets and deferred outflows of resources	25,226,600
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>	
Liabilities:	
Current:	
Accounts payable	2,177,557
Accrued payroll liabilities	3,182,671
Due to student groups	774,801
Lease payable	23,765
Unearned revenues	207,882
Total current	6,366,676
Non-current:	
Due within one year	730,785
Lease payable, due in more than one year	24,937
Net pension and OPEB liabilities	26,025,881
Total noncurrent	26,781,603
Deferred inflows of resources - pension and OPEB deferrals	3,740,177
Total liabilities and deferred inflows of resources	36,888,456
Net position:	
Net investment in capital assets	854,451
Restricted - assets to be contributed	198,774
Unrestricted	(12,715,081)
Total net position	\$ (11,661,856)

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

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Statement of Activities

Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total
					Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 13,324,189	36,983	29,580	-	(13,257,626)
Special education instruction	3,708,286	-	54,705	-	(3,653,581)
Special education support services – students	1,366,530	-	50,098	-	(1,316,432)
Support services - students	1,037,750	-	(118,250)	-	(1,156,000)
Support services - instruction	4,880,895	-	119,609	-	(4,761,286)
School administration	1,388,526	-	(227,136)	-	(1,615,662)
School administration support services	780,490	-	1,389	-	(779,101)
District administration	1,028,193	-	163,518	-	(864,675)
District administration support services	1,776,805	-	560,369	-	(1,216,436)
Operations and maintenance of plant	5,750,349	-	(43,848)	68,932	(5,725,265)
Student activities	608,469	-	-	-	(608,469)
Student transportation - to and from school	1,865,174	-	1,905,435	-	40,261
Food services	1,879,512	123,552	2,017,646	-	261,686
Unallocated interest	3,566	-	-	-	(3,566)
Total governmental activities	<u>\$ 39,398,734</u>	<u>160,535</u>	<u>4,513,115</u>	<u>68,932</u>	<u>(34,656,152)</u>
General revenues:					
Foundation					27,998,271
Quality schools					88,081
House Bill 287					636,497
E-rate					1,628,994
Federal Impact Aid					2,788,640
Department of Defense					121,723
Appropriation from Kodiak Island Borough					10,455,244
Dividend raffle					10,358
Other					40,751
Total general revenues					<u>43,768,559</u>
Transfer out - component unit					<u>(1,632,815)</u>
Total general revenues and transfers					<u>42,135,744</u>
Change in net position					7,479,592
Net position, beginning of year					<u>(19,141,448)</u>
Net position, end of year					<u>\$ (11,661,856)</u>

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

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Balance Sheet – Governmental Funds

Year Ended June 30, 2020

<u>Assets</u>	General Fund	Pupil Transportation Special Revenue Fund	Impact Aid Construction Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Due from:	\$				
Kodiak Island Borough	16,204,948	-	-	-	16,204,948
Other funds	1,376,314	1,416,242	1,414,710	268,882	4,476,148
Receivables	390,770	-	-	1,724,703	2,115,473
Inventory	359,873	-	-	205,195	565,068
Prepays	26,130	-	-	-	26,130
Total assets	\$ 18,358,035	1,416,242	1,414,710	2,198,780	23,387,767
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	1,892,723	-	110,786	174,048	2,177,557
Accrued payroll liabilities	3,003,873	-	-	178,798	3,182,671
Due to other funds	3,099,834	-	-	1,376,314	4,476,148
Due to student groups	774,801	-	-	-	774,801
Unearned revenue	-	-	-	207,882	207,882
Total liabilities	8,771,231	-	110,786	1,937,042	10,819,059
Fund balances:					
Nonspendable:					
Inventory	359,873	-	-	205,195	565,068
Prepays	26,130	-	-	-	26,130
Committed:					
Pupil transportation	-	1,416,242	-	-	1,416,242
Homeschool allotment rollover	32,394	-	-	-	32,394
Impact aid	2,788,640	-	239,323	-	3,027,963
Construction	-	-	1,064,601	-	1,064,601
Assigned:					
Encumbrances	1,267,503	-	-	-	1,267,503
Compensated absences	654,098	-	-	-	654,098
Self-insurance	500,000	-	-	-	500,000
Cafeteria	-	-	-	56,543	56,543
Unassigned	3,958,166	-	-	-	3,958,166
Total fund balances	9,586,804	1,416,242	1,303,924	261,738	12,568,708
Total liabilities and fund balances	\$ 18,358,035	1,416,242	1,414,710	2,198,780	23,387,767

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

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Reconciliation of Governmental Funds
Balance Sheet to Statement of Net Position
Year Ended June 30, 2020

Total fund balance - governmental funds	\$	12,568,708
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities, are not financial resources and, therefore, are not reported in the funds.		903,153
Assets to be contributed are used in governmental activities and are not financial resources and are not reported in the funds		198,774
Long-term liabilities, including compensated absences are not due and payable in the current period and, therefore, are not reported in the funds:		
Lease payable	\$ (48,702)	
Compensated absences	(654,098)	
Employee insurance premium refund	<u>(76,687)</u>	(779,487)
Proportionate share of the collective net OPEB assets:		
PERS	76,609	
TRS	<u>1,266,919</u>	1,343,528
Proportionate share of the collective net pension and OPEB liabilities:		
PERS	(12,682,954)	
TRS	<u>(13,342,927)</u>	(26,025,881)
Deferred inflows and outflows of resources are the results of timing differences in the actuarial report.		
Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources:		
PERS	2,234,910	
TRS	<u>1,634,616</u>	3,869,526
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources:		
PERS	(1,658,977)	
TRS	<u>(2,081,200)</u>	<u>(3,740,177)</u>
Net position of governmental activities		\$ <u>(11,661,856)</u>

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

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

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

Year Ended June 30, 2020

	General Fund	Pupil Transportation Special Revenue Fund	Impact Aid Construction Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local sources:					
Kodiak Island Borough:					
Appropriations	\$ 9,881,521	-	-	-	9,881,521
In-kind services	573,723	-	-	-	573,723
E-rate reimbursement	1,628,994	-	-	-	1,628,994
Charges for services:					
Rentals	36,983	-	-	-	36,983
Lunch sales	-	-	-	122,343	122,343
Other	40,751	-	-	225,918	266,669
Intergovernmental:					
State of Alaska	32,026,384	1,905,435	-	411,746	34,343,565
Federal sources	2,910,363	-	68,932	4,739,787	7,719,082
Total revenues	<u>47,098,719</u>	<u>1,905,435</u>	<u>68,932</u>	<u>5,499,794</u>	<u>54,572,880</u>
Expenditures:					
Current:					
Instruction	17,390,122	-	-	1,689,087	19,079,209
Special education instruction	5,012,362	-	-	361,603	5,373,965
Special education support services - students	1,780,899	-	-	193,984	1,974,883
Support services - students	1,813,392	-	-	49,750	1,863,142
Support services - instruction	5,196,657	-	-	173,219	5,369,876
School administration	2,123,430	-	-	12,079	2,135,509
School administration support services	1,078,759	-	-	13,161	1,091,920
District administration	1,061,764	-	-	269,468	1,331,232
District administration support services	1,727,461	-	-	596,245	2,323,706
Operations and maintenance of plant	6,762,627	-	-	-	6,762,627
Student activities	608,475	-	-	-	608,475
Student transportation - to and from school	-	1,865,174	-	-	1,865,174
Food services	-	-	-	1,879,460	1,879,460
Construction facilities and acquisition	-	-	276,433	-	276,433
Debt service:					
Principal	22,634	-	-	-	22,634
Interest	3,566	-	-	-	3,566
Total expenditures	<u>44,582,148</u>	<u>1,865,174</u>	<u>276,433</u>	<u>5,238,056</u>	<u>51,961,811</u>
Excess (deficiency) of revenues over expenditures	<u>2,516,571</u>	<u>40,261</u>	<u>(207,501)</u>	<u>261,738</u>	<u>2,611,069</u>
Other financing sources (uses):					
Transfers in	-	-	1,341,034	-	1,341,034
Transfers out	(1,341,034)	-	-	-	(1,341,034)
Transfer out - Component unit	(1,632,815)	-	-	-	(1,632,815)
Net other financing sources (uses)	<u>(2,973,849)</u>	<u>-</u>	<u>1,341,034</u>	<u>-</u>	<u>(1,632,815)</u>
Net change in fund balances	(457,278)	40,261	1,133,533	261,738	978,254
Fund balances, beginning of year	<u>10,044,082</u>	<u>1,375,981</u>	<u>170,391</u>	<u>-</u>	<u>11,590,454</u>
Fund balances, end of year	<u>\$ 9,586,804</u>	<u>1,416,242</u>	<u>1,303,924</u>	<u>261,738</u>	<u>12,568,708</u>

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

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2020

Net change in fund balances – total governmental funds \$ 978,254

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

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

Change in unfunded net pension and OPEB assets and liabilities:

PERS	3,588,464	
TRS	<u>5,402,825</u>	8,991,289

Changes in deferred inflow and outflow of resources are the results of timing differences in the actuarial report and adjustments to reflect employer and non-employer contributions based on the measurement date of the liability.

PERS	(416,369)	
TRS	<u>(2,377,569)</u>	(2,793,938)

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

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

Capital outlay	513,224	
Depreciation expense	<u>(173,026)</u>	340,198

The issuance of long-term debt (e.g., bonds, leases and notes) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal repayments		22,634
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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:

Compensated absences, net change	(82,340)	
Employee paid insurance premium refund	<u>23,495</u>	<u>(58,845)</u>

Change in net position of governmental activities		\$ <u><u>7,479,592</u></u>
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The notes to the financial statements are an integral part of this statement.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

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

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Kodiak Island Borough:				
Appropriations	\$ 10,025,244	10,025,244	9,881,521	(143,723)
In-kind services	430,000	430,000	573,723	143,723
E-rate reimbursements	2,000,000	2,000,000	1,628,994	(371,006)
Charges for services - rentals	26,000	26,000	36,983	10,983
Other	11,000	11,000	40,751	29,751
Intergovernmental:				
State of Alaska	29,426,162	31,649,328	32,026,384	377,056
Federal sources	3,152,610	2,840,634	2,910,363	69,729
Total revenues	45,071,016	46,982,206	47,098,719	116,513
Expenditures:				
Current:				
Instruction	18,269,855	18,951,488	17,390,122	1,561,366
Special education instruction	4,969,257	5,471,708	5,012,362	459,346
Special education support services - students	1,834,976	2,027,704	1,780,899	246,805
Support services - students	1,764,768	1,838,524	1,813,392	25,132
Support services - instruction	4,567,229	5,680,814	5,196,657	484,157
School administration	2,071,537	2,130,631	2,123,430	7,201
School administration support services	1,091,392	1,135,872	1,078,759	57,113
District administration	1,327,299	1,161,752	1,061,764	99,988
District administration support services	1,668,586	1,605,495	1,727,461	(121,966)
Operations and maintenance of plant	6,665,158	7,898,975	6,762,627	1,136,348
Student activities	660,959	743,606	608,475	135,131
Debt service:				
Principal	-	-	22,634	(22,634)
Interest	-	-	3,566	(3,566)
Total expenditures	44,891,016	48,646,569	44,582,148	4,064,421
Excess (deficiency) of revenues over expenditures	180,000	(1,664,363)	2,516,571	4,180,934
Other financing sources (uses) -				
Transfer out - Impact Aid Capital Project Fund	(180,000)	(1,341,034)	(1,341,034)	-
Transfer out - Component Unit	-	-	(1,632,815)	(1,632,815)
Net other financing sources (uses)	(180,000)	(1,341,034)	(2,973,849)	(1,632,815)
Net change in fund balance	\$ -	(3,005,397)	(457,278)	2,548,119
Fund balance, beginning of year			10,044,082	
Fund balance, end of year			\$ 9,586,804	

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

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Statement of Revenues, Expenditures and Changes in Fund Balance - Original and Final Budget and Actual -
Pupil Transportation Special Revenue Fund

Year Ended June 30, 2020

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget – Positive (Negative)</u>
Revenues - Intergovernmental - State of Alaska	\$ <u>1,894,918</u>	<u>1,905,435</u>	<u>10,517</u>
Expenditures:			
Current:			
Student transportation - to and from school	<u>1,945,805</u>	<u>1,865,174</u>	<u>80,631</u>
Excess (deficiency) of revenues over expenditures	\$ <u><u>(50,887)</u></u>	40,261	<u><u>91,148</u></u>
Fund balances, beginning of year		<u>1,375,981</u>	
Fund balances, end of year		\$ <u><u>1,416,242</u></u>	

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

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
 (A Component Unit of the Kodiak Island Borough)

Statement of Fiduciary Assets and Liabilities - Student Activity Agency Fund

Year Ended June 30, 2020

<u>Assets</u>	
Due from General Fund	\$ 774,801
Accounts receivable	1,345
Total assets	<u>776,146</u>
<u>Liabilities</u>	
Accounts payable	4,273
Due to student organizations	771,873
Total liabilities	<u>\$ 776,146</u>

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

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements

June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Kodiak Island Borough School District (School District) operates a public school system under an elected school board, as permitted by Alaska State Statutes 14.14.060 and 29.35.160. The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Kodiak Island Borough (Borough) is required by Alaska Statute, Title 29, Section 33.050, to establish, maintain, and operate a system of public schools on an area-wide basis. The Borough Assembly has delegated the administrative responsibility to the Kodiak Island Borough School Board but has retained budgetary approval powers and ownership of all buildings and property. Accordingly, the School District is a discretely presented component unit of the Kodiak Island Borough.

B. Government-wide and Fund Financial Statements

The Government-wide Financial Statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the School District. For the most part, the effect of inter-fund 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 School District does not presently have any business-type activities.

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

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

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

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*. Under the accrual basis, 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*. Under the modified accrual basis, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Interest earnings associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available if received within 60 days of year end

The District reports the following major governmental funds based on the required quantitative criteria:

The *General Fund* is the District's primary operating fund. Major revenue sources include the local government's contribution to education, the State of Alaska Public School Foundation Program and other state and federal revenues. Expenditures are authorized in the annual budget and are made for such activities as student instruction, support services, administration, operations and maintenance of plant, and student activities.

The *Pupil Transportation Special Revenue Fund* accounts for the district's student transportation activities.

The *Impact Aid Construction Capital Project Fund* accounts for all construction activity of the District.

Additionally the District reports the following fund type:

The *Student Activity Agency Fund* is a fiduciary fund. This fund is custodial in nature (assets equal liabilities) and does not involve measurement or results of operations. This agency fund accounts for pupil activities for the assets held by the School District as an agent for various student and school related organizations.

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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

As a general rule the effect of inter-fund activity has been eliminated from the Governmental-Wide Financial Statements.

When both restricted and unrestricted resources are available for use for governmental activities, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Intergovernmental Revenue – State of Alaska foundation, tuition, transportation, and federal aid for the school lunch program are all recorded in the year to which they relate, including accrual at year end of final payments due within approximately two months after year end. Borough appropriations are recorded as local source revenue in accordance with the Uniform Chart of Accounts for School Districts.

State of Alaska and federal government cost reimbursable grants and contracts are recorded to the extent of allowable expenditures incurred in that period.

Federal Impact Aid funds are recorded in the year to which the entitlement is received, including accrual at year end of final payments due within approximately two months after year end.

The United States Department of Agriculture provides commodities and food supplies to the School District. These commodities are recorded as revenue and expenditures as utilized.

Local Revenue – Borough appropriations are recorded on the accrual basis in the amount approved by the Kodiak Island Borough Assembly. The School District records payments of certain expenditures by the Borough at the cost incurred by the Borough. Proceeds from the sale of lunches and other miscellaneous revenues are recognized in the year received.

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

Indirect Costs – The State of Alaska, Department of Education and Early Development annually establishes an approved indirect rate for each School 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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

1. Due from Kodiak Island Borough, Cash and Cash Equivalents and Investments

All cash funds of the School District are maintained in the Borough Central Treasury to maximize investment income while minimizing risks of loss of capital and as such are recognized as a receivable from the Borough.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

Cash and cash equivalents include cash on hand and demand deposits. As of June 30, 2020, the District did not have any cash balances. The School District requires all deposits to be insured or collateralized. The District holds no investments and as such has no investment policy. There are no statutory limitations on the type of investments allowed.

2. *Short-term Interfund Receivables and Payables*

In the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” on the balance sheet of the fund financial statements and are eliminated in the preparation of the Government-Wide Financial Statements.

Receivables are comprised of amounts due from the federal government, State of Alaska, and other local sources. No receivables are deemed uncollectible and no allowance for uncollectible accounts has been established.

3. *Inventories and Prepaids*

The consumption method is used to account for the inventories of teaching and maintenance supplies, food inventories and fuel. These inventories are valued at the lower of cost or market, which approximates fair value, 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 that they do not constitute “available spendable resources” even though they are a component of net current position.

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

The Borough has title to and accounts for all land, school buildings, and improvements, which are provided to the School District without charge. Capital assets, which consist of equipment and vehicles, are reported in the Government-Wide Financial Statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when the original cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

Estimated useful life is management’s estimate of how long the asset is expected to meet service demands. The School District uses the straight-line depreciation method over the following estimated useful lives:

Furniture and equipment, including computers	5-15 years
Vehicles	8-15 years

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

5. *Life Insurance*

The School District provides life insurance as a benefit to permanent employees working 15 or more hours per week. The face value of the insurance policy is \$85,000, and the employees are immediately 100% vested. The School District incurred expenditures of \$88,876 during the year ended June 30, 2020 for insurance premiums.

6. *Deferred Inflows and Deferred Outflows of Resources*

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.

7. *Unearned Revenues*

Unearned revenues arise when resources are received before the School District has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when there is a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

8. *Compensated Absences*

It is the School District's policy to permit employees to accumulate earned but unused personal annual leave. Personal/annual leave is subject to certain restrictions and maximum accumulations. All employees are paid for any accumulated personal/annual leave upon use or at termination. Sick leave, which may accumulate indefinitely, is charged to expenditures when used. Upon resignation, outstanding sick leave is generally lost except for its use as an increase in service credit for those employees who are members of the Alaska Teachers' Retirement System. All personal/annual leave is reported when incurred in the Government-Wide Financial Statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

9. *Long-Term Obligations*

In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities. In the Fund Financial Statements the face amount of the debt issued is reported as other financing sources and an expenditure of the fund incurring the debt. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Debt incurred for construction of school facilities is the obligation of the Borough; therefore it is not included in the School District's Government-wide Statement of Net Position.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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.

11. Pensions and Other Post Employment Benefit (OPEB)

For purposes of measuring the net pension and other post-employment benefit (OPEB) assets and liabilities, 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.

12. Net Position

Government-wide 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.

13. 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, prepaids, long-term receivables). Such constraint is binding until the legal or contractual requirement is repealed or the amounts become spendable.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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 District Board. Commitments may be changed or lifted by the Board taking the same formal action that imposed the constraint originally.

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

Unassigned Fund Balance – the residual classification for the General Fund and includes amounts not contained in the other classifications and available for any purpose. Positive unassigned amounts will be reported only in the General Fund. If another governmental fund, other than the General 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.

Compliance with the provisions of the Fund Balance Classification Policy are reviewed as part of the annual budget adoption process. The Superintendent reports to the Board as close to the end of the year as possible the anticipated year-end fund balance or deficit. The Board takes appropriate action to commit or assign, or otherwise allocate prior year fund balances as a part of the budget planning process.

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

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 General Fund and Special Revenue Funds. Encumbrances outstanding at year end are reported in assigned fund balances since they do not constitute expenditures or liabilities.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

Annual budgets are adopted by the School Board for all revenues, expenditures, and interfund transfers of the General Fund. Budgets are prepared and presented on the modified accrual basis of accounting. Pursuant to Alaska Statutes, the adopted General Fund budget is submitted to the Borough Assembly for review and approval. The approved budget is also submitted to the State of Alaska, Department of Education and Early Development, for review to determine compliance with Alaska Statutes and Department regulations.

The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs. Expenditure authority for the General Fund is limited to the total approved budget and functional areas of expenditures are not to be overspent. While appropriations lapse at the end of the fiscal year, the succeeding year's budget specifically provides for the reappropriation of year-end encumbrances which have been approved in the fiscal year to which they relate.

Budgets for the various Special Revenue Funds are prepared on a modified accrual basis of accounting in connection with the application for the special program's funding and are reviewed and approved by the School Board. Expenditure authority for Special Revenue Fund programs is limited to actual combined revenues and transfers from other funds. Unexpended balances of grants from State and federal governments for Special Revenue Funds lapse at June 30 with the exception of certain federal programs which lapse at various month ends of July, August, and September.

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. Encumbrances outstanding at year end are reported as assigned fund balances since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbrances at year end consist of purchase orders of \$1,267,503 for supplies and materials.

Project budgets are adopted for the various Capital Project Funds based on the lives of the construction projects. Because an annual budget for these funds is not adopted, the Capital Project Funds do not have a presentation of budget to actual expenditures. Expenditure authority is limited to the actual combined revenues, transfers from other funds, and available fund balance within the fund.

B. Expenditures in Excess of Appropriations

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

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance</u>
District administration support services	\$ 1,605,495	1,727,461	(121,966)
Debt service:			
Principal	\$ -	22,634	(22,634)
Interest	\$ -	3,566	(3,566)

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
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Notes to Basic Financial Statements, Continued

Excess of expenditures over appropriations in the General Fund were funded through available fund balances.

III. DETAILED NOTES ON ALL FUNDS

A. Capital Assets

The Borough owns and is responsible for maintaining all land, school buildings and improvements that are provided to the School District without charge. Capital assets, as recorded in the School District's financial records, consist of equipment and vehicles.

The following is a summary of changes in capital assets for the year ended June 30, 2020:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, being depreciated:				
Vehicles	\$ 661,015	67,155	-	728,170
Equipment	<u>1,546,562</u>	<u>247,295</u>	<u>-</u>	<u>1,793,857</u>
Total capital assets being depreciated	<u>2,207,577</u>	<u>314,450</u>	<u>-</u>	<u>2,522,027</u>
Less accumulated depreciation for:				
Vehicles	494,170	43,357	-	537,527
Equipment	<u>951,678</u>	<u>129,669</u>	<u>-</u>	<u>1,081,347</u>
Net accumulated depreciation	<u>1,445,848</u>	<u>173,026</u>	<u>-</u>	<u>1,618,874</u>
 Total net governmental activities capital assets	 <u>\$ 761,729</u>	 <u>141,424</u>	 <u>-</u>	 <u>903,153</u>

Depreciation expense was charged to the functions as follows:

Instruction	\$ 94,420
Support services – students	304
Support services – instruction	2,705
District administration support services	23,756
Operations and maintenance of plant	50,504
Student activities	759
Food service	<u>578</u>
Total depreciation expense	<u>\$ 173,026</u>

B. Assets to be Contributed

The following are a summary of changes in assets to be contributed for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Construction in progress	\$ <u>-</u>	<u>198,774</u>	<u>-</u>	<u>198,774</u>

In future years deletions of assets to be contributed will consist of capital assets transferred to the Borough for financial statement reporting purposes.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
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Notes to Basic Financial Statements, Continued

C. Capital Leases

The District entered into a lease agreement as the lessee in order to finance the acquisition of several copiers. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The final lease payment is due in 2022.

Future minimum lease payments are approximately as follows:

Fiscal year ending June 30:	Principal	Interest	Total
2021	23,765	2,435	26,200
2022	24,937	1,263	26,200
Total	\$ 48,702	3,698	52,400

Long-term lease liability activity for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due within One year
Lease payable	\$ 771,336	-	(22,634)	48,702	23,765

D. Long-Term Debt

The Borough issues general obligation bonds to provide funds for the acquisition and construction of major capital school facilities. The general obligation bonds are secured by the full faith, credit, and resources of the Borough. The School District is not responsible for payment of this debt. At June 30, 2020, the outstanding balance of general obligation bonds and other debt issued for school construction was \$61,680,000. During the fiscal year ended June 30, 2020, debt service expenditures (principal and interest) incurred by the Borough for school construction general obligation bonds were \$7,733,394.

A summary of general obligation school construction bonds at June 30, 2020, follows:

Interest		Final Maturity		Bonds			
Rate	Date	Issue Date	Date	Authorized	Issued	Retired	Outstanding
3.12-5.2%	3/1-9/1	3/1/2011	3/1/2031	8,000,000	8,000,000	2,815,000	5,185,000
2.0-5.0%	3/1-9/1	5/24/2012	9/1/2024	5,230,000	5,230,000	2,360,000	2,870,000
2.0-5.0%	3/1-9/1	5/24/2012	9/1/2024	6,385,000	6,385,000	2,885,000	3,500,000
3.12-5.0%	2/1-8/1	3/1/2013	2/1/2033	21,595,000	21,595,000	5,485,000	16,110,000
2.0-5.0%	3/1-9/1	3/12/2014	3/1/2034	22,660,000	22,660,000	4,955,000	17,705,000
2.0-5.25%	4/1-10/1	9/16/2015	10/1/2035	6,210,000	6,210,000	815,000	5,395,000
2.0-5.0%	4/1-10/1	9/16/2015	10/1/2025	1,780,000	1,780,000	610,000	1,170,000
2.0-5.0%	2/1-8/1	9/4/2015	8/1/2035	1,870,000	1,870,000	230,000	1,640,000
5.0%	2/1-8/1	9/4/2015	8/1/2025	5,140,000	5,140,000	1,630,000	3,510,000
4.0-5.0%	6/1-12/1	11/3/2016	12/1/2027	4,905,000	4,905,000	810,000	4,095,000
2.7-3.05%	6/1-12/1	11/15/2018	12/1/2029	550,000	550,000	50,000	500,000
				\$ 84,325,000	84,325,000	22,645,000	61,680,000

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
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Notes to Basic Financial Statements, Continued

During the year ended June 30, 2020, the following changes occurred in long-term liabilities for governmental activities.

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Government activities:					
Compensated absences	\$ 571,758	654,098	(571,758)	654,098	654,098
Employee paid insurance premium refund	100,182	76,687	(100,182)	76,687	76,687
Total governmental activities	\$ 671,940	730,785	(671,940)	730,785	730,785

E. Kodiak Island Borough – Annual Appropriation and Central Treasury

An annual appropriation is made by the Borough to the School District in order to provide the School District's General Fund with total resources in a fiscal year equal in amount to the budgeted expenditures, and transfers of the General Fund.

In addition to the annual appropriation of \$9,881,521 for fiscal year 2020, the Borough provides the School District with general liability and property insurance, the annual independent audit, mental health services, grounds maintenance, building improvements, and data processing services without charge. The cost to the Borough for these services provided to the School District for the year ended June 30, 2020 was \$573,723. The School District accounts for these services as local in-kind service revenue and as general support services and operation and maintenance of plant costs.

All cash received for School District operations is initially received in the Borough's central treasury account and subsequently remitted to the School District on an imprest basis. Earnings on cash investments of the Borough's central treasury account are retained by the Borough. At June 30, 2020, the School District's equity in the Borough's central treasury account totaled \$16,204,948. Refer to the Comprehensive Annual Financial Report of the Borough for further information regarding deposits, investments, and related collateralization.

The School District bank balances are insured by federal depository insurance (FDIC) to a maximum of \$250,000, with following exceptions:

Any amount in excess of FDIC limits is collateralized with securities held by the Kodiak Island Borough's agent in the Borough's name.

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 School District. The School District limits its custodial credit risk in its deposits by requiring all deposits to be fully insured or collateralized. At June 30, 2020, the District's deposits were fully insured and collateralized, which represents the lowest category of risk.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
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Notes to Basic Financial Statements, Continued

F. Receivables

Receivables as of year end for the General Fund and other governmental funds are as follows:

		General Fund	Other Governmental Funds	Total
Grants	\$	-	1,724,703	1,724,703
E-rate		150,946	-	150,946
Miscellaneous		239,824	-	239,824
Total	\$	390,770	1,724,703	2,115,473

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

G. Interfund Payables and Receivables

Interfund receivables and payables are shown as “Due From Other Funds” and “Due to Other Funds” in each of the individual funds.

At June 30, 2020, the interfund status of payables and receivables (all current) of the various funds of the School District are as follows:

Receivable Fund	Payable Fund		Amount
General Fund	Other governmental funds	\$	1,376,314
Pupil Transportation	General Fund		1,416,242
Impact Aid Construction	General Fund		1,414,710
Other Governmental	General Fund		268,882
		\$	4,476,148

These balances resulted from the time lag between the dates that payments between funds are made. All balances are expected to be settled within the next fiscal year.

H. Transfers

Transfers Out	Transfers In		Amount
General Fund	Impact Aid Construction	\$	1,341,034

The General Fund transferred \$1,341,034 to the Impact Aid Construction Capital Project Fund for supplemental funding of future construction projects.

The District also transferred \$1,632,815 to the Kodiak Island Borough to assist the Borough with debt service payments due to the State of Alaska reducing the amount of debt service reimbursements provided.

I. Encumbrances

The District’s encumbrances are classified as assigned fund balance in the School Operating Fund. The District had encumbrances of \$1,267,503 as of June 30, 2020.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

IV. OTHER INFORMATION

A. Risk Management

The School District faces a considerable number of risks of loss, including: (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensations; i.e., employee injuries, and (f) medical insurance costs for employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for damage to and loss of property and contents, general liability, errors and omissions, and student accidents. Worker's compensation is also purchased as required by statute. The School District has no coverage for potential losses from environmental damages. Coverage limits and the deductibles on the commercial policies have stayed relatively constant for the last several years. No settlements in excess of insurance coverage have been realized over the past three years.

The School District has elected the reimbursable method of payment for Employment Security Compensation (ESC). Under this arrangement, the actual costs of ESC are reimbursed to the State of Alaska.

The School District maintains an employee group health plan. The School District has retained a major portion of the risk for this plan and, accordingly, is liable for any employee health claims that are approved for payment. Stop-loss coverage limits were \$100,000 for individual claims and \$2,000,000 for aggregate claims. Medical, pharmaceutical, dental, and vision claims for the year were \$3,533,312. Total health insurance expense for the year ending June 30, 2020 was \$4,830,125, and consisted of paid claims, stop-loss premium, and administrative fees.

Accruals were made based upon estimates of the health claims at year end including claims incurred but not reported (IBNR). Such accruals were accounted for in the General (School Operating) Fund and are included in "Accrued payroll liabilities." Total estimated liability at June 30, 2020 amounted to \$736,107. Changes in the claims liability amount for the previous two years were:

<u>Fiscal Year</u>		<u>Beginning IBNR</u>	<u>Ending IBNR</u>	<u>Change in IBNR</u>
2019	\$	728,874	768,228	39,354
2020	\$	768,228	736,107	(32,121)

B. 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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

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Notes to Basic Financial Statements, Continued

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.

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

<u>Plan Name</u>	<u>Type of Plan</u>
Defined Benefit Pension Plan (DB)	Cost-sharing, Defined Benefit Pension
Defined Contribution Pension Plan (DC)	Defined Contribution Pension
Defined Benefit Other Postemployment Benefits (OPEB):	
Occupational Death and Disability Plan	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, 2020 the employer contribution rate is 0.72% for PERS peace officers/firefighters, 0.26% for all others in PERS and 0.08% for TRS.

Membership in the plan consisted of the following at June 30, 2019 (latest available report):

<u>Membership</u>	<u>PERS</u>	<u>TRS</u>
Active plan members	22,311	5,218
Participating employers	154	57

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
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Notes to Basic Financial Statements, Continued

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, 2019 (latest available information) employer contributions were 4.88% for PERS and 4.15% for TRS of annual payroll. Membership in the plan consisted of the following at June 30, 2018 (latest report available):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	36,059	13,239
Inactive plan members entitled to but not yet receiving benefits	7,361	799
Inactive plan members not entitled to benefits	10,808	1,811
Active plan members	12,316	4,087
Total plan membership	<u>66,544</u>	<u>19,936</u>

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, 2020 employer contributions were 1.32% for PERS and 1.09% for TRS. Membership in the plan consists of the following at June 30, 2019 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	34	14
Inactive plan members entitled to but not yet receiving benefits	1,412	706
Inactive plan members not entitled to benefits	13,248	2,642
Active plan members	22,311	5,218
Total plan membership	<u>37,005</u>	<u>8,580</u>

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, 2019 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	40	13
Inactive plan members entitled to but not yet receiving benefits	1,412	706
Inactive plan members not entitled to benefits	13,248	2,642
Active plan members	22,311	5,218
Total plan membership	<u>37,011</u>	<u>8,579</u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
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Notes to Basic Financial Statements, Continued

Investments

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

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

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return, net of investment expense, for the year ended June 30, 2019 (latest available report) for the DB Pension Plan for PERS and TRS is 5.88% and 5.85%, for the ARHCT plan is 6.03% and 6.02%, for the ODD Plan is 6.22% and 6.15%, and for the RMP is 6.21% and 6.16%, respectively.

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

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

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Domestic Equity	8.16%
Global Equity (non-U.S.)	7.51%
Intermediate Treasuries	1.58%
Opportunistic	3.96%
Real Assets	4.76%
Private Equity	11.39%
Cash Equivalents	0.83%

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Notes to Basic Financial Statements, Continued

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.38%, which represents a decrease of 0.62% 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 2.79% as of June 30, 2019.

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.

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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
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Notes to Basic Financial Statements, Continued

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	15.72%	23.73%	6.62%
OPEB	6.28%	4.89%	0%
Total PERS contribution rates	<u>22.00%</u>	<u>28.62%</u>	<u>6.62%</u>
TRS:			
Pension	8.03%	26.56%	17.91%
OPEB	4.53%	3.91%	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 2020 the past service rate for PERS is 17.44%.

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2019 (latest available) were determined by an actuarial valuation as of June 30, 2018 which was rolled forward to the measurement date June 30, 2019. 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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

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Notes to Basic Financial Statements, Continued

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.
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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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. Based on recent experience, the healthcare cost trend assumptions were updated.
2. Per capita claims costs 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.

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

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

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

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

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

Currently there are 154 employers participating in PERS defined benefit plan, including the State of Alaska and 153 political subdivisions and public organizations.

The DB Plan's membership consisted of the following at June 30, 2019 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	36,059
Inactive plan members entitled to but not receiving benefits	7,361
Inactive members not entitled to benefits	10,808
Active plan members	<u>12,316</u>
Total DB plan membership	<u>66,544</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.

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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

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Notes to Basic Financial Statements, Continued

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, 2020, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 747,303	388,641	1,135,944

Public Employees Retirement Plans

For the year ended June 30, 2020 the State of Alaska contributed \$543,675 (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, 2019 to a total of (\$192,337), 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, 2020, 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	\$ 12,255,790
State's proportionate share of the net pension liability	<u>4,868,084</u>
Total	<u>\$ 17,123,874</u>
	<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability	\$ 332,174
State's proportionate share of the ARHCT OPEB liability	<u>132,081</u>
Total	<u>\$ 464,255</u>
District's proportionate share of the ODD OPEB liability (asset)	<u>\$ (76,609)</u>
District's proportionate share of the RMP OPEB liability	<u>\$ 94,990</u>
Total District's share of net pension and OPEB liabilities and assets	<u>\$ 12,606,345</u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

The net pension and OPEB liabilities and assets were measured as of June 30, 2019, 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 FY2021 through FY2039, as determined by projections based on the June 30, 2019 valuation.

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

	<u>June 30, 2018</u> Measurement	<u>June 30, 2019</u> Measurement	<u>Change</u>
Pension	0.2706%	0.2239%	(0.0467%)
OPEB:			
ARHCT	0.2705%	0.2239%	(0.0466%)
ODD	0.4020%	0.3160%	(0.0860%)
RMP	0.4020%	0.3971%	(0.0049%)

Based on the measurement date of June 30, 2019, the District recognized pension and OPEB expense of \$999,630 and (\$3,172,610), respectively, for the year ended June 30, 2020. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<u>Pension</u>	
	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Defined Benefit:		
Differences between expected and actual experience	\$ -	(181,434)
Changes of assumptions	375,218	-
Net difference between projected and actual earnings on pension plan investments	175,722	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(831,652)
District contributions subsequent to the measurement date	<u>747,303</u>	<u>-</u>
Total	\$ <u><u>1,298,243</u></u>	<u><u>(1,013,086)</u></u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(223,214)
Changes of assumptions	440,789	-
Net difference between projected and actual earnings on OPEB plan investments	-	(145,456)
Changes in proportion and differences between District contributions and proportionate share of contributions	45,795	(237,149)
District contributions subsequent to the measurement date	<u>299,360</u>	<u>-</u>
Total	<u>\$ 785,944</u>	<u>(605,819)</u>
	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(23,885)
Changes of assumptions	-	(1,465)
Net difference between projected and actual earnings on OPEB plan investments	-	(506)
Changes in proportion and differences between District contributions and proportionate share of contributions	14,995	(1,992)
District contributions subsequent to the measurement date	<u>14,692</u>	<u>-</u>
Total	<u>\$ 29,687</u>	<u>(27,848)</u>
	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(7,037)
Changes of assumptions	45,978	-
Net difference between projected and actual earnings on OPEB plan investments	-	(1,048)
Changes in proportion and differences between District contributions and proportionate share of contributions	469	(4,139)
District contributions subsequent to the measurement date	<u>74,589</u>	<u>-</u>
Total	<u>\$ 121,036</u>	<u>(12,224)</u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

\$747,303 and \$388,641 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, 2020, 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
2020	\$ (442,894)	(86,840)	(2,288)	3,427
2021	(129,738)	(113,060)	(2,288)	3,427
2022	49,857	34,995	(1,587)	5,943
2023	60,629	45,670	(1,573)	5,898
2024	-	-	(1,807)	4,936
Thereafter	-	-	(3,310)	10,592
Total	\$ (462,146)	(119,235)	(12,853)	34,223

For the year ended June 30, 2020, the District recognized (\$1,326,560) and (\$243,046) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

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

	1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability (asset)	\$ 16,175,492	12,255,790	8,973,167
Net OPEB ARHCT liability (asset)	\$ 2,671,927	332,174	(1,592,528)
Net OPEB ODD liability (asset)	\$ (72,669)	(76,609)	(79,794)
Net OPEB RMP liability (asset)	\$ 238,584	94,990	(13,115)

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)	\$ (1,817,635)	332,174	2,955,753
Net OPEB ODD liability (asset)	-	(76,609)	-
Net OPEB RMP liability (asset)	(29,215)	94,990	265,015

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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

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

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

The School District contributed \$584,122 for the year ended June 30, 2020, which included forfeitures of \$28,267 which have been applied against contributions.

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

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

The DB Plan's membership consisted of the following at June 30, 2019 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	13,239
Inactive plan members entitled to but not receiving benefits	799
Inactive plan members not entitled to benefits	1,811
Active plan members	<u>4,087</u>
Total DB plan membership	<u>19,936</u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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

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

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

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

Employer contributions for the year ended June 30, 2020, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	580,410	430,792	1,011,202

Teachers Retirement Plans

For the year ended June 30, 2020 the State of Alaska contributed \$2,749,502 (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 (\$2,576,225), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

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, 2020, the District reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the District. The amount recognized by the District as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that was associated with the District were as follows:

Defined Benefit:	Pension
District's proportionate share of the net pension liability	\$ 13,342,927
State's proportionate share of the net pension liability	<u>19,790,882</u>
Total	\$ <u>33,133,809</u>
	OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (1,089,590)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(1,621,117)</u>
Total	\$ <u>(2,710,707)</u>
District's proportionate share of the ODD OPEB liability (asset)	\$ <u>(90,782)</u>
District's proportionate share of the RMP OPEB liability (asset)	\$ <u>(86,547)</u>
Total District's share of net pension and OPEB liabilities and assets	\$ <u>12,076,008</u>

The net pension and OPEB liabilities and assets were measured as of June 30, 2019, 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 FY2021 through FY2039, as determined by projections based on the June 30, 2019 valuation.

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

	June 30, 2018 Measurement	June 30, 2019 Measurement	Change
Pension	0.7929%	0.7141%	(0.0788%)
OPEB:			
ARHCT	0.7911%	0.7130%	(0.0781%)
ODD	2.3851%	2.2577%	(0.1274%)
RMP	2.3851%	2.2562%	(0.1289%)

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

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Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2019, the District recognized pension expense of \$2,064,009 and OPEB expense of (\$6,547,947), respectively, for the year ended June 30, 2020. At June 30, 2020, 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	\$ -	(361,825)
Changes of assumptions	-	(94,428)
Net difference between projected and actual earnings on pension plan investments	342,715	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(784,045)
District contribution subsequent to the measurement date	<u>580,410</u>	<u>-</u>
Total	<u>\$ 923,125</u>	<u>(1,240,298)</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(199,397)
Changes of assumptions	106,242	(329,249)
Net difference between projected and actual earnings on pension plan investments	-	(168,614)
Changes in proportion and differences between District contributions and proportionate share of contributions	53,759	(24,434)
District contribution subsequent to the measurement date	<u>327,702</u>	<u>-</u>
Total	<u>\$ 487,703</u>	<u>(721,694)</u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(10,250)
Changes of assumptions	-	(100)
Net difference between projected and actual earnings on pension plan investments	-	(641)
Changes in proportion and differences between District contributions and proportionate share of contributions	12,072	(4,148)
District contribution subsequent to the measurement date	7,048	-
Total	\$ 19,120	(15,139)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,068	(7,088)
Changes of assumptions	39,614	(91,270)
Net difference between projected and actual earnings on pension plan investments	-	(2,261)
Changes in proportion and differences between District contributions and proportionate share of contributions	14,944	(3,450)
District contribution subsequent to the measurement date	96,042	-
Total	\$ 204,668	(104,069)

\$580,410 and \$430,792 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, 2019 (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
2020	\$ (859,157)	(526,379)	(860)	(2,546)
2021	(248,449)	(133,300)	(860)	(2,546)
2022	93,680	42,893	(160)	2,851
2023	116,343	55,093	(124)	2,775
2024	-	-	(341)	699
Thereafter	-	-	(722)	3,324
Total	\$ (897,583)	(561,693)	(3,067)	4,557

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2020, the District recognized (\$481,987) and \$221,001 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	\$ 19,220,857	13,342,927	8,407,686
Net OPEB ARHCT liability (asset)	\$ 1,634,981	(1,089,590)	3,319,814
Net OPEB ODD liability (asset)	\$ (91,098)	(90,782)	(90,601)
Net OPEB RMP liability (asset)	\$ 151,661	(86,547)	(263,703)

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)	\$ (3,565,808)	(1,089,590)	1,947,924
Net OPEB ODD liability (asset)	\$ -	(90,782)	-
Net OPEB RMP liability (asset)	\$ (288,679)	(86,547)	193,468

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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

Members become vested in employers' contributions as follows:

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

The School District contributed \$887,408 for the year ended June 30, 2020, which included forfeitures of \$30,079 which has been applied against contributions.

C. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the General 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.

D. Subsequent Accounting Pronouncements

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

- GASB 84 *Fiduciary Activities*. Effective for fiscal years beginning after December 15, 2019.
- 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 90 *Majority Equity Interests*. Effective for fiscal years beginning after December 15, 2019.
- GASB 91 *Conduit Debt Obligation*. Effective for fiscal years beginning after December 15, 2021.
- 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.

Statements 90, 91, 94, and 97 are not expected to have any significant impact on the financial statements of the District.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

GASB Statement No. 84, the objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets

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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2020

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	0.1368%	\$ 6,382,700	\$ 6,068,164	\$ 12,450,864	\$ 5,691,773	112%	62.37%
2016	0.2817%	\$ 13,662,854	\$ 3,658,808	\$ 17,321,662	\$ 7,918,552	173%	63.96%
2017	0.2769%	\$ 15,478,644	\$ 1,951,139	\$ 17,429,783	\$ 9,523,650	163%	59.55%
2018	0.2513%	\$ 12,989,867	\$ 4,838,219	\$ 17,828,086	\$ 9,889,975	131%	63.37%
2019	0.2706%	\$ 13,445,876	\$ 3,891,538	\$ 17,337,414	\$ 8,970,723	150%	65.19%
2020	0.2239%	\$ 12,255,790	\$ 4,868,084	\$ 17,123,874	\$ 7,284,286	168%	63.42%

Notes to Schedule:

1. The plan measurement date is one year prior to fiscal year end for all years presented.
2. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2020

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	0.2513%	\$ 2,122,478	\$ 791,884	\$ 2,914,362	\$ 9,889,975	21.46%	89.68%
2019	0.2705%	\$ 2,775,856	\$ 805,530	\$ 3,581,386	\$ 8,970,723	30.94%	88.12%
2020	0.2239%	\$ 332,174	\$ 132,081	\$ 464,255	\$ 7,284,286	4.56%	98.13%
Occupational Death and Disability (ODD):							
2018	0.4633%	\$ (65,741)	\$ -	\$ (65,741)	\$ 9,889,975	-0.66%	212.97%
2019	0.4020%	\$ (78,079)	\$ -	\$ (78,079)	\$ 8,970,723	-0.87%	270.62%
2020	0.3160%	\$ (76,609)	\$ -	\$ (76,609)	\$ 7,284,286	-1.05%	297.43%
Retiree Medical Plan (RMP):							
2018	0.4633%	\$ 24,162	\$ -	\$ 24,162	\$ 2,269,473	1.06%	93.98%
2019	0.4020%	\$ 51,156	\$ -	\$ 51,156	\$ 2,172,405	2.35%	88.71%
2020	0.3971%	\$ 94,990	\$ -	\$ 94,990	\$ 2,254,759	4.21%	83.17%

Notes to Schedule:

1. The plan measurement date is one year prior to fiscal year end for all years presented.
2. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
 Schedule of the District's Contributions (Pensions)
 Public Employees' Retirement System (PERS)

June 30, 2020

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	\$ 587,355	\$ (587,355)	\$ -	\$ 7,918,552	7.42%
2016	\$ 679,881	\$ (679,881)	\$ -	\$ 9,523,650	7.14%
2017	\$ 756,346	\$ (756,346)	\$ -	\$ 9,889,975	7.65%
2018	\$ 835,963	\$ (835,963)	\$ -	\$ 8,970,723	9.32%
2019	\$ 766,823	\$ (770,029)	\$ (3,206)	\$ 7,284,286	10.53%
2020	\$ 749,451	\$ (747,303)	\$ 2,148	\$ 7,818,482	9.59%

Notes to schedule

1. Valuation date: June 30, 2018, which was rolled forward to June 30, 2019.
2. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

3. Actuarial cost method: Entry Age Normal - level percentage of payroll.
4. Amortization method: Level dollar, closed.
5. Amortization period: 25 years, as a level of percentage of payroll.
6. Asset valuation method: The actuarial asset value was reinitialized to equal fair value of assets as of June 30, 2014. Beginning in FY2015, the assets value method recognizes 20% of the gain or loss each year, for a period of 5 years, all assets are valued at fair value.
7. Inflation: 2.5% per annum.
8. Salary increases: Ranges from 7.75% to 2.75% based on service for Peace Officers/Firefighters. Ranges from 6.75% to 2.75% based on age and service for all others.
9. Investment rate of return: 7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.5% and a real rate of return of 4.88%.
10. Retirement age: Retirement rates based upon the 2013-2017 actual experience.
11. Mortality: Mortality rates based upon the 2013-2017 actual experience.
12. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

Schedule of the District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2020

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	\$ 238,411	\$ (238,411)	\$ -	\$ 8,970,723	2.66%
2019	\$ 276,971	\$ (276,971)	\$ -	\$ 7,284,286	3.80%
2020	\$ 299,360	\$ (299,360)	\$ -	\$ 7,818,482	3.83%
Occupational Death and Disability (ODD):					
2018	\$ 7,280	\$ (7,280)	\$ -	\$ 8,970,723	0.08%
2019	\$ 12,901	\$ (12,901)	\$ -	\$ 7,284,286	0.18%
2020	\$ 14,692	\$ (14,692)	\$ -	\$ 7,818,482	0.19%
Retiree Medical Plan (RMP):					
2018	\$ 46,865	\$ (46,865)	\$ -	\$ 2,172,405	2.16%
2019	\$ 46,595	\$ (46,595)	\$ -	\$ 2,254,759	2.07%
2020	\$ 74,589	\$ (74,589)	\$ -	\$ 2,655,100	2.81%

Notes to schedule

- Valuation date: June 30, 2018, which was rolled forward to June 30, 2019.
- Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry Age Normal - level percentage of payroll.
- Amortization method: Level dollar, closed.
- Amortization period: 25 years, as a level of percentage of payroll.
- Asset valuation method: The actuarial asset value was reinitialized to equal fair value of assets as of June 30, 2014. Beginning in FY2015, the assets value method recognizes 20% of the gain or loss each year, for a period of 5 years, all assets are valued at fair value.
- Inflation: 2.5% per annum.
- Salary increases: Ranges from 7.75% to 2.75% based on service for Peace Officers/Firefighters. Ranges from 6.75% to 2.75% based on age and service for all others.
- Investment rate of return: 7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.5% and a real rate of return of 4.88%.
- Retirement age: Retirement rates based upon the 2013-2017 actual experience.
- Mortality: Mortality rates based upon the 2013-2017 actual experience.
- This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2020

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	0.2989%	\$ 8,963,022	\$ 48,372,336	\$ 57,335,358	\$ 14,508,102	61.78%	55.70%
2016	0.6508%	\$ 12,107,604	\$ 19,349,976	\$ 31,457,580	\$ 14,578,507	83.05%	73.82%
2017	0.7876%	\$ 17,982,410	\$ 21,371,192	\$ 39,353,602	\$ 15,690,902	114.60%	68.40%
2018	0.6639%	\$ 13,454,139	\$ 23,479,868	\$ 36,934,007	\$ 17,211,544	78.17%	72.39%
2019	0.7929%	\$ 15,178,887	\$ 22,561,797	\$ 37,740,684	\$ 16,064,745	94.49%	74.09%
2020	0.7141%	\$ 13,342,927	\$ 19,790,882	\$ 33,133,809	\$ 14,973,726	89.11%	74.68%

Notes to Schedule:

1. The plan measurement date is one year prior to fiscal year end for all years presented.
2. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2020

<u>Year</u>	<u>District's Proportion of the Net OPEB Liability (Asset)</u>	<u>District's Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>State of Alaska Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Total Net OPEB Liability (Asset)</u>	<u>District's Covered Payroll</u>	<u>District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.6617%	\$ 1,217,106	\$ 2,134,599	\$ 3,351,705	\$ 17,211,544	7.07%	93.75%
2019	0.7911%	2,459,842	3,669,710	6,129,552	16,064,745	15.31%	90.23%
2020	0.7130%	(1,089,590)	(1,621,117)	(2,710,707)	14,973,726	-7.28%	105.50%
Occupational Death and Disability (ODD):							
2018	2.7218%	\$ (88,949)	\$ -	\$ (88,949)	\$ 17,211,544	-0.52%	1342.59%
2019	2.3851%	(83,621)	-	(83,621)	16,064,745	-0.52%	1304.81%
2020	2.2577%	(90,782)	-	(90,782)	14,973,726	-0.61%	1409.77%
Retiree Medical Plan (RMP):							
2018	2.7218%	\$ (129,014)	\$ -	\$ (129,014)	\$ 7,147,994	-1.80%	118.16%
2019	2.3851%	(76,275)	-	(76,275)	6,671,726	-1.14%	109.56%
2020	2.2562%	(86,547)	-	(86,547)	7,456,059	-1.16%	110.03%

Notes to Schedule:

1. The plan measurement date is one year prior to fiscal year end for all years presented.
2. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
 Schedule of the District's Contributions (Pensions)
 Teachers' Retirement System (TRS)

June 30, 2020

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	\$ 647,632	\$ (647,632)	\$ -	\$ 14,578,507	4.44%
2016	\$ 543,048	\$ (543,048)	\$ -	\$ 15,690,902	3.46%
2017	\$ 610,298	\$ (610,298)	\$ -	\$ 17,211,544	3.55%
2018	\$ 665,867	\$ (665,867)	\$ -	\$ 16,064,745	4.14%
2019	\$ 580,504	\$ (583,204)	\$ (2,700)	\$ 14,973,726	3.88%
2020	\$ 580,908	\$ (580,410)	\$ 498	\$ 15,116,322	3.84%

Notes to schedule

1. Valuation date: June 30, 2018, which was rolled forward to June 30, 2019.
2. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

3. Actuarial cost method: Entry Age Normal - level percentage of payroll.
4. Amortization method: Level dollar, closed.
5. Amortization period: 25 years, as a level of percentage of payroll.
6. Asset valuation method: The actuarial asset value was reinitialized to equal fair value of assets as of June 30, 2014. Beginning in FY2015, the assets value method recognizes 20% of the gain or loss each year, for a period of 5 years, all assets are valued at fair value.
7. Inflation: 2.5% per annum.
8. Salary increases: Ranges from 6.75% to 2.75% based on service.
9. Investment rate of return: 7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
10. Retirement age: Retirement rates based upon the 2013-2017 actual experience.
11. Mortality: Mortality rates are based upon 2013-2017 actual experience.
12. This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

Schedule of the District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2020

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	\$ 329,942	\$ (329,942)	\$ -	\$ 16,064,745	2.05%
2019	\$ 284,367	\$ (284,367)	\$ -	\$ 14,973,726	1.90%
2020	\$ 327,702	\$ (327,702)	\$ -	\$ 15,116,322	2.17%
Occupational Death and Disability (ODD):					
2018	\$ -	\$ -	\$ -	\$ 16,064,745	0.00%
2019	\$ 7,047	\$ (7,047)	\$ -	\$ 14,973,726	0.05%
2020	\$ 7,048	\$ (7,048)	\$ -	\$ 15,116,322	0.05%
Retiree Medical Plan (RMP):					
2018	\$ 78,014	\$ (78,014)	\$ -	\$ 6,671,726	1.17%
2019	\$ 69,602	\$ (69,602)	\$ -	\$ 7,456,059	0.93%
2020	\$ 96,042	\$ (96,042)	\$ -	\$ 7,065,350	1.36%

Notes to schedule

- Valuation date: June 30, 2018, which was rolled forward to June 30, 2019.
- Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry Age Normal - level percentage of payroll.
- Amortization method: Level dollar, closed.
- Amortization period: 25 years, as a level of percentage of payroll.
- Asset valuation method: The actuarial asset value was reinitialized to equal fair value of assets as of June 30, 2014. Beginning in FY2015, the assets value method recognizes 20% of the gain or loss each year, for a period of 5 years, all assets are valued at fair value.
- Inflation: 2.5% per annum.
- Salary increases: Ranges from 6.75% to 2.75% based on service.
- Investment rate of return: 7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
- Retirement age: Retirement rates based upon the 2013-2017 actual experience.
- Mortality: Mortality rates are based upon 2013-2017 actual experience.
- This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.

**ADDITIONAL SUPPLEMENTARY
INFORMATION**

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Comparative Balance Sheets – General Fund

Year Ended June 30, 2020
(With summarized financial information at June 30, 2019)

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Assets:		
Due from:		
Kodiak Island Borough	\$ 16,204,948	14,473,811
Other funds	1,376,314	1,563,480
Receivables	390,770	165,072
Inventories:		
Custodial supplies	301,946	266,945
Fuel	57,927	111,609
Prepays	26,130	15,615
Total assets	<u>\$ 18,358,035</u>	<u>16,596,532</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	1,892,723	1,011,645
Accrued payroll liabilities	3,003,873	2,933,576
Due to other funds	3,099,834	1,850,073
Due to student funds	774,801	754,656
Unearned revenue	-	2,500
Total liabilities	<u>8,771,231</u>	<u>6,552,450</u>
Fund balance:		
Nonspendable:		
Inventory	359,873	378,554
Prepays	26,130	15,615
Committed		
Homeschool allotment rollover	32,394	28,368
Impact Aid	2,788,640	2,731,049
Assigned:		
Encumbrances	1,267,503	525
Compensated absences	654,098	571,758
Self-insurance	500,000	2,750,182
Unassigned	3,958,166	3,568,031
Total fund balance	<u>9,586,804</u>	<u>10,044,082</u>
Total liabilities and fund balance	<u>\$ 18,358,035</u>	<u>16,596,532</u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

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

Year ended June 30, 2020

(With summarized financial information for year ended June 30, 2019)

	2020		Variance with Final Budget – Positive (Negative)	2019
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Kodiak Island Borough:				
Appropriations	\$ 10,025,244	9,881,521	(143,723)	9,506,526
In-kind services	430,000	573,723	143,723	383,718
E-rate reimbursement	2,000,000	1,628,994	(371,006)	1,592,779
Charges for services - rentals	26,000	36,983	10,983	35,401
Other	11,000	40,751	29,751	35,393
Total local sources	<u>12,492,244</u>	<u>12,161,972</u>	<u>(330,272)</u>	<u>11,553,817</u>
Intergovernmental:				
State of Alaska:				
Foundation	27,793,789	27,998,271	204,482	27,212,628
Quality schools	88,081	88,081	-	85,684
TRS on-behalf	2,659,434	2,749,502	90,068	2,461,368
PERS on-behalf	471,527	543,675	72,148	435,120
House Bill 287	636,497	636,497	-	415,514
Dividend raffle	-	10,358	10,358	-
Total State of Alaska	<u>31,649,328</u>	<u>32,026,384</u>	<u>377,056</u>	<u>30,610,314</u>
Federal sources passed through the State of Alaska:				
Impact aid military	2,698,911	2,676,842	(22,069)	3,143,526
Impact aid military – special education	18,000	34,580	16,580	54,292
Department of Defense	121,723	121,723	-	91,710
Total federal sources passed through the State of Alaska	<u>2,838,634</u>	<u>2,833,145</u>	<u>(5,489)</u>	<u>3,289,528</u>
Federal direct sources - Impact aid	<u>2,000</u>	<u>77,218</u>	<u>75,218</u>	<u>43,528</u>
Total revenues	<u>46,982,206</u>	<u>47,098,719</u>	<u>116,513</u>	<u>45,497,187</u>
Expenditures:				
Current:				
Instruction:				
Certificated salaries	9,410,207	9,378,705	31,502	9,269,316
Non-certificated salaries	1,056,150	1,040,377	15,773	1,123,456
Employee benefits	6,705,400	5,590,125	1,115,275	4,896,478
Housing allowance	84,200	84,200	-	52,423
Transportation allowance	53,156	60,369	(7,213)	48,238
Professional and technical services	52,780	63,409	(10,629)	87,423
Staff travel	7,476	7,274	202	29,584
Utility services	1,800	14,997	(13,197)	11,283
Other purchased services	185,889	75,771	110,118	109,665
Supplies, materials and media	1,306,286	947,955	358,331	1,271,386
Other	45,944	76,802	(30,858)	49,910
Equipment	42,200	50,138	(7,938)	-
Total instruction	<u>18,951,488</u>	<u>17,390,122</u>	<u>1,561,366</u>	<u>16,949,162</u>

(continued)

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

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

Year Ended June 30, 2020

	2020		Variance with Final Budget – Positive (Negative)	2019
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Expenditures, continued:				
Current:				
Special education instruction:				
Certificated salaries	\$ 1,624,814	1,574,586	50,228	1,487,398
Non-certificated salaries	1,700,465	1,571,134	129,331	1,396,699
Employee benefits	2,016,033	1,759,811	256,222	1,443,241
Housing allowance	-	-	-	4,720
Transportation allowance	1,441	1,963	(522)	548
Professional and technical services	-	3,051	(3,051)	129,510
Staff travel	19,376	17,197	2,179	9,117
Other purchased services	3,411	397	3,014	1,805
Supplies, materials and media	106,168	84,223	21,945	49,127
Other	-	-	-	450
Total special education instruction	<u>5,471,708</u>	<u>5,012,362</u>	<u>459,346</u>	<u>4,522,615</u>
Special education support services – students:				
Certificated salaries	959,689	914,574	45,115	705,442
Non-certificated salaries	101,200	99,084	2,116	56,965
Employee benefits	569,773	486,417	83,356	323,868
Professional and technical services	382,410	262,005	120,405	352,491
Staff travel	7,741	5,498	2,243	5,257
Other purchased services	-	6,676	(6,676)	281
Supplies, materials and media	6,462	5,845	617	1,855
Other	429	800	(371)	-
Total special education support services – students	<u>2,027,704</u>	<u>1,780,899</u>	<u>246,805</u>	<u>1,446,159</u>
Support services – students:				
Certificated salaries	668,450	670,044	(1,594)	645,303
Non-certificated salaries	380,601	398,466	(17,865)	414,178
Employee benefits	743,731	705,586	38,145	624,787
Transportation allowance	574	574	-	418
Staff travel	15,496	12,839	2,657	13,882
Utility services	-	121	(121)	-
Other purchased services	1,000	2,692	(1,692)	-
Supplies, materials and media	23,270	12,030	11,240	7,992
Other	187	5,825	(5,638)	874
Equipment	5,215	5,215	-	-
Total support services – students	<u>1,838,524</u>	<u>1,813,392</u>	<u>25,132</u>	<u>1,707,434</u>

(continued)

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

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

Year Ended June 30, 2020

	2020		Variance with Final Budget – Positive (Negative)	2019
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Expenditures, continued:				
Current:				
Support services – instruction:				
Certificated salaries	\$ 163,943	201,086	(37,143)	183,330
Non-certificated salaries	723,795	679,164	44,631	640,357
Employee benefits	620,194	546,041	74,153	480,594
Transportation allowance	654	654	-	275
Professional and technical services	622,450	574,743	47,707	122,733
Staff travel	52,433	54,828	(2,395)	28,350
Utility services	2,235,000	2,022,032	212,968	2,046,849
Other purchased services	192,676	139,258	53,418	285,206
Supplies, materials and media	967,185	868,040	99,145	613,501
Other	75	8,403	(8,328)	5,889
Equipment	102,409	102,408	1	-
Total support services – instruction	<u>5,680,814</u>	<u>5,196,657</u>	<u>484,157</u>	<u>4,407,084</u>
School administration:				
Certificated salaries	1,370,629	1,397,932	(27,303)	1,251,076
Non-certificated salaries	500	275	225	1,100
Employee benefits	721,747	688,295	33,452	569,183
Staff travel	18,716	18,001	715	18,907
Utility services	-	66	(66)	-
Other purchased services	-	140	(140)	156
Supplies, materials and media	14,106	18,421	(4,315)	8,036
Other	4,933	300	4,633	239
Total school administration	<u>2,130,631</u>	<u>2,123,430</u>	<u>7,201</u>	<u>1,848,697</u>
School administration support services:				
Non-certificated salaries	562,456	584,660	(22,204)	567,029
Employee benefits	554,241	466,314	87,927	397,100
Transportation allowance	-	-	-	11
Staff travel	715	715	-	1,695
Utility services	-	(3,935)	3,935	-
Other purchased services	500	-	500	420
Supplies, materials and media	17,638	31,005	(13,367)	16,586
Other	322	-	322	-
Total school administration support services	<u>1,135,872</u>	<u>1,078,759</u>	<u>57,113</u>	<u>982,841</u>

(continued)

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

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

Year Ended June 30, 2020

	2020		Variance with Final Budget – Positive (Negative)	2019
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Expenditures, continued:				
Current:				
District administration:				
Certificated salaries	\$ 410,499	422,382	(11,883)	530,272
Non-certificated salaries	180,557	179,894	663	238,159
Employee benefits	338,664	343,212	(4,548)	347,521
Professional and technical services	108,050	-	108,050	32,316
Staff travel	57,910	45,764	12,146	58,725
Student travel	3,361	-	3,361	-
Utility services	150	114	36	7
Other purchased services	25,077	7,198	17,879	6,896
Supplies, materials and media	28,075	41,222	(13,147)	15,502
Other	9,409	21,978	(12,569)	23,920
Total district administration	<u>1,161,752</u>	<u>1,061,764</u>	<u>99,988</u>	<u>1,253,318</u>
District administration support services:				
Certificated salaries	-	-	-	133,466
Non-certificated salaries	781,096	787,165	(6,069)	756,007
Employee benefits	537,408	470,664	66,744	515,836
Professional and technical services	147,250	185,817	(38,567)	102,066
Staff travel	3,527	3,438	89	28,164
Utility services	28,037	74,100	(46,063)	24,000
Other purchased services	188,960	222,313	(33,353)	202,637
Supplies, materials and media	90,617	176,024	(85,407)	163,583
Other	8,600	16,319	(7,719)	14,338
Less recovery of indirect costs	(180,000)	(208,379)	28,379	(176,000)
Total district administration support services	<u>1,605,495</u>	<u>1,727,461</u>	<u>(121,966)</u>	<u>1,764,097</u>
Operations and maintenance of plant:				
Non-certificated salaries	1,881,208	1,887,692	(6,484)	1,895,605
Employee benefits	1,603,269	1,372,305	230,964	1,417,459
Professional and technical services	599,862	206,976	392,886	5,215
Staff travel	17,599	20,938	(3,339)	28,144
Utility services	402,864	322,621	80,243	343,337
Energy	1,617,906	1,326,497	291,409	1,417,950
Other purchased services	572,727	783,772	(211,045)	649,141
Insurance and bond premiums	173,000	-	173,000	
Supplies, materials and media	754,289	561,153	193,136	498,603
Other	1,500	1,080	420	400
Equipment	274,751	279,593	(4,842)	68,902
Total operations and maintenance of plant	<u>7,898,975</u>	<u>6,762,627</u>	<u>1,136,348</u>	<u>6,324,756</u>

(continued)

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

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

Year Ended June 30, 2020

	2020		Variance with Final Budget – Positive (Negative)	2019
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Expenditures, continued:				
Current:				
Student activities:				
Certificated salaries	\$ 105,298	91,263	14,035	114,148
Non-certificated salaries	238,477	198,412	40,065	110,555
Employee benefits	129,002	24,389	104,613	(812)
Professional and technical services	10,873	8,389	2,484	12,244
Staff travel	236,544	235,560	984	343,298
Other purchased services	-	2,583	(2,583)	390
Supplies, materials and media	8,879	40,354	(31,475)	20,748
Other	14,533	7,525	7,008	14,390
Total student activities	<u>743,606</u>	<u>608,475</u>	<u>135,131</u>	<u>614,961</u>
Debt service:				
Principal	-	22,634	(22,634)	21,555
Interest	-	3,566	(3,566)	4,645
Total debt service	<u>-</u>	<u>26,200</u>	<u>(26,200)</u>	<u>26,200</u>
Total expenditures	<u>48,646,569</u>	<u>44,582,148</u>	<u>4,064,421</u>	<u>41,847,324</u>
Excess (deficiency) of revenues over expenditures	<u>(1,664,363)</u>	<u>2,516,571</u>	<u>4,180,934</u>	<u>3,649,863</u>
Other financing sources (uses):				
Transfer out - Impact Aid Capital Project Fund	(1,341,034)	(1,341,034)	-	(169,018)
Transfer out - Component Unit	-	(1,632,815)	(1,632,815)	-
Net other financing sources (uses)	<u>(1,341,034)</u>	<u>(2,973,849)</u>	<u>(1,632,815)</u>	<u>(169,018)</u>
Net change in fund balance	\$ <u>(3,005,397)</u>	<u>(457,278)</u>	<u>2,548,119</u>	3,480,845
Fund balance, beginning of year		<u>10,044,082</u>		<u>6,563,237</u>
Fund balance, end of year		\$ <u><u>9,586,804</u></u>		<u><u>10,044,082</u></u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Pupil Transportation Special Revenue Fund

Year Ended June 30, 2020

(With summarized financial information for the year ended June 30, 2019)

	2020		Variance with Final Budget – Positive (Negative)	2019
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues - Intergovernmental - State of Alaska	\$ 1,894,918	1,905,435	10,517	1,939,686
Expenditures:				
Current:				
Student transportation - to and from school				
Other purchased services	1,883,505	1,829,719	53,786	1,867,898
Supplies, materials and media	62,300	35,455	26,845	51,786
Total expenditures	1,945,805	1,865,174	80,631	1,919,684
Excess (deficiency) of revenues over expenditures	\$ <u>(50,887)</u>	40,261	<u>91,148</u>	20,002
Fund balance, beginning of year		1,375,981		1,355,979
Fund balance, end of year		\$ <u>1,416,242</u>		<u>1,375,981</u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Statement of Revenues, Expenditures and Changes in Fund Balance -
Impact Aid Capital Project Fund

Year Ended June 30, 2020

(With summarized financial information for the year ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
	<u>Actual Amounts</u>	<u>Actual Amounts</u>
Revenues - Intergovernmental -		
Federal sources passed through the State of Alaska		
Impact aid - construction payments	\$ <u>68,932</u>	<u>80,814</u>
Expenditures:		
Construction and facilities acquisition:		
Professional and technical services	231,815	-
Other purchased services	39,819	-
Supplies, materials and media	4,799	-
Total expenditures	<u>276,433</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(207,501)	80,814
Other financing sources -		
Transfer in - General Fund	<u>1,341,034</u>	<u>-</u>
Net change in fund balance	1,133,533	80,814
Fund balance, beginning of year	<u>170,391</u>	<u>89,577</u>
Fund balance, end of year	\$ <u><u>1,303,924</u></u>	<u><u>170,391</u></u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Combining Balance Sheet – Other Governmental Funds

Year Ended June 30, 2020

Special Revenue Funds								
<u>Assets</u>	Munartet Project	New Visions	Artist in Schools	Alaska Pre- Elementary	Cafeteria	Fresh Fruits and Vegetables	Preschool Disabled	Title VI-B
Due from other funds	\$ 143,923	3,500	9,104	108,540	-	1,615	-	-
Receivables	-	-	-	-	736,267	-	4,605	143,119
Inventory	-	-	-	-	205,195	-	-	-
Total assets	<u>143,923</u>	<u>3,500</u>	<u>9,104</u>	<u>108,540</u>	<u>941,462</u>	<u>1,615</u>	<u>4,605</u>	<u>143,119</u>
 <u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	-	-	-	42,395	88,896	1,615	-	771
Accrued payroll	12,610	-	-	4,380	22,800	-	-	-
Due to other funds	-	-	-	-	568,028	-	4,605	142,348
Unearned revenue	131,313	3,500	9,104	61,765	-	-	-	-
Total liabilities	<u>143,923</u>	<u>3,500</u>	<u>9,104</u>	<u>108,540</u>	<u>679,724</u>	<u>1,615</u>	<u>4,605</u>	<u>143,119</u>
Fund balances:								
Nonspendable:								
Inventory	-	-	-	-	205,195	-	-	-
Assigned	-	-	-	-	56,543	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,738</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 143,923</u>	<u>3,500</u>	<u>9,104</u>	<u>108,540</u>	<u>941,462</u>	<u>1,615</u>	<u>4,605</u>	<u>143,119</u>

(continued)

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Combining Balance Sheet – Other Governmental Funds, Continued

Assets	Special Revenue Funds							
	Comprehensive State Literacy Development	Carl Perkins Secondary	Migrant Education Book Program	School Improvement	Title I-A Basic	Title I-C Migrant Education	Title II-A Teacher Training	Title III-A English Language Acquisition
Due from other funds	\$ -	-	-	-	-	-	-	-
Receivables	39,466	10,814	2,205	450	157,911	184,594	44,167	4,925
Inventory	-	-	-	-	-	-	-	-
Total assets	39,466	10,814	2,205	450	157,911	184,594	44,167	4,925
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	-	3,986	-	-	-	12,476	9,073	-
Accrued payroll	-	-	-	-	54,417	7,450	7,128	-
Due to other funds	39,466	6,828	2,205	450	103,494	164,668	27,966	4,925
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	39,466	10,814	2,205	450	157,911	184,594	44,167	4,925
Fund balances:								
Nonspendable:								
Inventory	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 39,466	10,814	2,205	450	157,911	184,594	44,167	4,925

(continued)

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Combining Balance Sheet – Other Governmental Funds, Continued

	Special Revenue Funds						Total Special Revenue Funds
	Title IV-A Student Support	GEERF	Indian Education	Cresel Grant	Kodiak I CAN	Carrs Safeway Innovation Education	
<u>Assets</u>							
Due from other funds	\$ -	-	-	-	-	2,200	268,882
Receivables	10,710	600	43,204	7,221	334,445	-	1,724,703
Inventory	-	-	-	-	-	-	205,195
Total assets	<u>10,710</u>	<u>600</u>	<u>43,204</u>	<u>7,221</u>	<u>334,445</u>	<u>2,200</u>	<u>2,198,780</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	253	600	-	-	13,983	-	174,048
Accrued payroll liabilities	2,799	-	224	1,699	65,291	-	178,798
Due to other funds	7,658	-	42,980	5,522	255,171	-	1,376,314
Unearned revenue	-	-	-	-	-	2,200	207,882
Total liabilities	<u>10,710</u>	<u>600</u>	<u>43,204</u>	<u>7,221</u>	<u>334,445</u>	<u>2,200</u>	<u>1,937,042</u>
Fund balances:							
Nonspendable:							
Inventory	-	-	-	-	-	-	205,195
Assigned	-	-	-	-	-	-	56,543
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,738</u>
Total liabilities and fund balances	<u>\$ 10,710</u>	<u>600</u>	<u>43,204</u>	<u>7,221</u>	<u>334,445</u>	<u>2,200</u>	<u>2,198,780</u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Other Governmental Funds

Year Ended June 30, 2020

	Special Revenue Funds						
	Broadband Assistance Grant	Munartet Project	Staff Development	Artists in Schools	Alaska Pre-Elementary	Cafeteria	Fresh Fruits and Vegetables
Revenues:							
Local sources:							
Charges for services - lunch sales	\$ -	-	-	-	-	122,343	-
Other	-	221,381	-	-	-	1,499	-
Intergovernmental:							
State of Alaska	25,946	-	-	-	374,751	-	-
Federal sources	-	-	17,263	1,097	-	1,949,778	42,987
Total revenues	<u>25,946</u>	<u>221,381</u>	<u>17,263</u>	<u>1,097</u>	<u>374,751</u>	<u>2,073,620</u>	<u>42,987</u>
Expenditures:							
Current:							
Instruction	-	41,186	-	1,097	273,218	-	-
Special education instruction	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-
Support services - instruction	25,946	10,981	10,192	-	55,706	-	-
School administration	-	-	2,320	-	540	-	-
School administration support services	-	-	-	-	-	-	-
District administration	-	151,923	2,056	-	-	-	-
District administration support services	-	17,291	2,695	-	45,287	-	-
Food services	-	-	-	-	-	1,811,882	42,987
Total expenditures	<u>25,946</u>	<u>221,381</u>	<u>17,263</u>	<u>1,097</u>	<u>374,751</u>	<u>1,811,882</u>	<u>42,987</u>
Excess of revenues over expenditures	-	-	-	-	-	261,738	-
Fund balances, beginning of year	-	-	-	-	-	-	-
Fund balances, end of year	\$ -	-	-	-	-	<u>261,738</u>	-

(continued)

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Other Governmental Funds, Continued

	Special Revenue Funds							Migrant Education Book Program
	Alaska Grown	USDA Administrative Fee Reimbursement	Preschool Disabled	Title VI-B	Comprehensive State Literacy Development	CDCP Health and Wellness Grants	Carl Perkins Secondary	
Revenues:								
Local sources:								
Charges for services - lunch sales	\$ -	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	9,049	-	-	-	-	-	-	-
Federal sources	-	15,542	19,011	575,302	62,322	2,175	46,621	9,206
Total revenues	<u>9,049</u>	<u>15,542</u>	<u>19,011</u>	<u>575,302</u>	<u>62,322</u>	<u>2,175</u>	<u>46,621</u>	<u>9,206</u>
Expenditures:								
Current:								
Instruction	-	-	-	-	56,423	-	44,710	9,206
Special education instruction	-	-	17,771	343,832	-	-	-	-
Special education support services - students	-	-	-	193,984	-	-	-	-
Support services - students	-	-	-	-	-	2,175	-	-
Support services - instruction	-	-	-	-	-	-	-	-
School administration	-	-	-	-	1,838	-	-	-
School administration support services	-	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	-
District administration support services	-	-	1,240	37,486	4,061	-	1,911	-
Food services	9,049	15,542	-	-	-	-	-	-
Total expenditures	<u>9,049</u>	<u>15,542</u>	<u>19,011</u>	<u>575,302</u>	<u>62,322</u>	<u>2,175</u>	<u>46,621</u>	<u>9,206</u>
Excess of revenues over expenditures	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Other Governmental Funds, Continued

	Special Revenue Funds						
	School Improvement	Title I-A Basic	Title I-C Migrant Education	Title II-A Teacher Training	Title III-A ELA	Title IV-A Student Support	GEERF
Revenues:							
Local sources:							
Charges for services - lunch sales	\$ -	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Intergovernmental:							
State of Alaska	-	-	-	-	-	-	-
Federal sources	450	361,153	420,422	65,344	17,391	34,113	600
Total revenues	<u>450</u>	<u>361,153</u>	<u>420,422</u>	<u>65,344</u>	<u>17,391</u>	<u>34,113</u>	<u>600</u>
Expenditures:							
Current:							
Instruction	-	301,447	306,962	-	15,783	5,176	600
Special education instruction	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-
Support services - students	-	-	8,869	-	-	22,544	-
Support services - instruction	421	-	1,461	61,086	475	-	-
School administration	-	-	-	-	-	-	-
School administration support services	-	-	8,991	-	-	4,170	-
District administration	-	26,081	-	-	-	-	-
District administration support services	29	33,625	94,139	4,258	1,133	2,223	-
Food services	-	-	-	-	-	-	-
Total expenditures	<u>450</u>	<u>361,153</u>	<u>420,422</u>	<u>65,344</u>	<u>17,391</u>	<u>34,113</u>	<u>600</u>
Excess of revenues over expenditures	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-
Fund balances, end of year	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Other Governmental Funds, Continued

	Special Revenue Funds						Total Special Revenue Funds
	Indian Education	Cresel Grant	Kodiak I Can	Thread Bear Resale Shop	Teaching Tolerance	Carrs Safeway Innovation Education	
Revenues:							
Local sources:							
Charges for services - lunch sales	\$ -	-	-	-	-	-	122,343
Other	-	-	-	-	238	2,800	225,918
Intergovernmental:							
State of Alaska	-	-	-	2,000	-	-	411,746
Federal sources	183,001	21,623	894,386	-	-	-	4,739,787
Total revenues	<u>183,001</u>	<u>21,623</u>	<u>894,386</u>	<u>2,000</u>	<u>238</u>	<u>2,800</u>	<u>5,499,794</u>
Expenditures:							
Current:							
Instruction	160,985	14,251	453,005	2,000	238	2,800	1,689,087
Special education instruction	-	-	-	-	-	-	361,603
Special education support services - students	-	-	-	-	-	-	193,984
Support services - students	-	6,367	9,795	-	-	-	49,750
Support services - instruction	-	1,005	5,946	-	-	-	173,219
School administration	-	-	7,381	-	-	-	12,079
School administration support services	-	-	-	-	-	-	13,161
District administration	-	-	89,408	-	-	-	269,468
District administration support services	22,016	-	328,851	-	-	-	596,245
Food services	-	-	-	-	-	-	1,879,460
Total expenditures	<u>183,001</u>	<u>21,623</u>	<u>894,386</u>	<u>2,000</u>	<u>238</u>	<u>2,800</u>	<u>5,238,056</u>
Excess of revenues over expenditures	-	-	-	-	-	-	261,738
Fund balances, beginning of year	-	-	-	-	-	-	-
Fund balances, end of year	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,738</u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
 (A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
 in Fund Balance – Budget and Actual – Special Revenue Fund –
 BROADBAND ASSISTANCE GRANT (BAG)

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ 25,946	25,946	-
Expenditures:			
Current:			
Support services - instruction - Utility services	25,946	25,946	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
MUNARTET PROJECT

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 352,695	221,381	(131,314)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	25,000	17,090	7,910
Employee benefits	41,000	5,294	35,706
Transportation allowance	3,343	600	2,743
Professional and technical services	8,000	16,516	(8,516)
Utility services	-	14	(14)
Supplies, materials and media	8,500	890	7,610
Other	-	782	(782)
Total instruction	<u>85,843</u>	<u>41,186</u>	<u>44,657</u>
Support services - instruction:			
Certificated salaries	-	90	(90)
Employee benefits	-	13	(13)
Professional and technical services	-	2,541	(2,541)
Staff travel	12,500	7,336	5,164
Other	-	1,001	(1,001)
Total support services - instruction	<u>12,500</u>	<u>10,981</u>	<u>1,519</u>
School administration support services - Non-certificated salaries	<u>4,000</u>	<u>-</u>	<u>4,000</u>
District administration:			
Certificated salaries	173,000	105,002	67,998
Employee benefits	56,822	46,921	9,901
Total district administration	<u>229,822</u>	<u>151,923</u>	<u>77,899</u>
District administration support services - Indirect costs	<u>20,530</u>	<u>17,291</u>	<u>3,239</u>
Total expenditures	<u>352,695</u>	<u>221,381</u>	<u>131,314</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
STAFF DEVELOPMENT

Year Ended June 30, 2020

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ <u>20,370</u>	<u>17,263</u>	<u>(3,107)</u>
Expenditures:			
Current:			
Support services - instruction - Staff travel	<u>20,370</u>	<u>10,192</u>	<u>10,178</u>
School administration - Staff travel	<u>-</u>	<u>2,320</u>	<u>(2,320)</u>
District administration - Staff travel	<u>-</u>	<u>2,056</u>	<u>(2,056)</u>
District administration support services - Staff travel	<u>-</u>	<u>2,695</u>	<u>(2,695)</u>
Total expenditures	<u>20,370</u>	<u>17,263</u>	<u>3,107</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>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
ARTISTS IN SCHOOLS

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources - other	\$ 6,000	-	(6,000)
Intergovernmental:			
State of Alaska	2,100	-	(2,100)
Federal sources passed through the State of Alaska	2,100	1,097	(1,003)
Total intergovernmental	4,200	1,097	(3,103)
Total revenues	10,200	1,097	(9,103)
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	-	1,000	(1,000)
Employee benefits	-	97	(97)
Professional and technical services	10,200	-	10,200
Total instruction	10,200	1,097	9,103
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
ALASKA PRE-ELEMENTARY

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ 436,516	374,751	(61,765)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	31,800	20,457	11,343
Non-certificated salaries	41,615	42,631	(1,016)
Employee benefits	87,677	60,933	26,744
Professional and technical services	-	8,722	(8,722)
Staff travel	-	2,587	(2,587)
Other purchased services	500	162	338
Supplies, materials and media	162,599	137,726	24,873
Total instruction	<u>324,191</u>	<u>273,218</u>	<u>50,973</u>
Support services - instruction:			
Certificated salaries	-	5,205	(5,205)
Non-certificated salaries	34,600	1,686	32,914
Employee benefits	-	1,776	(1,776)
Professional and technical services	40,400	20,700	19,700
Staff travel	16,500	11,751	4,749
Other purchased services	-	401	(401)
Supplies, materials and media	-	13,825	(13,825)
Other	-	362	(362)
Total support services - instruction	<u>91,500</u>	<u>55,706</u>	<u>35,794</u>
School administration - Staff travel	<u>-</u>	<u>540</u>	<u>(540)</u>
District administration support services:			
Non-certificated salaries	-	18,016	(18,016)
Employee benefits	-	9,392	(9,392)
Indirect costs	20,825	17,879	2,946
Total district administration support services	<u>20,825</u>	<u>45,287</u>	<u>(24,462)</u>
Total expenditures	<u>436,516</u>	<u>374,751</u>	<u>61,765</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
CAFETERIA

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Charges for services - lunch sales	\$ 187,000	122,343	(64,657)
Other local revenues	300	1,499	1,199
Total local sources	<u>187,300</u>	<u>123,842</u>	<u>(63,458)</u>
Intergovernmental:			
Federal sources passed through the State of Alaska:			
Type A reimbursement	870,000	1,813,231	943,231
USDA commodities	71,350	136,547	65,197
Total federal sources passed through the State of Alaska	<u>941,350</u>	<u>1,949,778</u>	<u>1,008,428</u>
Total revenues	<u>1,128,650</u>	<u>2,073,620</u>	<u>944,970</u>
Expenditures:			
Current:			
Food services:			
Non-certificated salaries	371,210	445,511	(74,301)
Employee benefits	326,240	342,132	(15,892)
Staff travel	3,000	1,218	1,782
Other purchased services	3,000	41,769	(38,769)
Supplies, materials and media	573,700	973,406	(399,706)
Other	12,500	1,555	10,945
Equipment	19,000	6,291	12,709
Total expenditures	<u>1,308,650</u>	<u>1,811,882</u>	<u>(503,232)</u>
Excess (deficiency) of revenues over expenditures	(180,000)	261,738	441,738
Other financing sources - transfers in - General Fund	<u>180,000</u>	<u>-</u>	<u>(180,000)</u>
Net change in fund balance	\$ <u>-</u>	261,738	<u>261,738</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>261,738</u>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
FRESH FRUITS AND VEGETABLES

Year Ended June 30, 2020

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ <u>57,427</u>	<u>42,987</u>	<u>(14,440)</u>
Expenditures:			
Current:			
Food services:			
Non-certificated salaries	6,650	2,493	4,157
Employee benefits	1,876	3,463	(1,587)
Supplies, materials and media	<u>48,901</u>	<u>37,031</u>	<u>11,870</u>
Total expenditures	<u>57,427</u>	<u>42,987</u>	<u>14,440</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>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
 (A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
 in Fund Balance – Budget and Actual – Special Revenue Fund –
 ALASKA GROWN

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ 9,049	9,049	-
Expenditures:			
Current:			
Food services - Supplies, materials and media	9,049	9,049	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
USDA ADMINISTRATIVE FEE REIMBURSEMENT

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 15,542	15,542	-
Expenditures: Current: Food services - Supplies, material and media	15,542	15,542	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
 (A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
 in Fund Balance – Budget and Actual – Special Revenue Fund –
 PRESCHOOL DISABLED

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 19,016	19,011	(5)
Expenditures:			
Current:			
Special education instruction:			
Non-certificated salaries	10,164	10,164	-
Employee benefits	5,009	5,008	1
Supplies, material and media	2,604	2,599	5
Total special education instruction	<u>17,777</u>	<u>17,771</u>	<u>6</u>
District administration support services -			
Indirect cost	<u>1,239</u>	<u>1,240</u>	<u>(1)</u>
Total expenditures	<u>19,016</u>	<u>19,011</u>	<u>5</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
TITLE VI-B

Year Ended June 30, 2020

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 623,652	575,302	(48,350)
Expenditures:			
Current:			
Special education instruction:			
Non-certificated salaries	161,031	162,755	(1,724)
Employee benefits	118,871	112,651	6,220
Transportation allowance	1,750	37	1,713
Professional and technical services	42,951	10,593	32,358
Staff travel	21,000	14,525	6,475
Supplies, materials and media	51,103	42,770	8,333
Other	5,162	501	4,661
Total special education instruction	<u>401,868</u>	<u>343,832</u>	<u>58,036</u>
Special education support services - students:			
Non-certificated salaries	106,469	104,745	1,724
Employee benefits	74,679	80,897	(6,218)
Staff travel	-	4,751	(4,751)
Supplies, materials and media	-	3,591	(3,591)
Total special education support services - students	<u>181,148</u>	<u>193,984</u>	<u>(12,836)</u>
District administration support services -			
Indirect costs	<u>40,636</u>	<u>37,486</u>	<u>3,150</u>
Total expenditures	<u>623,652</u>	<u>575,302</u>	<u>48,350</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
COMPREHENSIVE STATE LITERACY DEVELOPMENT

Year Ended June 30, 2020

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ <u>291,638</u>	<u>62,322</u>	<u>(229,316)</u>
Expenditures:			
Current:			
Instruction:			
Certificated salaries	76,783	765	76,018
Employee benefits	28,750	115	28,635
Professional and technical services	44,750	18,750	26,000
Staff travel	46,785	-	46,785
Supplies, materials and media	<u>75,567</u>	<u>36,793</u>	<u>38,774</u>
Total instruction	<u>272,635</u>	<u>56,423</u>	<u>216,212</u>
School administration -			
Staff travel	<u>-</u>	<u>1,838</u>	<u>(1,838)</u>
District administration support services -			
Indirect costs	<u>19,003</u>	<u>4,061</u>	<u>14,942</u>
Total expenditures	<u>291,638</u>	<u>62,322</u>	<u>229,316</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>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
CDCP HEALTH AND WELLNESS GRANTS

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 26,500	2,175	(24,325)
Expenditures:			
Current:			
Support services - students:			
Professional and technical services	4,500	-	4,500
Staff travel	7,000	2,175	4,825
Supplies, materials and media	15,000	-	15,000
Total expenditures	<u>26,500</u>	<u>2,175</u>	<u>24,325</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
CARL PERKINS SECONDARY

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 54,410	46,621	(7,789)
Expenditures:			
Current:			
Instruction:			
Supplies, materials and media	39,129	38,210	919
Equipment	13,325	6,500	6,825
Total instruction	<u>52,454</u>	<u>44,710</u>	<u>7,744</u>
District administration support services -			
Indirect costs	<u>1,956</u>	<u>1,911</u>	<u>45</u>
Total expenditures	<u>54,410</u>	<u>46,621</u>	<u>7,789</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>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
 (A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
 in Fund Balance – Budget and Actual – Special Revenue Fund –
 MIGRANT EDUCATION BOOK PROGRAM

Year Ended June 30, 2020

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ <u>13,125</u>	<u>9,206</u>	<u>(3,919)</u>
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	<u>13,125</u>	<u>9,206</u>	<u>3,919</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>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
SCHOOL IMPROVEMENT

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 11,767	450	(11,317)
Expenditures:			
Current:			
Support services - instruction:			
Certificated salaries	5,250	-	5,250
Employee benefits	773	-	773
Professional and technical services	990	-	990
Travel	3,300	115	3,185
Supplies, materials and media	688	306	382
Total support services - instruction	<u>11,001</u>	<u>421</u>	<u>10,580</u>
District administration support services -			
Indirect costs	<u>766</u>	<u>29</u>	<u>737</u>
Total expenditures	<u>11,767</u>	<u>450</u>	<u>11,317</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>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
TITLE I-A BASIC

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 368,525	361,153	(7,372)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	186,090	200,213	(14,123)
Non-certificated salaries	6,280	6,310	(30)
Employee benefits	86,164	90,958	(4,794)
Supplies, materials and media	11,710	3,966	7,744
Total instruction	<u>290,244</u>	<u>301,447</u>	<u>(11,203)</u>
District administration:			
Certificated salaries	29,601	17,517	12,084
Employee benefits	14,240	8,564	5,676
Total district administration	<u>43,841</u>	<u>26,081</u>	<u>17,760</u>
District administration support services:			
Non-certificated salaries	6,600	6,476	124
Employee benefits	3,828	3,617	211
Indirect costs	24,012	23,532	480
Total district administration support services	<u>34,440</u>	<u>33,625</u>	<u>815</u>
Total expenditures	<u>368,525</u>	<u>361,153</u>	<u>7,372</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
TITLE I-C MIGRANT EDUCATION

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 534,887	420,422	(114,465)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	54,067	19,595	34,472
Non-certificated salaries	106,650	103,261	3,389
Employee benefits	33,521	34,719	(1,198)
Utility services	-	1,039	(1,039)
Supplies, materials and media	112,570	90,976	21,594
Tuition - students and stipends	5,000	-	5,000
Other	68,371	57,372	10,999
Total instruction	<u>380,179</u>	<u>306,962</u>	<u>73,217</u>
Support services - students:			
Certificated salaries	6,841	7,710	(869)
Employee benefits	1,144	1,159	(15)
Total support services - students	<u>7,985</u>	<u>8,869</u>	<u>(884)</u>
Support services - instruction:			
Employee benefits	41,762	-	41,762
Supplies, materials and media	-	1,461	(1,461)
Total support services - instruction	<u>41,762</u>	<u>1,461</u>	<u>40,301</u>
School administration support services:			
Non-certificated salaries	-	7,800	(7,800)
Employee benefits	733	728	5
Utility services	4,000	463	3,537
Total school administration support services	<u>4,733</u>	<u>8,991</u>	<u>(4,258)</u>
District administration support services:			
Non-certificated salaries	42,800	42,750	50
Employee benefits	22,901	23,831	(930)
Utility services	-	164	(164)
Indirect costs	34,527	27,394	7,133
Total district administration support services	<u>100,228</u>	<u>94,139</u>	<u>6,089</u>
Total expenditures	<u>534,887</u>	<u>420,422</u>	<u>114,465</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, year end		\$ <u>-</u>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
TITLE II-A TEACHER TRAINING

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 183,136	65,344	(117,792)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	27,415	-	27,415
Staff travel	79,650	-	79,650
Total instruction	<u>107,065</u>	<u>-</u>	<u>107,065</u>
Support services - instruction:			
Certificated salaries	7,000	10,503	(3,503)
Non-certificated salaries	-	4,994	(4,994)
Employee benefits	30,338	4,985	25,353
Professional and technical services	20,000	20,322	(322)
Staff travel	-	15,163	(15,163)
Supplies, materials and media	6,345	4,665	1,680
Other	455	454	1
Total support services - instruction	<u>64,138</u>	<u>61,086</u>	<u>3,052</u>
District administration support services -			
Indirect costs	<u>11,933</u>	<u>4,258</u>	<u>7,675</u>
Total expenditures	<u>183,136</u>	<u>65,344</u>	<u>117,792</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>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
TITLE III-A ENGLISH LANGUAGE ACQUISITION (ELA)

Year Ended June 30, 2020

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ <u>34,282</u>	<u>17,391</u>	<u>(16,891)</u>
Expenditures:			
Current:			
Instruction:			
Staff travel	7,875	-	7,875
Supplies, materials and media	<u>24,173</u>	<u>15,783</u>	<u>8,390</u>
Total instruction	<u>32,048</u>	<u>15,783</u>	<u>16,265</u>
Support services - instruction -			
Staff travel	<u>-</u>	<u>475</u>	<u>(475)</u>
District administration support services -			
Indirect costs	<u>2,234</u>	<u>1,133</u>	<u>1,101</u>
Total expenditures	<u>34,282</u>	<u>17,391</u>	<u>16,891</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>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
TITLE IV-A STUDENT SUPPORT

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 51,619	34,113	(17,506)
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	-	5,176	(5,176)
Support services - students:			
Non-certificated salaries	28,811	15,840	12,971
Employee benefits	1,900	1,487	413
Supplies, materials and media	17,545	5,217	12,328
Total support services - students	<u>48,256</u>	<u>22,544</u>	<u>25,712</u>
School administration support services:			
Non-certificated salaries	-	2,600	(2,600)
Employee benefits	-	251	(251)
Supplies, materials and media	-	1,319	(1,319)
Total school administration support services	<u>-</u>	<u>4,170</u>	<u>(4,170)</u>
District administration support services -			
Indirect costs	<u>3,363</u>	<u>2,223</u>	<u>1,140</u>
Total expenditures	<u>51,619</u>	<u>34,113</u>	<u>17,506</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
 (A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
 in Fund Balance – Budget and Actual – Special Revenue Fund –
 GOVERNOR'S EMERGENCY EDUCATION RELIEF FUND (GEERF)

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 600	600	-
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	600	600	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
INDIAN EDUCATION

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal direct sources	\$ 184,453	183,001	(1,452)
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	117,265	117,921	(656)
Employee benefits	37,829	43,064	(5,235)
Total instruction	<u>155,094</u>	<u>160,985</u>	<u>(5,891)</u>
District administration support services:			
Non-certificated salaries	10,459	6,476	3,983
Employee benefits	6,044	3,617	2,427
Indirect costs	12,856	11,923	933
Total district administration support services	<u>29,359</u>	<u>22,016</u>	<u>7,343</u>
Total expenditures	<u>184,453</u>	<u>183,001</u>	<u>1,452</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
CRESEL GRANT

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues - Intergovernmental -			
Federal sources passed through Association of Alaska School Boards	\$ 63,705	21,623	(42,082)
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	-	169	(169)
Employee benefits	-	17	(17)
Supplies, materials and media	-	14,065	(14,065)
Total instruction	<u> </u>	<u>14,251</u>	<u>(14,251)</u>
Support services - students:			
Certificated salaries	-	5,528	(5,528)
Employee benefits	-	839	(839)
Supplies, materials and media	21,000	-	21,000
Total support services - students	<u>21,000</u>	<u>6,367</u>	<u>14,633</u>
Support services - instruction:			
Staff travel	17,800	-	17,800
Supplies, materials and media	24,905	1,005	23,900
Total support services - instruction	<u>42,705</u>	<u>1,005</u>	<u>41,700</u>
Total expenditures	<u>63,705</u>	<u>21,623</u>	<u>42,082</u>
Excess of revenues over expenditures	\$ <u> </u>	-	<u> </u>
Fund balance, beginning of year		<u> </u>	
Fund balance, end of year		\$ <u> </u>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
KODIAK I CAN

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal direct sources	\$ 1,056,647	894,386	(162,261)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	399,973	203,663	196,310
Non-certificated salaries	7,000	8,692	(1,692)
Employee benefits	190,892	84,072	106,820
Professional and technical services	41,257	33,943	7,314
Other purchased services	8,055	8,055	-
Staff travel	-	6,360	(6,360)
Student travel	47,555	-	47,555
Supplies, materials and media	133,799	84,351	49,448
Other	2,561	16,289	(13,728)
Equipment	14,705	7,580	7,125
Total instruction	<u>845,797</u>	<u>453,005</u>	<u>392,792</u>
Support services - students - Staff travel	-	9,795	(9,795)
Support services - instruction:			
Certificated salaries	-	1,000	(1,000)
Employee benefits	-	495	(495)
Staff travel	875	-	875
Supplies, materials and media	-	4,451	(4,451)
Total support services - instruction	<u>875</u>	<u>5,946</u>	<u>(5,071)</u>
School administration:			
Certificated salaries	-	4,656	(4,656)
Employee benefits	-	2,335	(2,335)
Staff travel	-	390	(390)
Total school administration	<u>-</u>	<u>7,381</u>	<u>(7,381)</u>
District administration:			
Certificated salaries	4,656	59,118	(54,462)
Employee benefits	2,207	29,846	(27,639)
Staff travel	7,962	444	7,518
Other purchased services	7,571	-	7,571
Total district administration	<u>22,396</u>	<u>89,408</u>	<u>(82,101)</u>
District administration support services:			
Certificated salaries	7,401	84,172	(76,771)
Non-certificated salaries	114,713	91,998	22,715
Employee benefits	9,878	94,662	(84,784)
Indirect cost	55,587	58,019	(2,432)
Total district administration support services	<u>187,579</u>	<u>328,851</u>	<u>(141,272)</u>
Total expenditures	<u>1,056,647</u>	<u>894,386</u>	<u>162,261</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Special Revenue Fund –
THREAD BEAR RESALE SHOP

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ 2,000	2,000	-
Expenditures:			
Current:			
Instruction - Supplies, materials and media	2,000	2,000	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
 (A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
 in Fund Balance – Budget and Actual – Special Revenue Fund –
 TEACHING TOLERANCE

Year Ended June 30, 2020

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - local sources -			
Other	\$ <u>10,000</u>	<u>238</u>	<u>(9,762)</u>
Expenditures:			
Current:			
Instruction:			
Staff travel	3,000	-	3,000
Supplies, materials and media	<u>7,000</u>	<u>238</u>	<u>6,762</u>
Total expenditures	<u>10,000</u>	<u>238</u>	<u>9,762</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>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
 (A Component Unit of the Kodiak Island Borough)

Schedule of Revenues, Expenditures and Changes
 in Fund Balance – Budget and Actual – Special Revenue Fund –
 CARRS SAFEWAY INNOVATION EDUCATION

Year Ended June 30, 2020

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues - local sources -			
Other	\$ 5,000	2,800	(2,200)
Expenditures:			
Current:			
Instruction -			
Staff travel	5,000	2,800	2,200
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>	

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Changes in Amounts Due to Student Organizations – Student Activity Agency Fund

Year Ended June 30, 2020

	Balance at June 30, 2019	Increases	Decreases	Balance at June 30, 2020
High school:				
Athletics	\$ 191,499	211,367	212,582	190,284
Classes/Clubs	87,199	74,149	42,406	118,942
Other Clubs	37,869	42,254	35,714	44,409
Misc./Other	1,915	2,567	2,437	2,045
Class of 20xx	6,778	6,620	9,756	3,642
Total high school	<u>325,260</u>	<u>336,957</u>	<u>302,895</u>	<u>359,322</u>
Middle school and other:				
Athletics	6,595	16,725	19,226	4,094
Classes/Clubs	67,884	8,081	4,618	71,347
Other Clubs	33,505	3,323	1,997	34,831
Misc./Other	5,553	955	773	5,735
Class of 20xx	2,116	15	-	2,131
Total middle school and other	<u>115,653</u>	<u>29,099</u>	<u>26,614</u>	<u>118,138</u>
Elementary schools:				
East Elementary	16,181	16,481	13,628	19,034
Main Elementary	34,856	15,175	15,954	34,077
North Star Elementary	37,538	8,038	10,359	35,217
Peterson Elementary	30,364	8,310	3,132	35,542
Preschool Peterson	15,999	15,818	31,032	785
Elem. Music/Alutiiq	3,746	-	-	3,746
Total elementary schools	<u>138,684</u>	<u>63,822</u>	<u>74,105</u>	<u>128,401</u>
Rural schools:				
Akhiok	8,048	2,500	1,539	9,009
Chiniak	5,299	1	-	5,300
Danger Bay	3,142	-	-	3,142
Karluk	985	-	-	985
Larsen Bay	2,020	-	-	2,020
Old Harbor	22,590	-	67	22,523
Ouzinkie	13,204	162	1,126	12,240
Port Lions	1,239	605	-	1,844
Village-Wide	9,608	-	-	9,608
Total rural schools	<u>66,135</u>	<u>3,268</u>	<u>2,732</u>	<u>66,671</u>
AK Teach	<u>64,774</u>	<u>2,200</u>	<u>-</u>	<u>66,974</u>
Other Funds:				
Wellness	30,503	6,218	4,483	32,238
Scholarships/BOE	225	-	-	225
Staff Morale	(342)	525	50,756	(50,573)
Misc./Other	(705)	51,182	-	50,477
Total other funds	<u>29,681</u>	<u>57,925</u>	<u>55,239</u>	<u>32,367</u>
	\$ <u>740,187</u>	<u>493,271</u>	<u>461,585</u>	<u>771,873</u>

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
 (A Component Unit of the Kodiak Island Borough)

Schedule of Compliance - AS 14.17.505

Year Ended June 30, 2020

Total fund balance - General Fund	\$	9,586,804
less exemptions per 4 AAC 09.60(a):		
Inventory		359,873
Prepays		26,130
Encumbrances		1,267,503
Impact aid		2,788,640
Homeschool allotment rollover		32,394
Self-insurance		<u>500,000</u>
Fund balance subject to 10% limitation	\$	<u><u>4,612,264</u></u>

Nonexempt fund balances as a percentage of current year expenditures

<u>Fund balance subject to limitations</u>	=	<u>4,612,264</u>	=	<u>10.35%</u>
Current year expenditures		44,582,148		

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of Expenditures of Federal Awards

Year end June 30, 2020

Federal Grantor	Federal CFDA Number	Federal Grantor/ Pass-through Entity Identifying Number	Grant Amount	Total Federal Expenditures
U.S. Department of Education:				
Direct Programs:				
Impact Aid	84.041	11-AK-2020-0201	\$ 73,614	73,614
Impact Aid	84.041	11-AK-2019-0201	3,604	3,604
Total impact aid			<u>77,218</u>	<u>77,218</u>
Indian Education	84.060	S060A180673	184,453	183,001
Kodiak I Can Project	84.299	S299A160045-17	931,432	116,004
Kodiak I Can Project	84.299	S299A160045-18	875,475	778,382
Total 84.299			<u>1,806,907</u>	<u>894,386</u>
Total Direct Programs			<u>2,068,578</u>	<u>1,154,605</u>
Passed through the State of Alaska, Department of Education and Early Development:				
Impact Aid:				
Impact Aid Construction	84.041	11-AK-2020-0001	68,932	68,932
Impact Aid	84.041	11-AK-2019-0001	278,370	278,370
Impact Aid	84.041	11-AK-2020-0001	2,433,052	2,433,052
Department of Defense	84.041	None	121,773	121,723
Total Impact Aid			<u>2,902,127</u>	<u>2,902,077</u>
Special Education Cluster:				
Preschool Disabled	84.173	SE20.KISD.01	19,016	19,011
Title VI-B	84.027	SE20.KISD.01	623,652	575,302
Total Special Education Cluster			<u>642,668</u>	<u>594,313</u>
Carl Perkins Secondary	84.048	EK20.KISD.01	47,838	46,621
Staff Development	84.048	SD20.KISD.01	4,500	3,553
Total 84.048			<u>52,338</u>	<u>50,174</u>
Title I-C Migrant Education	84.011	IP20.KISD.01	759,395	420,422
Migrant Education Book Program	84.011	MB20.KISD.01	13,125	9,206
Staff Development	84.011	SD20.KISD.01	4,100	3,237
Total 84.011			<u>776,620</u>	<u>432,865</u>
Title I-A Basic	84.010	IP20.KISD.01	368,525	361,153
School Improvement	84.010	SI20.KISD.03	11,767	450
Staff Development	84.010	SD20.KISD.01	5,000	3,943
Total 84.010			<u>385,292</u>	<u>365,546</u>
Title IV-A Student Support	84.424	IP20.KISD.01	51,619	34,113

(continued)

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Exhibit M-1, Continued

Schedule of Expenditures of Federal Awards, Continued

Federal Grantor	Federal CFDA Number	Federal Grantor/ Pass-through Entity Identifying Number	Grant Amount	Total Federal Expenditures
U.S. Department of Education, continued:				
Passed through the State of Alaska, Department of Education and Early Development:				
Title II-A Teacher Training	84.367	IP20.KISD.01	\$ 183,136	65,344
Staff Development	84.367	SD20.KISD.01	2,600	2,053
Total 84.367			<u>185,736</u>	<u>67,397</u>
Title III-A English Language Acquisition	84.365	IP20.KISD.01	34,282	17,391
COVID-19 Governor's Emergency Education Relief Fund (GEERF)	84.425C	20.KISD.01	600	600
Comprehensive State Literacy Development	84.371	AL20.KISD.01	291,638	62,322
Passed through Association of Alaska School Boards - CRESEL	84.411	U411C150085	63,705	21,623
Total U.S. Department of Education			<u>7,455,203</u>	<u>5,703,026</u>
National Endowment for the Arts:				
Passed through Alaska State Council on the Arts: Artist in Schools	45.025	FY20AIS0009	2,100	1,097
U.S. Department of Health and Human Services,				
Passed through the State of Alaska, Department of Education and Early Development -				
Staff Development	93.243	SD20.KISD.01	5,670	4,477
CDCP Health and Wellness	93.841	CD20.KISD.01	26,500	2,175
Total U.S. Department of Health and Human Services			<u>32,170</u>	<u>6,652</u>
U.S. Department of Agriculture:				
Passed through the State of Alaska, Department of Education and Early Development:				
Child Nutrition Cluster:				
National School Breakfast Program	10.553	None	82,447	82,447
COVID-19 National School Breakfast Program	10.553	None	7,781	7,781
National School Lunch Program	10.555	None	388,472	388,472
COVID-19 National School Lunch Program	10.555	None	37,997	37,997
National After School Snack Program	10.555	None	1,112	1,112
Commodities	10.555	None	136,547	136,547
National Summer Lunch Program	10.559	None	68,693	68,693
COVID-19 National Summer Lunch Program	10.559	None	1,226,729	1,226,729
Total Child Nutrition Cluster			<u>1,949,778</u>	<u>1,949,778</u>
Fresh Fruits and Vegetables	10.582	FF20.KISD.01	9,183	9,183
Fresh Fruits and Vegetables	10.582	FF20.KISD.02	48,244	33,804
Total 10.582			<u>57,427</u>	<u>42,987</u>
Food Distribution Administrative Fee Reimbursement	10.560	FD20.KISD.01	15,542	15,542
Total U.S. Department of Agriculture			<u>2,022,747</u>	<u>2,008,307</u>
Total federal financial assistance			<u>\$ 9,512,220</u>	<u>7,719,082</u>

See accompanying notes to the Schedule

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Kodiak Island Borough School District under programs of the federal government for the year ended June 30, 2020. 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 Kodiak Island Borough School District, it is not intended to and does not present the basic financial statements of Kodiak Island Borough 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. Kodiak Island Borough 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. CFDA # Total

The total expenditures for CFDA #84.041 were \$2,979,295 for the year ended June 30, 2020.

Note 5. Non-monetary Assistance

Non-monetary assistance is reported on the schedule at fair value of commodities received and disbursed. For the year ended June 30, 2020, the District received \$136,547 in commodities.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Schedule of State Financial Assistance

Year Ended June 30, 2020

Grant Title	Grant Number	Grant Amount	Current Year Expenditures
Alaska Department of Education and Early Development:			
Direct:			
# Foundation	None	\$ 27,998,271	27,998,271
# House Bill 287	None	636,497	636,497
Dividend raffle	None	10,358	10,358
Quality Schools Initiative	None	88,081	88,081
# Pupil Transportation	None	1,905,435	1,905,435
Broadband Assistance Grant (BAG)	None	25,946	25,946
Alaska Pre-Elementary	PT19.KISD.01	436,516	374,751
Total Alaska Department of Education and Early Development		<u>31,101,104</u>	<u>31,039,339</u>
Alaska Department of Commerce, Community and Economic Development:			
Direct:			
Nutritional Alaska Foods in Schools	15-NAFS-373	55,141	9,049
Alaska Department of Administration:			
Direct:			
# TRS On-behalf	None	2,749,502	2,749,502
# PERS On-behalf	None	543,675	543,675
Total Alaska Department of Administration		<u>3,293,177</u>	<u>3,293,177</u>
Alaska Mental Health Trust Authority:			
Direct:			
Thread Bear Resale Shop	None	2,000	2,000
Total State financial assistance		<u>\$ 34,451,422</u>	<u>34,343,565</u>

See accompanying notes to the Schedule

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2020

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Kodiak Island Borough School District under programs of the State of Alaska for the year ended June 30, 2020. 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 Kodiak Island Borough School District, it is not intended to and does not present the basic financial statements of Kodiak Island Borough 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.

COMPLIANCE SECTION

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

Independent Auditor's Report

Members of the School Board
Kodiak Island Borough School District
Kodiak, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kodiak Island Borough School District, a component unit of the Kodiak Island Borough, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Kodiak Island Borough School District's basic financial statements, and have issued our report thereon dated November 6, 2020.

Internal Control Over Financial Reporting

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

Members of the School Board
Kodiak Island Borough School District

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

Compliance and Other Matters

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

Purpose of this Report

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



Anchorage, Alaska
November 6, 2020

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

Independent Auditor's Report

Members of the School Board
Kodiak Island Borough School District
Kodiak, Alaska

Report on Compliance for Each Major Federal Program

We have audited Kodiak Island Borough 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 Kodiak Island Borough School District's major federal programs for the year ended June 30, 2020. Kodiak Island Borough 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 Kodiak Island Borough 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 Kodiak Island Borough 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 Kodiak Island Borough School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Kodiak Island Borough 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, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and is described in the accompanying federal schedule of findings and questioned costs as Finding 2020-001. Our opinion on each major federal program is not modified with respect to this matter.

Kodiak Island Borough School District's response to the noncompliance finding identified in our audit is described in the accompanying federal schedule of findings and questioned costs and corrective action plan. Kodiak Island Borough School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Kodiak Island Borough 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 Kodiak Island Borough 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 Kodiak Island Borough 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Members of the School Board
Kodiak Island Borough School District

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying federal schedule of findings and questioned costs as Finding 2020-001, that we consider to be a significant deficiency.

Kodiak Island Borough School District's response to the finding identified in our audit is described in the accompanying federal schedule of findings and questioned costs and corrective action plan. Kodiak Island Borough School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
November 6, 2020

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

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

___ Yes X No

Internal control over financial reporting:

Material weakness(es) identified?

___ Yes X No

Significant deficiency(ies) identified?

___ Yes X None Reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

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

Material weakness(es) identified?

___ Yes X No

Significant deficiency(ies) identified?

X 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 X No

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

Unmodified

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

___ Yes X No

Identification of major programs:

CFDA Number(s)

10.553, 10.555, 10.559
84.010
84.299

Name of Federal Program or Cluster

Child Nutrition Cluster
Title I-A Basic
Kodiak I Can Project

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

\$ 750,000

Auditee qualified as low-risk auditee?

X Yes ___ No

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Federal Schedule of Findings and Questioned Costs, Continued

Section II - Financial Statement Findings

The Kodiak Island Borough School District did not have any findings related to the financial statements.

Section III - Federal Award Findings and Questioned Costs

Finding 2020-001

Lack of Internal Control over Reporting

Federal Agency:	U.S. Department of Agriculture, passed through the State of Alaska Department of Education and Early Development
Federal Program:	Child Nutrition Cluster
CFDA #:	10.553, 10.555, and 10.559
Award Number:	None
Award Year:	2020
Type of Finding:	Significant deficiency in internal control over compliance and noncompliance
Condition and context:	During our review of reporting over the Child Nutrition Cluster we noted that the verification report for low income household eligibility was submitted late. The District is required to submit reports by November 15 th of each school year to verify the current free and reduced price eligibility for households. In the current year the report was submitted after the November 15 th deadline and no extensions were received. The report was filed on November 22, 2019.
Criteria:	Proper internal controls should be in place to ensure timely submission of required eligibility reports to the state granting agency.
Cause:	Lack of internal controls over reporting.
Questioned Costs:	None.
Repeat Finding:	No, this is considered an isolated instance.
Effect:	This late submission will result in the Program Manager being required to perform Verification Edit Check training on the DEED eLearning website.
Recommendation:	Ensure controls are in place to submit required reports timely.
Management Response:	Management agrees with this finding, see Corrective Action Plan.

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
Kodiak Island Borough School District
Kodiak, Alaska

Report on Compliance for Each Major State Program

We have audited Kodiak Island Borough 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 Kodiak Island Borough School District's major state programs for the year ended June 30, 2020. Kodiak Island Borough 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 Kodiak Island Borough School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Kodiak Island Borough 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 Kodiak Island Borough School District's compliance.

Opinion on Each Major State Program

In our opinion, Kodiak Island Borough 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, 2020.

Report on Internal Control over Compliance

Management of Kodiak Island Borough 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 Kodiak Island Borough 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 the Kodiak Island Borough 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
November 6, 2020

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

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?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

State Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

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

Unmodified

Dollar threshold used to distinguish a state major program:

\$ 500,000

Section II – Financial Statement Findings

The Kodiak Island Borough School District did not have any findings related to the financial statements.

Section III – State Award Findings and Questioned Costs

The Kodiak Island Borough School District did not have any findings related to the state awards.



KODIAK ISLAND BOROUGH SCHOOL DISTRICT
(A Component Unit of the Kodiak Island Borough)

Corrective Action Plan

June 30, 2020

Federal Award Findings

Finding 2020-001

Internal Control over Reporting

Name of Contact Person: Sandy Daws, Business Manager, and Leon Wallace, Food Service Director

Corrective Action Plan: Leon Wallace completed verification process re-training during the summer of 2020 to ensure that in the future the NSLP verification report is submitted on time.

Proposed Completion Date: Already implemented. Verification reports will be submitted on or before November 15 each year.