

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, 2019

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

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Year Ended June 30, 2019

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
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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, 2019, 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, 2019, 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's Discussion and Analysis and the Schedules of the District's Proportionate Share of the Net Pension and OPEB Liabilities and Contributions for the Public Employees' Retirement System and the Teachers' Retirement System on pages 4-11 and 55-62 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 Sheet – 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 Revenues, Expenditures and Changes in Fund Balance – Capital Projects Fund; 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, 2018, 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 Sheet – General Fund; Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund and Pupil Transportation Special Revenue Fund for the year ended June 30, 2018, 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 2018 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 2018 “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 October 29, 2019, 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
October 29, 2019

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, 2019

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, 2019 (FY19). In some instances comparative information for the fiscal year ended June 30, 2018 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 2019 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 \$19,141,448.
- In total, net position increased by \$3,431,719 in FY19 compared to a prior year increase of \$2,945,433. All activities at the School District are governmental activities. There were no business activities in 2019 or 2018.
- Total general revenues were \$42,565,298, or 83% of all revenues in FY19 compared to \$42,778,125, (83%) in FY18. Program specific revenues in the form of charges for services (for rentals and lunch sales) and grants accounted for \$9,013,114 or 17% of total revenues of \$51,578,412 in FY19. Program specific revenues accounted for \$9,028,428 or 17% of total revenues of \$51,806,553 in FY18.
- The School District had \$48,146,693 in expense in FY19 compared to \$48,861,120 in FY18. In FY19 only \$9,013,114 of these expenses were offset by program specific charges for services and grants. General revenues (primarily from unrestricted grants) of \$42,565,298 helped to provide for these services. In FY18 \$9,028,428 of these expenses were offset by program specific charges for services and grants. General revenues of \$42,778,125 were adequate to cover the remaining expenses.
- For FY19 School District's governmental funds reported combined ending fund balances of \$11,590,454 compared to \$8,008,793 in FY18. In FY19, \$493,148 is nonspendable, \$4,305,789 is committed, \$3,322,465 is assigned, and \$3,469,052 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 \$19,141,448 at June 30, 2019, compared to liabilities and deferred inflows of resources exceeding assets and deferred outflows of resources by \$22,573,167 at June 30, 2018.

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 FY19 and FY18:

Table 1

Assets and Deferred Outflows of Resources	2019	2018
Current assets	\$ 16,936,973	13,009,489
Capital assets, net	761,429	882,429
Total assets	17,698,702	13,891,918
Deferred outflows of resources	5,697,038	3,281,554
Total assets and deferred outflows of resources	\$ 23,395,740	17,173,472
Liabilities and Deferred Inflows of Resources		
Current liabilities	5,369,153	5,022,251
Noncurrent liabilities:		
Due within one year	671,940	726,681
Due in more than one year	48,702	71,335
Net pension and OPEB liabilities	33,673,642	29,524,048
Total noncurrent liabilities	34,394,284	30,322,064
Deferred inflows of resources	2,773,751	4,402,324
Total liabilities and deferred inflows of resources	42,537,188	39,746,639
Net Position		
Net investment in capital assets	690,393	789,539
Unrestricted	(19,831,941)	(23,362,706)
Total net position	\$ (19,141,448)	(22,573,167)

Significant differences between the Statement of Net Position for fiscal year ending June 30, 2019 and fiscal year ending June 30, 2018 can be summarized as follows:

- Total assets and deferred outflows for fiscal year ending June 30, 2019 increased from the prior year by \$6,222,268 due primarily to an increase in the amount due from Kodiak Island Borough and deferred outflows of resources.
- Total liabilities and deferred inflows of resources for fiscal year ending June 30, 2019 are more than prior year liabilities and deferred inflows of resources by \$2,790,549, due primarily to the net increase in the net pension and OPEB liabilities.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2019 and 2018. 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>2019</u>	<u>2018</u>
Revenues:		
Program revenues:		
Charges for services	\$ 222,479	190,716
Operating grants and contributions	8,709,821	8,830,324
Capital grants and contributions	80,814	7,388
General revenues:		
Foundation program	27,298,312	28,206,987
Borough direct appropriation	9,890,244	9,377,500
Federal impact aid	3,241,346	2,829,591
Other	2,135,396	2,364,047
Total revenues	<u>51,578,412</u>	<u>51,806,553</u>
Expenses:		
Instruction	18,226,859	19,449,129
Special education instruction	4,947,453	4,787,158
Special education support services – students	1,481,889	1,412,407
Support services – students	1,717,370	1,471,799
Support services – instruction	4,728,639	4,167,158
School administration	1,827,145	2,032,199
School administration – support services	958,209	991,774
District administration	1,433,149	1,794,508
District administration support services	2,324,019	2,496,158
Operations and maintenance of plant	6,595,268	6,263,513
Student activities	631,349	654,648
Student transportation	1,919,684	1,885,155
Food service	1,351,015	1,449,843
Unallocated interest	4,645	5,671
Total expenses	<u>48,146,693</u>	<u>48,861,120</u>
Change in net position	3,431,719	2,945,433
Net position, beginning of year, as previously stated	<u>(22,573,167)</u>	<u>(20,841,270)</u>
Cumulative effect of a change in accounting principle	-	(4,677,330)
Net position, beginning of year, as restated	<u>(22,573,167)</u>	<u>(25,518,600)</u>
Net position, end of year	<u>\$ (19,141,448)</u>	<u>(22,573,167)</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 \$11,590,454, an increase of \$3,581,661 in comparison with the prior year. A portion of that balance, \$477,533 is related to inventory and \$15,615 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 \$1,375,981, federal impact aid funding in the amount of \$2,901,440, and homeschool allotment rollover of \$28,368.

The General Fund is the chief operating fund of the District and the fund balance is assigned and unassigned; \$525 is assigned for encumbrances, \$571,758 is assigned for compensated absences, and \$2,750,182 is assigned for self-insurance. The unassigned \$3,568,031 is available for spending at the District's discretion. This was a \$889,190 increase in unassigned fund balance from the prior year.

Economic Factors and the Next Year's Budget

In setting the budgets for FY20, 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 \$10,455,244. This is a \$565,000 increase from FY19. This amount is \$889,924 below the projected allowable maximum local contribution for FY20.
- **State Sources:** The final FY20 budget is calculated based on the DEED estimated ADM (student count derivative) of 2,364.
- **Federal Sources:** The Impact Aid for FY19 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 FY20 included the following:

- Regular movement and contractual obligations of FY20 certified staffing levels as adjusted by known attrition. Classified staff considerations include regular movement and contractual obligations of FY20 classified staffing levels as adjusted by known attrition.
- Health insurance rates will increase by approximately 0%.
- Energy costs are budgeted to increase 7%.
- 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, 2019

	<u>Governmental Activities</u>
<u>Assets and Deferred Outflows of Resources</u>	
Assets:	
Current:	
Due from Kodiak Island Borough	\$ 14,473,811
Receivables	1,970,014
Inventories	477,533
Prepays	15,615
Total current	16,936,973
Non-current -	
Capital assets, net	761,729
Deferred outflows of resources - pension and OPEB deferrals	5,697,038
Total assets and deferred outflows of resources	23,395,740
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>	
Liabilities:	
Current:	
Accounts payable	1,276,266
Accrued payroll liabilities	3,060,116
Due to student groups	754,656
Lease payable	22,634
Unearned revenues	255,481
Total current	5,369,153
Non-current:	
Due within one year	671,940
Lease payable, due in more than one year	48,702
Net pension and OPEB liabilities	33,673,642
Total noncurrent	34,394,284
Deferred inflows of resources - pension and OPEB deferrals	2,773,751
Total liabilities and deferred inflows of resources	42,537,188
Net position:	
Net investment in capital assets	690,393
Unrestricted	(19,831,841)
Total net position	\$ (19,141,448)

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, 2019

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	\$ 18,226,859	35,401	2,720,634	-	(15,470,824)
Special education instruction	4,947,453	-	782,720	-	(4,164,733)
Special education support services – students	1,481,889	-	139,084	-	(1,342,805)
Support services - students	1,717,370	-	179,017	-	(1,538,353)
Support services - instruction	4,728,639	-	354,317	-	(4,374,322)
School administration	1,827,145	-	153,080	-	(1,674,065)
School administration support services	958,209	-	31,829	-	(926,380)
District administration	1,433,149	-	304,998	-	(1,128,151)
District administration support services	2,324,019	-	670,783	-	(1,653,236)
Operations and maintenance of plant	6,595,268	-	411,715	80,814	(6,102,739)
Student activities	631,349	-	24,179	-	(607,170)
Student transportation	1,919,684	-	1,939,686	-	20,002
Food service	1,351,015	187,078	997,779	-	(166,158)
Unallocated interest	4,645	-	-	-	(4,645)
Total governmental activities	\$ <u>48,146,693</u>	<u>222,479</u>	<u>8,709,821</u>	<u>80,814</u>	<u>(39,133,579)</u>
General revenues:					
Foundation					27,212,628
Quality schools					85,684
Senate Bill 142					415,514
E-rate					1,592,779
Federal Impact Aid					3,241,346
Department of Defense					91,710
Appropriation from Kodiak Island Borough					9,890,244
Other					35,393
Total general revenues					<u>42,565,298</u>
Change in net position					3,431,719
Net position, beginning of year					<u>(22,573,167)</u>
Net position, end of year					\$ <u>(19,141,448)</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, 2019

<u>Assets</u>	<u>General Fund</u>	<u>Pupil Transportation Special Revenue Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Due from:	\$			
Kodiak Island Borough	14,473,811	-	-	14,473,811
Other funds	1,563,480	1,415,134	434,939	3,413,553
Receivables	165,072	-	1,804,942	1,970,014
Inventory	378,554	-	98,979	477,533
Prepays	15,615	-	-	15,615
Total assets	<u>\$ 16,596,532</u>	<u>1,415,134</u>	<u>2,338,860</u>	<u>20,350,526</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	1,011,645	39,153	225,468	1,276,266
Accrued payroll liabilities	2,933,576	-	126,540	3,060,116
Due to other funds	1,850,073	-	1,563,480	3,413,553
Due to student groups	754,656	-	-	754,656
Unearned revenue	2,500	-	252,981	255,481
Total liabilities	<u>6,552,450</u>	<u>39,153</u>	<u>2,168,469</u>	<u>8,760,072</u>
Fund balances:				
Nonspendable:				
Inventory	378,554	-	98,979	477,533
Prepays	15,615	-	-	15,615
Committed:				
Pupil transportation	-	1,375,981	-	1,375,981
Homeschool allotment rollover	28,368	-	-	28,368
Impact Aid	2,731,049	-	170,391	2,901,440
Assigned:				
Encumbrances	525	-	-	525
Compensated absences	571,758	-	-	571,758
Self-insurance	2,750,182	-	-	2,750,182
Unassigned	3,568,031	-	(98,979)	3,469,052
Total fund balances	<u>10,044,082</u>	<u>1,375,981</u>	<u>170,391</u>	<u>11,590,454</u>
Total liabilities and fund balances	<u>\$ 16,596,532</u>	<u>1,415,134</u>	<u>2,338,860</u>	<u>20,350,526</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 Governmental Funds
Balance Sheet to Statement of Net Position
Year Ended June 30, 2019

Total fund balance - governmental funds	\$	11,590,454
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.		761,729
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	(71,336)	
Compensated absences	(571,758)	
Employee insurance premium refund	(100,182)	(743,276)
Proportionate share of the collective net pension and OPEB liabilities:		
PERS	(16,194,809)	
TRS	(17,478,833)	(33,673,642)
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	2,328,542	
TRS	3,368,496	5,697,038
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources:		
PERS	(1,336,240)	
TRS	(1,437,511)	(2,773,751)
Net position of governmental activities	\$	(19,141,448)

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, 2019

	General Fund	Pupil Transportation Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Kodiak Island Borough:				
Appropriations	\$ 9,506,526	-	-	9,506,526
In-kind services	383,718	-	-	383,718
E-rate reimbursement	1,592,779	-	-	1,592,779
Charges for services:				
Rentals	35,401	-	-	35,401
Lunch sales	-	-	187,078	187,078
Other	35,393	-	249,133	284,526
Intergovernmental:				
State of Alaska	30,610,314	1,939,686	741,894	33,291,894
Federal sources	3,333,056	-	3,869,149	7,202,205
Total revenues	<u>45,497,187</u>	<u>1,939,686</u>	<u>5,047,254</u>	<u>52,484,127</u>
Expenditures:				
Current:				
Instruction	16,949,162	-	1,586,153	18,535,315
Special education instruction	4,522,615	-	556,070	5,078,685
Special education support services - students	1,446,159	-	56,094	1,502,253
Support services - students	1,707,434	-	61,006	1,768,440
Support services - instruction	4,407,084	-	319,362	4,726,446
School administration	1,848,697	-	11,641	1,860,338
School administration support services	982,841	-	10,771	993,612
District administration	1,253,318	-	220,406	1,473,724
District administration support services	1,764,097	-	607,190	2,371,287
Operations and maintenance of plant	6,324,756	-	341,089	6,665,845
Student activities	614,961	-	11,801	626,762
Student transportation	-	1,919,684	-	1,919,684
Food service	-	-	1,353,875	1,353,875
Debt service:				
Principal	21,555	-	-	21,555
Interest	4,645	-	-	4,645
Total expenditures	<u>41,847,324</u>	<u>1,919,684</u>	<u>5,135,458</u>	<u>48,902,466</u>
Excess (deficiency) of revenues over expenditures	<u>3,649,863</u>	<u>20,002</u>	<u>(88,204)</u>	<u>3,581,661</u>
Other financing sources (uses):				
Transfers in	-	-	169,018	169,018
Transfers out	(169,018)	-	-	(169,018)
Net other financing sources (uses)	<u>(169,018)</u>	<u>-</u>	<u>169,018</u>	<u>-</u>
Net change in fund balances	3,480,845	20,002	80,814	3,581,661
Fund balances, beginning of year	<u>6,563,237</u>	<u>1,355,979</u>	<u>89,577</u>	<u>8,008,793</u>
Fund balances, end of year	\$ <u>10,044,082</u>	<u>1,375,981</u>	<u>170,391</u>	<u>11,590,454</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, 2019

Net change in fund balances – total governmental funds \$ 3,581,661

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

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

Change in unfunded net pension and OPEB liability:

PERS	(1,124,043)	
TRS	<u>(3,025,551)</u>	(4,149,594)

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	1,421,817	
TRS	<u>2,622,240</u>	4,044,057

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 depreciation exceeded capital outlay in the current period:

Capital outlay	91,740	
Depreciation expense	<u>(212,440)</u>	(120,700)

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 transactions, however, has any effect on net position.

Principal repayments		21,555
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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	50,569	
Employee paid insurance premium refund	<u>4,171</u>	<u>54,740</u>

Change in net position of governmental activities		\$ <u><u>3,431,719</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Kodiak Island Borough:				
Appropriations	\$ 9,460,244	9,460,244	9,506,526	46,282
In-kind services	430,000	430,000	383,718	(46,282)
E-rate reimbursements	2,110,771	1,818,716	1,592,779	(225,937)
Charges for services - rentals	26,000	26,000	35,401	9,401
Other	11,000	11,000	35,393	24,393
Intergovernmental:				
State of Alaska	30,169,236	30,587,220	30,610,314	23,094
Federal sources	2,616,168	2,616,168	3,333,056	716,888
Total revenues	<u>44,823,419</u>	<u>44,949,348</u>	<u>45,497,187</u>	<u>547,839</u>
Expenditures:				
Current:				
Instruction	19,068,680	18,799,051	16,949,162	1,849,889
Special education instruction	4,602,921	4,925,393	4,522,615	402,778
Special education support services - students	1,574,219	1,630,511	1,446,159	184,352
Support services - students	1,792,092	1,751,010	1,707,434	43,576
Support services - instruction	3,944,832	5,125,288	4,407,084	718,204
School administration	2,089,516	1,936,064	1,848,697	87,367
School administration support services	982,848	1,292,516	982,841	309,675
District administration	1,540,145	1,415,317	1,253,318	161,999
District administration support services	2,249,511	1,921,870	1,764,097	157,773
Operations and maintenance of plant	6,652,095	6,793,974	6,324,756	469,218
Student activities	646,560	678,757	614,961	63,796
Debt service:				
Principal	-	-	21,555	(21,555)
Interest	-	-	4,645	(4,645)
Total expenditures	<u>45,143,419</u>	<u>46,269,751</u>	<u>41,847,324</u>	<u>4,422,427</u>
Excess (deficiency) of revenues over expenditures	<u>(320,000)</u>	<u>(1,320,403)</u>	<u>3,649,863</u>	<u>4,970,266</u>
Other financing sources (uses) -				
Transfers out - Cafeteria Special Revenue Fund	<u>(180,000)</u>	<u>(180,000)</u>	<u>(169,018)</u>	<u>10,982</u>
Net change in fund balance	\$ <u>(500,000)</u>	<u>(1,500,403)</u>	3,480,845	<u>4,981,248</u>
Fund balance, beginning of year			<u>6,563,237</u>	
Fund balance, end of year			\$ <u>10,044,082</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 Balance - Original and Final Budget and Actual -
Pupil Transportation Special Revenue Fund
Year Ended June 30, 2019

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget – Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues - intergovernmental - State of Alaska	\$ <u>1,949,664</u>	<u>1,939,686</u>	<u>(9,978)</u>
Expenditures:			
Current:			
Student transportation	<u>1,989,169</u>	1,919,684	<u>69,485</u>
Excess (deficiency) of revenues over expenditures	\$ <u><u>(39,505)</u></u>	20,002	<u><u>59,507</u></u>
Fund balances, beginning of year		<u>1,355,979</u>	
Fund balances, end of year		\$ <u><u>1,375,981</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, 2019

<u>Assets</u>	
Due from General Fund	\$ 754,656
Accounts receivable	14,101
Total assets	<u>768,757</u>
<u>Liabilities</u>	
Accounts payable	28,570
Due to student organizations	740,187
Total liabilities	<u>\$ 768,757</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, 2019

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.

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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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.

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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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.

Cash and cash equivalents include cash on hand and demand deposits. As of June 30, 2019, 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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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

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 \$79,900 during the year ended June 30, 2019 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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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.

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.

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

Notes to Basic Financial Statements, Continued

11. Pensions and Other Post Employment Benefit (OPEB)

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

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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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.

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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

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Notes to Basic Financial Statements, Continued

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 \$525 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:

	Budgeted Amounts	Actual Amounts	Variance
Debt service:			
Principal	-	21,555	(21,555)
Interest	-	4,645	(4,645)

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

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

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, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, being depreciated:				
Vehicles	\$ 661,015	-	-	661,015
Equipment	1,454,822	91,740	-	1,546,562
Total capital assets being depreciated	2,115,837	91,740	-	2,207,577
Less accumulated depreciation for:				
Vehicles	444,949	49,221	-	494,170
Equipment	788,459	163,219	-	951,678
Net accumulated depreciation	1,233,408	212,440	-	1,445,848
 Total net governmental activities capital assets	 \$ 882,429	 (120,700)	 -	 761,729

Depreciation expense was charged to the functions as follows:

Instruction	\$ 110,293
Special education instruction	1,219
Support services – instruction	2,107
School administration support services	7,218
District administration support services	31,814
Operations and maintenance of plant	58,379
Student activities	759
Food service	651
Total depreciation expense	\$ 212,440

B. 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.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

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Notes to Basic Financial Statements, Continued

Future minimum lease payments are approximately as follows:

Fiscal year ending June 30:	Principal	Interest	Total
2020	22,634	3,566	26,200
2021	23,765	2,435	26,200
2022	24,937	1,263	26,200
Total	\$ 71,336	7,264	78,600

Long-term lease liability activity for the year ended June 30, 2019, was as follows:

	Balance June 30, <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2019</u>	<u>Due within One year</u>
Lease payable	\$ 92,891	-	(21,555)	71,336	22,634

C. 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, 2019, the outstanding balance of general obligation bonds issued for school construction was \$66,335,000. During the fiscal year ended June 30, 2019, debt service expenditures (principal and interest) incurred by the Borough for school construction general obligation bonds were \$7,678,413.

A summary of general obligation school construction bonds at June 30, 2019, 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	2,460,000	5,540,000
2.0-5.0%	3/1-9/1	5/24/2012	9/1/2024	5,230,000	5,230,000	1,865,000	3,365,000
2.0-5.0%	3/1-9/1	5/24/2012	9/1/2024	6,385,000	6,385,000	2,275,000	4,110,000
3.12-5.0%	2/1-8/1	3/1/2013	2/1/2033	21,595,000	21,595,000	4,590,000	17,005,000
2.0-5.0%	3/1-9/1	3/12/2014	3/1/2034	22,660,000	22,660,000	4,055,000	18,605,000
2.0-5.25%	4/1-10/1	9/16/2015	10/1/2035	6,210,000	6,210,000	600,000	5,610,000
2.0-5.0%	4/1-10/1	9/16/2015	10/1/2025	1,780,000	1,780,000	450,000	1,330,000
2.0-5.0%	2/1-8/1	9/4/2015	8/1/2035	1,870,000	1,870,000	160,000	1,710,000
5.0%	2/1-8/1	9/4/2015	8/1/2025	5,140,000	5,140,000	1,140,000	4,000,000
4.0-5.0%	6/1-12/1	11/3/2016	12/1/2027	4,905,000	4,905,000	395,000	4,510,000
2.7-3.05%	6/1-12/1	11/15/2018	12/1/2029	550,000	550,000	-	550,000
				\$ 84,325,000	84,325,000	17,990,000	66,335,000

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

During the year ended June 30, 2019, the following changes occurred in long-term liabilities for governmental activities.

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Government activities:					
Compensated absences	\$ 622,328	1,192,642	(1,243,212)	571,758	571,758
Employee paid insurance premium refund	104,353	100,182	(104,353)	100,182	100,182
Total governmental activities	<u>\$ 726,681</u>	<u>1,292,824</u>	<u>(1,347,565)</u>	<u>671,940</u>	<u>671,940</u>

D. 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 \$9,506,526 for fiscal year 2019, 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, 2019 was \$383,718. 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, 2019, the School District's equity in the Borough's central treasury account totaled \$14,473,811. 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, 2019, 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

E. Receivables

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

		General Fund	Other Governmental Funds	Total
Grants	\$	-	1,804,942	1,804,942
Miscellaneous		165,072	-	165,072
Total	\$	<u>165,072</u>	<u>1,804,942</u>	<u>1,970,014</u>

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

F. 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, 2019, the interfund status of payables and receivables (all current) of the various funds of the School District are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>		<u>Amount</u>
General Fund	Other governmental funds	\$	1,563,480
Pupil Transportation	General Fund		1,415,134
Other governmental funds	General Fund		434,939
		\$	<u>3,413,553</u>

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.

G. Interfund Transfers

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Amount</u>
General Fund	Other governmental funds	\$	<u>169,018</u>

The General Fund transferred \$169,018 to the Cafeteria Special Revenue Fund within other governmental funds. The transfer was made for supplemental funding of the food service program.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
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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 \$3,839,961. Total health insurance expense for the year ending June 30, 2019 was \$4,999,388, 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, 2019 amounted to \$768,228. 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>
2018	\$	883,703	728,874	(154,829)
2019	\$	728,874	768,228	39,354

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, 2019 the employer contribution rate is 0.26% for PERS and 0.08% for TRS.

Membership in the plan consisted of the following at June 30, 2018 (latest available report):

<u>Membership</u>	<u>PERS</u>	<u>TRS</u>
Active plan members	20,811	4,937
Participating employers	157	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, 2018 (latest available information) employer contributions were 4.88% for PERS and 4.16% 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	35,139	12,962
Inactive plan members entitled to but not yet receiving benefits	5,606	801
Inactive plan members not entitled to benefits	11,128	1,906
Active plan members	13,611	4,457
Total plan membership	<u>65,484</u>	<u>20,126</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, 2019 employer contributions were 0.94% for PERS and 0.79% for TRS. Membership in the plan consists of the following at June 30, 2018 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	11	13
Inactive plan members entitled to but not yet receiving benefits	1,183	610
Inactive plan members not entitled to benefits	11,896	2,387
Active plan members	20,811	4,937
Total plan membership	<u>33,901</u>	<u>7,947</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, 2018 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	19	9
Inactive plan members entitled to but not yet receiving benefits	1,175	614
Inactive plan members not entitled to benefits	11,896	2,387
Active plan members	20,811	4,937
Total plan membership	<u>33,901</u>	<u>7,947</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 weighted rate of return, net of investment expense, for the year ended June 30, 2018 (latest available report) for the DB Plan for PERS and TRS is 8.26% and 8.30%, for the ARHCT is 8.35% and 8.33%, for the Occupational Death and Disability Plan is 8.06% and 8.24%, and for the Retiree Medical Plan is 7.89% and 7.92%, 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>
Domestic Equity	8.90%
Global Ex- U.S. Equity	7.85%
Fixed Income	1.25%
Opportunistic	4.76%
Real Assets	6.20%
Absolute Return	4.76%
Private Equity	12.08%
Cash Equivalents	0.66%

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

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Notes to Basic Financial Statements, Continued

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities is 8.00%. 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 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.

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

Employer Effective Rate: This is the actual employer pay-in rate. Under current legislation, 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 an 8% 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, 2018 (latest available actuarial report) are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
PERS:				
Pension	16.17%	20.28%	5.58%	32.11%
OPEB	5.83%	7.30%	0%	87.90%
Total PERS contribution rates	<u>22%</u>	<u>27.58%</u>	<u>5.58%</u>	<u>120.01%</u>
TRS:				
Pension	8.41%	19.36%	16.34%	35.60%
OPEB	4.15%	9.54%	0%	70.97%
Total PERS contribution rates	<u>12.56%</u>	<u>28.90%</u>	<u>16.34%</u>	<u>106.57%</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 2019 the past service rate for PERS is 16.53%.

Actuarial Assumptions: The total pension and OPEB liabilities in the June 30, 2018 (latest available) actuarial valuation was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. These assumptions were the result of an experience study performed as of June 30, 2013.

Investment return / discount rate	8% per year (geometric), compounded annually, net of expenses
Salary scale	Inflation – 3.12% per year Productivity – 0.50% per year
Payroll growth	3.62% 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 3.12% annually.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

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Notes to Basic Financial Statements, Continued

Mortality (Pre-termination)	Based upon 2010-2013 actual mortality experience, 60% of male rates and 65% of female rates of post termination mortality rates. Deaths are assumed to be occupational 70% of the time for peace officers/firefighters, 50% of the time for others.
Mortality (Post-termination)	96% of all rates of the RP-2000 combined mortality table, 2000 base year projected to 2018.
Total turnover	Based upon the 2010-2013 actual withdrawal experience.
Disability	Incidence rates based on 2010-2013 actual experience. Post-disability mortality in accordance with the RP-2000 Disabled Retiree Mortality Table. Disabilities are assumed to be occupational 70% of the time for peace officers/firefighters, 50% of the time for others.
Retirement	Retirement rates based upon the 2010-2013 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date for others. For peace officers/firefighters, Tier 1 deferred vested members are assumed to retire at age 55 and Tiers II and III deferred vested members are assumed to retire at age 60.
Marriage and age difference	Wives are assumed to be three years younger than 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.
Healthcare cost trend rates	Pre-65 medical: 8.0% grading down to 4.0% Post-65 medical: 5.5% grading down to 4.0% Prescription drugs: 9.0% grading down to 4.0%

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 Benefit Plan (DB)

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

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

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

Currently there are 155 employers participating in PERS defined benefit plan, including the State of Alaska and 154 political subdivisions and public organizations.

The DB Plan's membership consisted of the following at June 30, 2018 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	35,139
Inactive plan members entitled to but not receiving benefits	5,606
Inactive members not entitled to benefits	11,128
Active plan members	<u>13,611</u>
Total DB plan membership	<u>65,484</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%.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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.

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% (4.97% pension costs and 1.78% OPEB) and if elected to be calculated under TRS, non-teacher school district employees are required to contribute 9.60% (7.06% pension and 2.54% OPEB) of their annual covered salary.

Employer contributions for the year ended June 30, 2019, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	770,029	336,467	1,106,496

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

Notes to Basic Financial Statements, Continued

Public Employees Retirement Plans

For the year ended June 30, 2019 the State of Alaska contributed \$435,120 (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, 2018 to a total of \$287,958, to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

Pension and OPEB Liabilities, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2019, the District reported liabilities 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, the related State support, and the total portion of the net pension and OPEB liabilities that was associated with the District were as follows:

Defined Benefit:		<u>Pension</u>
District's proportionate share of the net pension liability	\$	13,445,876
State's proportionate share of the net pension liability		<u>3,891,538</u>
Total	\$	<u>17,337,414</u>
		<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability	\$	2,775,856
State's proportionate share of the ARHCT OPEB liability		<u>805,530</u>
Total	\$	<u>3,581,386</u>
District's proportionate share of the ODD OPEB liability	\$	<u>(78,079)</u>
District's proportionate share of the RMP OPEB liability	\$	<u>51,156</u>
Total District's share of net pension and OPEB liabilities	\$	<u>16,194,809</u>

The net pension and OPEB liabilities were measured as of June 30, 2018, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities were determined by an actuarial valuation as of that date. The District's proportion of the net pension and OPEB liabilities were based on the present value of contributions for FY2020 through FY2039, as determined by projections based on the June 30, 2018 valuation.

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

Notes to Basic Financial Statements, Continued

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

	<u>June 30, 2017</u> <u>Measurement</u>	<u>June 30, 2018</u> <u>Measurement</u>	<u>Change</u>
Pension	0.2513%	0.2706%	0.0193%
OPEB:			
ARHCT	0.2513%	0.2705%	0.0192%
ODD	0.4633%	0.4020%	(0.0613%)
RMP	0.4633%	0.4020%	(0.0613%)

Based on the measurement date of June 30, 2018, the District recognized pension and OPEB expense of \$581,931 and \$531,337, respectively, for the year ended June 30, 2019. At June 30, 2019, 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	\$ -	(337,465)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	296,958	-
Changes in proportion and differences between District contributions and proportionate share of contributions	336,745	-
District contributions subsequent to the measurement date	<u>770,029</u>	<u>-</u>
Total	\$ <u>1,403,732</u>	<u>(337,465)</u>
	<u>OPEB ARHCT</u>	
	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ -	(297,033)
Changes of assumptions	421,125	-
Net difference between projected and actual earnings on OPEB plan investments	-	(588,228)
Changes in proportion and differences between District contributions and proportionate share of contributions	137,384	(72,397)
District contributions subsequent to the measurement date	<u>276,971</u>	<u>-</u>
Total	\$ <u>835,480</u>	<u>(957,658)</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	\$ -	(21,603)
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(2,747)
Changes in proportion and differences between District contributions and proportionate share of contributions	5,588	(2,318)
District contributions subsequent to the measurement date	12,901	-
Total	\$ 18,489	(26,668)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(2,735)
Changes of assumptions	23,700	-
Net difference between projected and actual earnings on OPEB plan investments	-	(7,461)
Changes in proportion and differences between District contributions and proportionate share of contributions	546	(4,253)
District contributions subsequent to the measurement date	46,595	-
Total	\$ 70,841	(14,449)

\$770,029 and \$336,467 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 in the year ended June 30, 2019 (actuarial), 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
2019	\$	376,970	(108,112)	(3,239)	(365)
2020		162,375	(86,364)	(3,239)	(365)
2021		(230,087)	(191,777)	(3,239)	(365)
2022		(13,020)	(12,896)	(2,348)	2,183
2023		-	-	(2,329)	2,138
Thereafter		-	-	(6,686)	6,571
Total	\$	296,238	(399,149)	(21,080)	9,797

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, 2019, the District recognized (\$229,838) and \$1,007 of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

Sensitivity of the Net Pension and OPEB Liabilities to Changes in the Discount Rate: The following presents the net pension and OPEB liabilities of the plan calculated using the discount rate of 8%, 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 (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease (7%)	Current Rate (8%)	1% Increase (9%)
Net pension liability	\$ 17,805,733	13,445,876	9,757,964
Net OPEB ARHCT liability	\$ 5,619,717	2,775,856	392,119
Net OPEB ODD liability	\$ (73,319)	(78,079)	(81,995)
Net OPEB RMP liability	\$ 152,766	51,156	(28,097)

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	\$ 53,884	2,775,856	6,054,736
Net OPEB ODD liability	\$ N/A	(78,079)	N/A
Net OPEB RMP liability	\$ (43,494)	51,156	177,827

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): 0.94% 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.

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 \$496,047 for the year ended June 30, 2019, which included forfeitures of \$248,134 which has 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, 2018 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	12,962
Inactive plan members entitled to but not receiving benefits	801
Inactive plan members not entitled to benefits	1,906
Active plan members	<u>4,457</u>
Total DB plan membership	<u>20,126</u>

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

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

Notes to Basic Financial Statements, Continued

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% (5.80% pension costs and 2.85% OPEB) of their annual covered salary.

Employer contributions for the year ended June 30, 2019, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 583,204	361,016	944,220

Teachers Retirement Plans

For the year ended June 30, 2019 the State of Alaska contributed \$2,461,368 (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 \$1,702,815, 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, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2019, the District reported liabilities 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, the related State support, and the total portion of the net pension and OPEB liabilities that was associated with the District were as follows:

Defined Benefit:		Pension
District's proportionate share of the net pension liability	\$	<u>15,178,887</u>
State's proportionate share of the net pension liability		<u>22,561,797</u>
Total	\$	<u>37,740,684</u>
		OPEB
District's proportionate share of the ARHCT OPEB liability	\$	<u>2,459,842</u>
State's proportionate share of the ARHCT OPEB liability		<u>3,669,710</u>
Total	\$	<u>6,129,552</u>
District's proportionate share of the ODD OPEB liability	\$	<u>(83,621)</u>
District's proportionate share of the RMP OPEB liability	\$	<u>(76,275)</u>
Total District's share of net pension and OPEB liabilities	\$	<u>17,478,833</u>

The net pension and OPEB liabilities were measured as of June 30, 2018, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities were determined by an actuarial valuation as of that date. The District's proportion of the net pension and OPEB liabilities were based on the present value of contributions for FY2020 through FY2039, as determined by projections based on the June 30, 2018 valuation.

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

	<u>June 30, 2017</u> Measurement	<u>June 30, 2018</u> Measurement	<u>Change</u>
Pension	0.6639%	0.7929%	0.1290%
OPEB:			
ARHCT	0.6617%	0.7911%	0.1294%
ODD	2.7218%	2.3851%	(0.3367%)
RMP	2.7218%	2.3851%	(0.3367%)

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

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2018, the District recognized pension expense of \$1,688,234 and OPEB expense of \$1,376,564, respectively, for the year ended June 30, 2019. At June 30, 2019, 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	\$ -	(428,005)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	501,704	-
Changes in proportion and differences between District contributions and proportionate share of contributions	824,755	-
District contribution subsequent to the measurement date	583,204	-
Total	\$ 1,909,663	(428,005)
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(304,122)
Changes of assumptions	707,292	-
Net difference between projected and actual earnings on pension plan investments	-	(640,634)
Changes in proportion and differences between District contributions and proportionate share of contributions	322,552	(22,959)
District contribution subsequent to the measurement date	284,367	-
Total	\$ 1,314,211	(967,715)

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	\$ -	(5,625)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(2,371)
Changes in proportion and differences between District contributions and proportionate share of contributions	9,507	(4,693)
District contribution subsequent to the measurement date	7,047	-
Total	\$ 16,554	(12,689)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(8,407)
Changes of assumptions	46,984	-
Net difference between projected and actual earnings on pension plan investments	-	(16,791)
Changes in proportion and differences between District contributions and proportionate share of contributions	11,482	(3,904)
District contribution subsequent to the measurement date	69,602	-
Total	\$ 128,068	(29,102)

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

Notes to Basic Financial Statements, Continued

\$583,204 and \$361,016 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 liability in the year ended June 30, 2019 (actuarial). 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
2019	\$ 1,034,649	363,795	(903)	(637)
2020	294,030	(79,097)	(903)	(637)
2021	(405,061)	(209,033)	(903)	(637)
2022	(25,164)	(13,536)	(164)	5,068
2023	-	-	(126)	4,987
Thereafter	-	-	(183)	21,220
Total	\$ 898,454	62,129	(3,182)	29,364

For the year ended June 30, 2019, the District recognized (\$63,869) and \$212,678 of pension and OPEB amortization of the deferred outflows and inflows of resources, respectively.

Sensitivity of the Net Pension and OPEB Liabilities to Changes in the Discount Rate: The following presents the net pension and OPEB liabilities of the Plan calculated using the discount rate of 8%, 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 (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease (7%)	Current Rate (8%)	1% Increase (9%)
Net pension liability	\$ 21,713,967	15,178,887	9,679,900
Net OPEB ARHCT	\$ 5,838,992	2,459,842	(329,446)
Net OPEB ODD	\$ (84,051)	(83,621)	(83,383)
Net OPEB RMP	\$ 130,274	(76,275)	(233,405)

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	\$ (670,055)	2,459,842	6,279,825
Net OPEB ODD	\$ N/A	(83,621)	N/A
Net OPEB RMP	\$ (262,956)	(76,275)	180,838

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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): 0.79% for the retiree medical plan, 0.08% for occupational death and disability, and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The employer effective contribution rate is 12.56%. Plan members are 100% vested with their contributions. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

The School District contributed \$936,481 for the year ended June 30, 2019, which included forfeitures of \$515,605 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. Change in Estimate

In fiscal year 2018 the District received notice from the State of Alaska, Department of Administration, Division of Retirement and Benefits that forfeitures from the defined contribution plan for the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) can be offset against future contributions effective July 1, 2018. The change in estimate decreased current year expenditures related to payroll benefits and liabilities of \$248,134 and \$515,605 respectively.

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

Notes to Basic Financial Statements, Continued

E. Subsequent Accounting Pronouncements

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

- GASB 84 – *Fiduciary Activities*. Effective for fiscal years beginning after December 15, 2018.
- GASB 87 – *Leases*. Effective for fiscal years beginning after December 15, 2019.
- GASB 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Effective for fiscal years beginning after June 15, 2018.
- GASB 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. Effective for fiscal years beginning after December 15, 2019.
- GASB 90 – *Majority Equity Interests*. Effective for fiscal years beginning after December 15, 2018.

Statements 88 and 90 are not expected to have any significant impact on the financial statements of the District.

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

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

(A Component Unit of the Kodiak Island Borough)

Notes to Basic Financial Statements, Continued

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

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2019

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%

Notes to Schedule:

1. Information presented for 2019 is based upon Plan measurement date June 30, 2018.
2. Measurement is one year prior to fiscal year end for all years presented.
3. In fiscal year 2017 the District implemented GASB 82, which required a retroactive change in covered payroll.
4. 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 District's Proportionate Share of the Net OPEB Liability

Public Employees' Retirement System (PERS)

June 30, 2019

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%
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%
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%

Notes to Schedule:

1. Information presented for 2019 is based upon Plan measurement date June 30, 2018.
2. Measurement is one year prior to fiscal year end for all years presented.
3. 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 District's Contributions (Pensions)

Public Employees' Retirement System (PERS)

June 30, 2019

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%

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.
- Equivalent single amortization period: 17 years.
- 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: 3.12% per annum.
- Salary increases: Ranges from 9.66% to 4.92% based on service for Peace Officer/Firefighter. Ranges from 8.55% to 4.34% based on age and service for All Others.
- Investment rate of return: 8%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Mortality: Pre-termination mortality rates were based upon the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 50% of the time. 96% of all rates of the RP - 2000 Table Base Year projected to 2018.
- In fiscal year 2017 the District implemented GASB 82, which required a retroactive change in covered payroll.
- This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.
- In fiscal year 2018 the District included pension DBUL into the contractually required contribution. This will be a prospective change.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2019

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%
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%
Retiree Medical Plan (RMP):					
2018	\$ 46,865	\$ (46,865)	\$ -	\$ 2,172,405	2.16%
2019	\$ 46,595	\$ (46,595)	\$ -	\$ 2,254,759	2.07%

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.
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- Inflation: 3.12% per annum.
- Salary increases: Ranges from 9.66% to 4.92% based on service for Peace Officer/Firefighter. Ranges from 8.55% to 4.34% based on age and service for All Others.
- Investment rate of return: 8%, net of OPEB plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Mortality: Pre-termination mortality rates were based upon the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 50% of the time. 96% of all rates of the RP - 2000 Table Base Year projected to 2018.
- 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 District's Proportionate Share of the Net Pension Liability

Teachers' Retirement System (TRS)

June 30, 2019

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	0.2734%	\$ 15,178,887	\$ 22,561,797	\$ 37,740,684	\$ 16,064,745	94.49%	74.09%

Notes to Schedule:

1. Information presented for 2019 is based upon Plan measurement date June 30, 2018.
2. Measurement is one year prior to fiscal year end for all years presented.
3. In fiscal year 2017 the District implemented GASB 82, which required a retroactive change in covered payroll.
4. 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 District's Proportionate Share of the Net OPEB Liability

Teachers' Retirement System (TRS)

June 30, 2019

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	0.6617%	\$ 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%
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%
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)	3,805,167	-2.00%	109.56%

Notes to Schedule:

- Information presented for 2019 is based upon Plan measurement date June 30, 2018.
- Measurement is one year prior to fiscal year end for all years presented.
- 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 District's Contributions (Pensions)

Teachers' Retirement System (TRS)

June 30, 2019

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%

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.
- Equivalent single amortization period: 17 years.
- 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: 3.12% per annum.
- Salary increases: Ranges from 8.11% to 3.87% based on years of service.
- Investment rate of return: 8%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Mortality: Pre-termination mortality rates were based upon the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 50% of the time. 96% of all rates of the RP - 2000 Table Base Year projected to 2018.
- In fiscal year 2017 the District implemented GASB 82, which required a retroactive change in covered payroll.
- This schedule is intended to present 10 years of information. Additional years' information will be included as it becomes available.
- In fiscal year 2018 the District included pension DBUL into the contractually required contribution. This will be a prospective change.

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2019

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%
Occupational Death and Disability (ODD):					
2018	\$ -	\$ -	\$ -	\$ 16,064,745	0.00%
2019	\$ 7,047	\$ (7,047)	\$ -	\$ 14,973,726	0.05%
Retiree Medical Plan (RMP):					
2018	\$ 78,014	\$ (78,014)	\$ -	\$ 3,805,167	2.05%
2019	\$ 69,602	\$ (69,602)	\$ -	\$ 7,456,059	0.93%

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.
- Equivalent single amortization period: 17 years.
- 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: 3.12% per annum.
- Salary increases: Ranges from 8.11% to 3.87% based on years of service.
- Investment rate of return: 8%, net of OPEB plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Mortality: Pre-termination mortality rates were based upon the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 50% of the time. 96% of all rates of the RP - 2000 Table Base Year projected to 2018.
- 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, 2019
(With summarized financial information at June 30, 2018)

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Assets:		
Due from:		
Kodiak Island Borough	\$ 14,473,811	9,397,740
Other funds	1,563,480	1,061,684
Receivables	165,072	2,069,029
Inventories:		
Custodial supplies	266,945	265,493
Fuel	111,609	98,237
Prepays	15,615	-
Total assets	<u>\$ 16,596,532</u>	<u>12,892,183</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	1,011,645	982,602
Accrued payroll liabilities	2,933,576	2,908,886
Due to other funds	1,850,073	1,741,527
Due to student funds	754,656	691,681
Unearned revenue	2,500	4,250
Total liabilities	<u>6,552,450</u>	<u>6,328,946</u>
Fund balance:		
Nonspendable:		
Inventory	378,554	363,730
Prepays	15,615	-
Committed		
Homeschool allotment rollover	28,368	-
Impact Aid	2,731,049	2,585,958
Assigned:		
Encumbrances	525	208,029
Compensated absences	571,758	622,328
Self-insurance	2,750,182	104,351
Unassigned	3,568,031	2,678,841
Total fund balance	<u>10,044,082</u>	<u>6,563,237</u>
Total liabilities and fund balance	<u>\$ 16,596,532</u>	<u>12,892,183</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, 2019
(With summarized financial information for year ended June 30, 2018)

	2019		Variance with Final Budget – Positive (Negative)	2018
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Kodiak Island Borough:				
Appropriations	\$ 9,460,244	9,506,526	46,282	9,040,021
In-kind services	430,000	383,718	(46,282)	337,479
E-rate reimbursement	1,818,716	1,592,779	(225,937)	2,145,680
Charges for services - rentals	26,000	35,401	9,401	29,706
Other	11,000	35,393	24,393	154,321
Total local sources	<u>11,745,960</u>	<u>11,553,817</u>	<u>(192,143)</u>	<u>11,707,207</u>
Intergovernmental:				
State of Alaska:				
Foundation	27,202,763	27,212,628	9,865	28,119,924
Quality schools	85,684	85,684	-	87,063
TRS on-behalf	2,473,491	2,461,368	(12,123)	2,257,875
PERS on-behalf	410,399	435,120	24,721	239,531
Senate Bill 142	414,883	415,514	631	-
Total State of Alaska	<u>30,587,220</u>	<u>30,610,314</u>	<u>23,094</u>	<u>30,704,393</u>
Federal sources passed through the State of Alaska:				
Impact aid military	2,532,452	3,143,526	611,074	2,785,746
Impact aid military – special education	18,000	54,292	36,292	17,336
Department of Defense	63,716	91,710	27,994	63,716
Total federal sources passed through the State of Alaska	<u>2,614,168</u>	<u>3,289,528</u>	<u>675,360</u>	<u>2,866,798</u>
Federal direct sources - Impact aid	<u>2,000</u>	<u>43,528</u>	<u>41,528</u>	<u>26,509</u>
Total revenues	<u>44,949,348</u>	<u>45,497,187</u>	<u>547,839</u>	<u>45,304,907</u>
Expenditures:				
Current:				
Instruction:				
Certificated salaries	9,294,785	9,269,316	25,469	9,550,643
Non-certificated salaries	1,296,097	1,123,456	172,641	1,235,318
Employee benefits	6,402,078	4,896,478	1,505,600	5,774,148
Housing allowance	117,178	52,423	64,755	72,783
Transportation allowance	48,208	48,238	(30)	43,249
Professional and technical services	68,185	87,423	(19,238)	177,955
Staff travel	82,862	29,584	53,278	44,989
Utility services	1,800	11,283	(9,483)	11,891
Other purchased services	138,115	109,665	28,450	380,570
Supplies, materials and media	1,299,270	1,271,386	27,884	1,292,039
Other	50,473	49,910	563	35,624
Total instruction	<u>18,799,051</u>	<u>16,949,162</u>	<u>1,849,889</u>	<u>18,619,209</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, 2019

	2019		Variance with Final Budget – Positive (Negative)	2018
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Expenditures, continued:				
Current:				
Special education instruction:				
Certificated salaries	\$ 1,521,377	1,487,398	33,979	1,464,407
Non-certificated salaries	1,420,189	1,396,699	23,490	1,279,906
Employee benefits	1,739,459	1,443,241	296,218	1,371,693
Housing allowance	2,000	4,720	(2,720)	5,650
Transportation allowance	333	548	(215)	522
Professional and technical services	109,737	129,510	(19,773)	132,956
Staff travel	40,902	9,117	31,785	22,521
Other purchased services	3,411	1,805	1,606	1,685
Supplies, materials and media	87,985	49,127	38,858	50,559
Other	-	450	(450)	135
Total special education instruction	<u>4,925,393</u>	<u>4,522,615</u>	<u>402,778</u>	<u>4,330,034</u>
Special education support services – students:				
Certificated salaries	703,006	705,442	(2,436)	622,018
Non-certificated salaries	58,073	56,965	1,108	52,914
Employee benefits	358,894	323,868	35,026	306,151
Transportation allowance	-	-	-	484
Professional and technical services	502,410	352,491	149,919	446,507
Staff travel	-	5,257	(5,257)	930
Other purchased services	-	281	(281)	281
Supplies, materials and media	7,589	1,855	5,734	6,275
Other	539	-	539	429
Total special education support services – students	<u>1,630,511</u>	<u>1,446,159</u>	<u>184,352</u>	<u>1,435,989</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, 2019

	2019		Variance with Final Budget – Positive (Negative)	2018
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Expenditures, continued:				
Current:				
Support services – students:				
Certificated salaries	\$ 645,303	645,303	-	527,942
Non-certificated salaries	398,924	414,178	(15,254)	395,479
Employee benefits	677,479	624,787	52,692	567,495
Transportation allowance	278	418	(140)	25
Staff travel	17,347	13,882	3,465	2,275
Other purchased services	1,000	-	1,000	7,212
Supplies, materials and media	10,492	7,992	2,500	65
Other	187	874	(687)	5,361
Total support services – students	<u>1,751,010</u>	<u>1,707,434</u>	<u>43,576</u>	<u>1,505,854</u>
Support services – instruction:				
Certificated salaries	183,355	183,330	25	256,122
Non-certificated salaries	634,493	640,357	(5,864)	254,329
Employee benefits	568,657	480,594	88,063	352,418
Transportation allowance	275	275	-	855
Professional and technical services	72,140	122,733	(50,593)	66,620
Staff travel	83,841	28,350	55,491	34,496
Utility services	2,615,000	2,046,849	568,151	2,860,950
Other purchased services	292,030	285,206	6,824	-
Supplies, materials and media	669,522	613,501	56,021	154,670
Other	5,975	5,889	86	1,828
Total support services – instruction	<u>5,125,288</u>	<u>4,407,084</u>	<u>718,204</u>	<u>3,982,288</u>
School administration:				
Certificated salaries	1,234,875	1,251,076	(16,201)	1,362,686
Non-certificated salaries	1,600	1,100	500	-
Employee benefits	665,572	569,183	96,389	664,376
Housing allowance	-	-	-	10,200
Transportation allowance	-	-	-	2,100
Staff travel	15,367	18,907	(3,540)	17,345
Utility services	-	-	-	72
Other purchased services	350	156	194	345
Supplies, materials and media	13,245	8,036	5,209	9,442
Other	5,055	239	4,816	1,901
Total school administration	<u>1,936,064</u>	<u>1,848,697</u>	<u>87,367</u>	<u>2,068,467</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, 2019

	2019		Variance with Final Budget – Positive (Negative)	2018
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Expenditures, continued:				
Current:				
School administration support services:				
Non-certificated salaries	\$ 578,267	567,029	11,238	584,811
Employee benefits	695,569	397,100	298,469	400,539
Transportation allowance	11	11	-	250
Staff travel	330	1,695	(1,365)	980
Utility services	-	-	-	345
Other purchased services	420	420	-	524
Supplies, materials and media	17,919	16,586	1,333	10,507
Other	-	-	-	322
Total school administration support services	<u>1,292,516</u>	<u>982,841</u>	<u>309,675</u>	<u>998,278</u>
District administration:				
Certificated salaries	522,914	530,272	(7,358)	568,915
Non-certificated salaries	247,169	238,159	9,010	315,918
Employee benefits	412,264	347,521	64,743	427,462
Professional and technical services	111,950	32,316	79,634	55,048
Staff travel	79,592	58,725	20,867	39,548
Utility services	100	7	93	-
Other purchased services	19,400	6,896	12,504	8,756
Supplies, materials and media	14,619	15,502	(883)	18,391
Other	7,309	23,920	(16,611)	19,607
Total district administration	<u>1,415,317</u>	<u>1,253,318</u>	<u>161,999</u>	<u>1,453,645</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, 2019

	2019		Variance with Final Budget – Positive (Negative)	2018
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Expenditures, continued:				
Current:				
District administration support services:				
Certificated salaries	\$ 133,467	133,466	1	114,900
Non-certificated salaries	756,808	756,007	801	1,077,957
Employee benefits	590,802	515,836	74,966	734,782
Professional and technical services	129,850	102,066	27,784	49,726
Staff travel	51,949	28,164	23,785	31,733
Utility services	27,537	24,000	3,537	26,525
Other purchased services	198,004	202,637	(4,633)	139,022
Supplies, materials and media	197,853	163,583	34,270	38,978
Other	15,600	14,338	1,262	6,091
Less recovery of indirect costs	(180,000)	(176,000)	(4,000)	(237,952)
Total district administration support services	<u>1,921,870</u>	<u>1,764,097</u>	<u>157,773</u>	<u>1,981,762</u>
Operations and maintenance of plant:				
Non-certificated salaries	1,854,203	1,895,605	(41,402)	1,881,212
Employee benefits	37,047	1,417,459	(1,380,412)	1,520,055
Professional and technical services	1,630,964	5,215	1,625,749	-
Staff travel	19,000	28,144	(9,144)	15,119
Utility services	-	343,337	(343,337)	392,916
Energy	2,030,820	1,417,950	612,870	1,578,240
Other purchased services	796,618	649,141	147,477	573,701
Supplies, materials and media	389,322	498,603	(109,281)	302,161
Other	1,000	400	600	10
Equipment	35,000	68,902	(33,902)	-
Total operations and maintenance of plant	<u>6,793,974</u>	<u>6,324,756</u>	<u>469,218</u>	<u>6,263,414</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, 2019

	2019		Variance with Final Budget – Positive (Negative)	2018
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Expenditures, continued:				
Current:				
Student activities:				
Certificated salaries	\$ 127,705	114,148	13,557	125,417
Non-certificated salaries	84,960	110,555	(25,595)	112,690
Employee benefits	74,400	(812)	75,212	(11,583)
Professional and technical services	10,873	12,244	(1,371)	36,147
Staff travel	360,081	343,298	16,783	368,378
Other purchased services	-	390	(390)	500
Supplies, materials and media	5,865	20,748	(14,883)	6,745
Other	14,873	14,390	483	15,595
Total student activities	<u>678,757</u>	<u>614,961</u>	<u>63,796</u>	<u>653,889</u>
Debt service:				
Principal	-	21,555	(21,555)	20,529
Interest	-	4,645	(4,645)	5,671
Total debt service	<u>-</u>	<u>26,200</u>	<u>(26,200)</u>	<u>26,200</u>
Total expenditures	<u>46,269,751</u>	<u>41,847,324</u>	<u>4,422,427</u>	<u>43,319,029</u>
Excess (deficiency) of revenues over expenditures	<u>(1,320,403)</u>	<u>3,649,863</u>	<u>4,970,266</u>	<u>1,985,878</u>
Other financing sources (uses):				
Proceeds from issuance of capital lease	-	-	-	113,419
Transfers out - Cafeteria Special Revenue Fund	<u>(180,000)</u>	<u>(169,018)</u>	<u>10,982</u>	<u>(237,703)</u>
Net change in fund balance	\$ <u>(1,500,403)</u>	3,480,845	<u>4,981,248</u>	1,861,594
Fund balance, beginning of year		<u>6,563,237</u>		<u>4,701,643</u>
Fund balance, end of year		\$ <u>10,044,082</u>		<u>6,563,237</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, 2019

(With summarized financial information for the year ended June 30, 2018)

	2019		Variance with Final Budget – Positive (Negative)	2018
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues - intergovernmental - State of Alaska	\$ 1,949,664	1,939,686	(9,978)	1,949,779
Expenditures:				
Current:				
Pupil transportation:				
Non-certificated salaries	-	-	-	3,217
Employee benefits	-	-	-	301
Other purchased services	1,896,669	1,867,898	28,771	1,829,494
Supplies, materials and media	92,500	51,786	40,714	52,143
Total expenditures	<u>1,989,169</u>	<u>1,919,684</u>	<u>69,485</u>	<u>1,885,155</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(39,505)</u>	20,002	<u>59,507</u>	64,624
Fund balance, beginning of year		<u>1,355,979</u>		<u>1,291,355</u>
Fund balance, end of year		\$ <u>1,375,981</u>		<u>1,355,979</u>

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

Combining Balance Sheet – Other Governmental Funds

Year Ended June 30, 2019

	Special Revenue Funds						
<u>Assets</u>	Munartet Project Grant	Alaska Pre- Elementary	Cafeteria	Alaska Grown	Preschool Disabled	Title VI-B	Carl Perkins Secondary
Due from other funds	\$ 264,243	-	-	9,049	-	-	-
Receivables	-	578,962	25,535	-	5,982	193,842	21,070
Inventory	-	-	98,979	-	-	-	-
Total assets	<u>264,243</u>	<u>578,962</u>	<u>124,514</u>	<u>9,049</u>	<u>5,982</u>	<u>193,842</u>	<u>21,070</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	7,501	102,689	2,754	-	-	6,401	558
Accrued payroll	13,048	6,387	4,488	-	-	-	-
Due to other funds	-	469,886	117,272	-	5,982	187,441	20,512
Unearned revenue	243,694	-	-	9,049	-	-	-
Total liabilities	<u>264,243</u>	<u>578,962</u>	<u>124,514</u>	<u>9,049</u>	<u>5,982</u>	<u>193,842</u>	<u>21,070</u>
Fund balances:							
Nonspendable:							
Inventory	-	-	98,979	-	-	-	-
Committed:							
Impact Aid Construction	-	-	-	-	-	-	-
Unassigned	-	-	(98,979)	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 264,243</u>	<u>578,962</u>	<u>124,514</u>	<u>9,049</u>	<u>5,982</u>	<u>193,842</u>	<u>21,070</u>

(continued)

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

Combining Balance Sheet – Other Governmental Funds, Continued

		Special Revenue Funds							
<u>Assets</u>		Migrant Education Book Program	School Improvement	Title I-A Basic	Title I-C Migrant Education	Title II-A Teacher Training	Migrant Competitive	Title IV-A Student Support	Title I-A Homeless
Due from other funds	\$	-	-	-	-	-	-	-	-
Receivables		11,511	8,865	167,951	246,282	55,603	20,212	28,919	111
Inventory		-	-	-	-	-	-	-	-
Total assets		<u>11,511</u>	<u>8,865</u>	<u>167,951</u>	<u>246,282</u>	<u>55,603</u>	<u>20,212</u>	<u>28,919</u>	<u>111</u>
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Accounts payable		-	1,000	55	82,576	7,168	-	12,112	-
Accrued payroll		-	-	46,549	1,501	4,673	-	-	-
Due to other funds		11,511	7,865	121,347	162,205	43,762	20,212	16,807	111
Unearned revenue		-	-	-	-	-	-	-	-
Total liabilities		<u>11,511</u>	<u>8,865</u>	<u>167,951</u>	<u>246,282</u>	<u>55,603</u>	<u>20,212</u>	<u>28,919</u>	<u>111</u>
Fund balances:									
Nonspendable:									
Inventory		-	-	-	-	-	-	-	-
Committed:									
Impact Aid Construction		-	-	-	-	-	-	-	-
Unassigned		-	-	-	-	-	-	-	-
Total fund balances		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$	<u>11,511</u>	<u>8,865</u>	<u>167,951</u>	<u>246,282</u>	<u>55,603</u>	<u>20,212</u>	<u>28,919</u>	<u>111</u>

(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	Impact Aid Construction Capital Projects Fund	Total Other Governmental Funds
	Indian Education	Cresel Grant	Kodiak I CAN	Teaching Tolerance			
<u>Assets</u>							
Due from other funds	\$ -	-	-	238	273,530	161,409	434,939
Receivables	47,785	2,182	381,148	-	1,795,960	8,982	1,804,942
Inventory	-	-	-	-	98,979	-	98,979
Total assets	<u>47,785</u>	<u>2,182</u>	<u>381,148</u>	<u>238</u>	<u>2,168,469</u>	<u>170,391</u>	<u>2,338,860</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	-	-	2,654	-	225,468	-	225,468
Accrued payroll liabilities	384	-	49,510	-	126,540	-	126,540
Due to other funds	47,401	2,182	328,984	-	1,563,480	-	1,563,480
Unearned revenue	-	-	-	238	252,981	-	252,981
Total liabilities	<u>47,785</u>	<u>2,182</u>	<u>381,148</u>	<u>238</u>	<u>2,168,469</u>	<u>-</u>	<u>2,168,469</u>
Fund balances:							
Nonspendable:							
Inventory	-	-	-	-	98,979	-	98,979
Committed:							
Impact Aid Construction	-	-	-	-	-	170,391	170,391
Unassigned	-	-	-	-	(98,979)	-	(98,979)
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,391</u>	<u>170,391</u>
Total liabilities and fund balances	<u>\$ 47,785</u>	<u>2,182</u>	<u>381,148</u>	<u>238</u>	<u>2,168,469</u>	<u>170,391</u>	<u>2,338,860</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, 2019

	Special Revenue Funds							
	Broadband Assistance Grant	Safe Children's Act	Munartet Project	Staff Development	New Visions	Artists in Schools	Alaska Pre-Elementary	Cafeteria
Revenues:								
Local sources:								
Charges for services - lunch sales	\$ -	-	-	-	-	-	-	187,078
Other	-	-	227,325	-	-	5,800	-	219
Intergovernmental:								
State of Alaska	25,946	1,737	-	1,212	1,607	2,100	691,015	-
Federal sources	-	-	-	13,315	1,607	2,100	-	935,458
Total revenues	25,946	1,737	227,325	14,527	3,214	10,000	691,015	1,122,755
Expenditures:								
Current:								
Instruction	-	-	56,379	-	2,235	10,000	249,137	-
Special education instruction	-	-	-	1,212	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-	-
Support services - students	-	1,737	-	-	-	-	-	-
Support services - instruction	25,946	-	7,870	3,583	446	-	62,163	-
School administration	-	-	-	3,530	-	-	686	-
School administration support services	-	-	-	-	-	-	-	-
District administration	-	-	144,882	1,521	533	-	-	-
District administration support services	-	-	18,194	4,681	-	-	57,560	-
Operations and maintenance of plant	-	-	-	-	-	-	321,469	-
Student activities	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	1,291,773
Total expenditures	25,946	1,737	227,325	14,527	3,214	10,000	691,015	1,291,773
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	(169,018)
Other financing sources - transfers in	-	-	-	-	-	-	-	169,018
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances, end of year	\$ -	-	-	-	-	-	-	-

(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								
		Fresh Fruits and Vegetables	Alaska Grown	Early Literacy	USDA Administrative Fee Reimbursement	Preschool Disabled	Title VI-B	Carl Perkins Secondary	Migrant Education Book Program	Youth Risk Behavior
Revenues:										
Local sources:										
Charges for services - lunch sales	\$	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Intergovernmental:										
State of Alaska			704	5,999	-	-	-	-	-	11,574
Federal sources		47,748	-	-	13,650	19,130	621,977	53,309	13,571	-
Total revenues		<u>47,748</u>	<u>704</u>	<u>5,999</u>	<u>13,650</u>	<u>19,130</u>	<u>621,977</u>	<u>53,309</u>	<u>13,571</u>	<u>11,574</u>
Expenditures:										
Current:										
Instruction		-	-	5,999	-	-	-	49,975	13,571	-
Special education instruction		-	-	-	-	17,165	537,693	-	-	-
Special education support services - students		-	-	-	-	1,052	54,610	-	-	-
Support services - students		-	-	-	-	-	-	-	-	263
Support services - instruction		-	-	-	-	-	-	795	-	-
School administration		-	-	-	-	-	-	-	-	-
School administration support services		-	-	-	-	-	-	-	-	-
District administration		-	-	-	-	-	-	-	-	-
District administration support services		-	-	-	-	913	29,674	2,539	-	-
Operations and maintenance of plant		-	-	-	-	-	-	-	-	-
Student activities		-	-	-	-	-	-	-	-	11,311
Food service		47,748	704	-	13,650	-	-	-	-	-
Total expenditures		<u>47,748</u>	<u>704</u>	<u>5,999</u>	<u>13,650</u>	<u>19,130</u>	<u>621,977</u>	<u>53,309</u>	<u>13,571</u>	<u>11,574</u>
Excess (deficiency) of revenues over expenditures		-	-	-	-	-	-	-	-	-
Other financing sources - transfers in		-	-	-	-	-	-	-	-	-
Net change in fund balances		-	-	-	-	-	-	-	-	-
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>	<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	Migrant Competitive	Title III-A ELA	Title IV-A Student Support	Title I-A Homeless	Indian Education
Revenues:									
Local sources:									
Charges for services - lunch sales	\$ -	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Intergovernmental:									
State of Alaska	-	-	-	-	-	-	-	-	-
Federal sources	8,865	355,318	415,553	115,453	40,725	34,926	49,441	169	181,908
Total revenues	<u>8,865</u>	<u>355,318</u>	<u>415,553</u>	<u>115,453</u>	<u>40,725</u>	<u>34,926</u>	<u>49,441</u>	<u>169</u>	<u>181,908</u>
Expenditures:									
Current:									
Instruction	-	285,238	256,188	1,290	11,567	29,345	3,499	-	157,065
Special education instruction	-	-	-	-	-	-	-	-	-
Special education support services - students	-	-	-	432	-	-	-	-	-
Support services - students	-	-	-	2,050	-	-	25,746	161	-
Support services - instruction	8,865	2,819	68,280	96,979	24,466	2,815	-	-	-
School administration	-	-	-	7,102	-	-	-	-	323
School administration support services	-	-	10,610	-	-	-	-	-	-
District administration	-	47,657	-	2,056	2,749	2,081	-	-	-
District administration support services	-	19,604	80,475	5,544	1,943	685	969	8	24,520
Operations and maintenance of plant	-	-	-	-	-	-	19,227	-	-
Student activities	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
Total expenditures	<u>8,865</u>	<u>355,318</u>	<u>415,553</u>	<u>115,453</u>	<u>40,725</u>	<u>34,926</u>	<u>49,441</u>	<u>169</u>	<u>181,908</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-
Other financing sources - transfers in	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-
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>	<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	Impact Aid Construction Capital Projects Fund	Total Other Governmental Funds
	Cresel Grant	Kodiak I Can	Carrs Safeway	BP Teachers of Excellence	Teaching Tolerance	Carrs Safeway Innovation Education			
Revenues:									
Local sources:									
Charges for services - lunch sales	\$ -	-	-	-	-	-	187,078	-	187,078
Other	-	-	634	393	9,762	5,000	249,133	-	249,133
Intergovernmental:									
State of Alaska	-	-	-	-	-	-	741,894	-	741,894
Federal sources	48,684	815,428	-	-	-	-	3,788,335	80,814	3,869,149
Total revenues	<u>48,684</u>	<u>815,428</u>	<u>634</u>	<u>393</u>	<u>9,762</u>	<u>5,000</u>	<u>4,966,440</u>	<u>80,814</u>	<u>5,047,254</u>
Expenditures:									
Current:									
Instruction	8,741	431,018	634	-	9,272	5,000	1,586,153	-	1,586,153
Special education instruction	-	-	-	-	-	-	556,070	-	556,070
Special education support services - students	-	-	-	-	-	-	56,094	-	56,094
Support services - students	31,049	-	-	-	-	-	61,006	-	61,006
Support services - instruction	8,894	5,441	-	-	-	-	319,362	-	319,362
School administration	-	-	-	-	-	-	11,641	-	11,641
School administration support services	-	161	-	-	-	-	10,771	-	10,771
District administration	-	18,927	-	-	-	-	220,406	-	220,406
District administration support services	-	359,881	-	-	-	-	607,190	-	607,190
Operations and maintenance of plant	-	-	-	393	-	-	341,089	-	341,089
Student activities	-	-	-	-	490	-	11,801	-	11,801
Food service	-	-	-	-	-	-	1,353,875	-	1,353,875
Total expenditures	<u>48,684</u>	<u>815,428</u>	<u>634</u>	<u>393</u>	<u>9,762</u>	<u>5,000</u>	<u>5,135,458</u>	<u>-</u>	<u>5,135,458</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	(169,018)	80,814	(88,204)
Other financing sources - transfers in	-	-	-	-	-	-	169,018	-	169,018
Net change in fund balances	-	-	-	-	-	-	-	80,814	80,814
Fund balances, beginning of year	-	-	-	-	-	-	-	89,577	89,577
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,391</u>	<u>170,391</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, 2019

	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 –
 SAFE CHILDREN'S ACT

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ 1,737	1,737	-
Expenditures:			
Current:			
Support services - students - Supplies, materials and media	1,737	1,737	-
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, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 249,020	227,325	(21,695)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	19,074	16,362	2,712
Employee benefits	12,308	2,419	9,889
Transportation allowance	554	546	8
Professional and technical services	27,375	17,875	9,500
Staff travel	26	3,825	(3,799)
Other purchased services	2,263	2,263	-
Supplies, materials and media	10,046	13,089	(3,043)
Total instruction	<u>71,646</u>	<u>56,379</u>	<u>15,267</u>
Support services - instruction:			
Staff travel	10,032	4,212	5,820
Supplies, materials and media	2,785	3,533	(748)
Other	125	125	-
Total support services - instruction	<u>12,942</u>	<u>7,870</u>	<u>5,072</u>
District administration:			
Certificated salaries	102,716	99,999	2,717
Employee benefits	41,345	44,883	(3,538)
Total district administration	<u>144,061</u>	<u>144,882</u>	<u>(821)</u>
District administration support services - Indirect costs	<u>20,371</u>	<u>18,194</u>	<u>2,177</u>
Total expenditures	<u>249,020</u>	<u>227,325</u>	<u>21,695</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, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska	\$ -	1,212	1,212
Federal sources passed through the State of Alaska	16,239	13,315	(2,924)
Total intergovernmental	<u>16,239</u>	<u>14,527</u>	<u>(1,712)</u>
Expenditures:			
Current:			
Special education - instruction - Staff travel	<u>16,239</u>	<u>1,212</u>	<u>15,027</u>
Support services - instruction - Staff travel	<u>-</u>	<u>3,583</u>	<u>(3,583)</u>
School administration - Staff travel	<u>-</u>	<u>3,530</u>	<u>(3,530)</u>
District administration - Staff travel	<u>-</u>	<u>1,521</u>	<u>(1,521)</u>
District administration support services - Staff travel	<u>-</u>	<u>4,681</u>	<u>(4,681)</u>
Total expenditures	<u>16,239</u>	<u>14,527</u>	<u>1,712</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 –
NEW VISIONS

Year Ended June 30, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental:			
State of Alaska	\$ 1,607	1,607	-
Federal sources passed through the State of Alaska	<u>1,607</u>	<u>1,607</u>	<u>-</u>
Total revenues	<u>3,214</u>	<u>3,214</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	-	235	(235)
Professional and technical services	<u>2,500</u>	<u>2,000</u>	<u>500</u>
Total instruction	<u>2,500</u>	<u>2,235</u>	<u>265</u>
Support services - instruction - Staff travel	<u>714</u>	<u>446</u>	<u>268</u>
District administration - Staff travel	<u>-</u>	<u>533</u>	<u>(533)</u>
Total expenditures	<u>3,214</u>	<u>3,214</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

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, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Local sources - other	\$ <u>5,800</u>	<u>5,800</u>	<u>-</u>
Intergovernmental:			
State of Alaska	2,100	2,100	-
Federal sources passed through the State of Alaska	<u>2,100</u>	<u>2,100</u>	<u>-</u>
Total intergovernmental	<u>4,200</u>	<u>4,200</u>	<u>-</u>
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	-	4,958	(4,958)
Employee benefits	-	561	(561)
Professional and technical services	5,000	4,000	1,000
Supplies, materials and media	<u>5,000</u>	<u>481</u>	<u>4,519</u>
Total instruction	<u>10,000</u>	<u>10,000</u>	<u>-</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 PRE-ELEMENTARY

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental			
State of Alaska	\$ 691,015	691,015	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	37,691	22,212	15,479
Non-certificated salaries	28,262	15,089	13,173
Employee benefits	51,529	59,351	(7,822)
Professional and technical services	86,901	10,185	76,716
Staff travel	6,347	1,828	4,519
Supplies, materials and media	133,949	110,826	23,123
Equipment	-	29,646	(29,646)
Total instruction	<u>344,679</u>	<u>249,137</u>	<u>95,542</u>
Support services - instruction:			
Certificated salaries	-	13,575	(13,575)
Non-certificated salaries	-	1,075	(1,075)
Employee benefits	9,004	1,583	7,421
Professional and technical services	-	20,131	(20,131)
Staff travel	-	2,094	(2,094)
Supplies, materials and media	6,000	17,730	(11,730)
Equipment	35,621	5,975	29,646
Total support services - instruction	<u>50,625</u>	<u>62,163</u>	<u>(11,538)</u>
School administration -			
Staff travel	-	686	(686)
District administration support services:			
Certificated salaries	-	2,578	(2,578)
Non-certificated salaries	-	12,098	(12,098)
Employee benefits	10,700	11,356	(656)
Staff travel	-	259	(259)
Indirect costs	31,269	31,269	-
Total district administration support services	<u>41,969</u>	<u>57,560</u>	<u>(15,591)</u>
Operations and maintenance of plant:			
Professional and technical services	-	57,893	(57,893)
Other purchased services	253,742	259,830	(6,088)
Supplies, materials and media	-	3,746	(3,746)
Total operations and maintenance of plant	<u>253,742</u>	<u>321,469</u>	<u>(67,727)</u>
Total expenditures	<u>691,015</u>	<u>691,015</u>	<u>-</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, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Charges for services - lunch sales	\$ 162,000	187,078	25,078
Other local revenues	325	219	(106)
Total local sources	<u>162,325</u>	<u>187,297</u>	<u>24,972</u>
Intergovernmental:			
Federal sources passed through the State of Alaska:			
Type A reimbursement	856,250	849,923	(6,327)
USDA commodities	59,100	85,535	26,435
Total federal sources passed through the State of Alaska	<u>915,350</u>	<u>935,458</u>	<u>20,108</u>
Total revenues	<u>1,077,675</u>	<u>1,122,755</u>	<u>45,080</u>
Expenditures:			
Current:			
Food service:			
Non-certificated salaries	365,750	346,899	18,851
Employee benefits	366,600	317,494	49,106
Staff travel	5,500	1,254	4,246
Other purchased services	21,350	11,755	9,595
Supplies, materials and media	498,475	612,355	(113,880)
Other	-	2,016	(2,016)
Total expenditures	<u>1,257,675</u>	<u>1,291,773</u>	<u>(34,098)</u>
Excess (deficiency) of revenues over expenditures	(180,000)	(169,018)	10,982
Other financing sources - transfers in - General Fund	<u>180,000</u>	<u>169,018</u>	<u>(10,982)</u>
Net change in fund balance	\$ <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 –
 FRESH FRUITS AND VEGETABLES

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 47,748	47,748	-
Expenditures:			
Current:			
Food service:			
Non-certificated salaries	4,500	3,559	941
Employee benefits	2,785	3,843	(1,058)
Supplies, materials and media	40,463	40,346	117
Total expenditures	<u>47,748</u>	<u>47,748</u>	<u>-</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 –
 ALASKA GROWN

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues - Intergovernmental - State of Alaska	\$ 9,752	704	(9,048)
Expenditures:			
Current:			
Food service - Supplies, materials and media	9,752	704	9,048
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 –
EARLY LITERACY

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues - Intergovernmental - State of Alaska	\$ <u>5,999</u>	<u>5,999</u>	<u>-</u>
Expenditures:			
Current:			
Instruction -			
Supplies, material and media	<u>-</u>	<u>5,999</u>	<u>(5,999)</u>
Support services - students -			
Supplies, material and media	<u>5,999</u>	<u>-</u>	<u>5,999</u>
Total expenditures	<u>5,999</u>	<u>5,999</u>	<u>-</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 –
 USDA ADMINISTRATIVE FEE REIMBURSEMENT

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 13,650	13,650	-
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Current:			
Food service -			
Supplies, material and media	13,650	13,650	-
	<u> </u>	<u> </u>	<u> </u>
Excess of revenues over expenditures	\$ -	-	-
	<u> </u>		<u> </u>
Fund balance, beginning of year		-	
		<u> </u>	
Fund balance, end of year		\$ -	
		<u> </u>	

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, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 21,390	19,130	(2,260)
Expenditures:			
Current:			
Special education instruction:			
Non-certificated salaries	9,000	9,000	-
Employee benefits	1,841	1,840	1
Supplies, material and media	6,355	6,325	30
Other	977	-	977
Total special education instruction	<u>18,173</u>	<u>17,165</u>	<u>1,008</u>
Special education support services - students -			
Supplies, material and media	<u>2,196</u>	<u>1,052</u>	<u>1,144</u>
District administration support services -			
Indirect cost	<u>1,021</u>	<u>913</u>	<u>108</u>
Total expenditures	<u>21,390</u>	<u>19,130</u>	<u>2,260</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 VI-B

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 629,884	621,977	(7,907)
Expenditures:			
Current:			
Special education instruction:			
Non-certificated salaries	226,374	225,414	960
Employee benefits	164,720	164,125	595
Transportation allowance	1,000	598	402
Professional and technical services	62,200	62,000	200
Staff travel	16,752	14,614	2,138
Supplies, materials and media	73,985	70,750	3,235
Other	191	192	(1)
Total special education instruction	<u>545,222</u>	<u>537,693</u>	<u>7,529</u>
Special education support services - students:			
Non-certificated salaries	35,445	35,445	-
Employee benefits	11,280	11,280	-
Staff travel	6,737	6,737	-
Supplies, materials and media	1,148	1,148	-
Total special education support services - students	<u>54,610</u>	<u>54,610</u>	<u>-</u>
District administration support services -			
Indirect costs	<u>30,052</u>	<u>29,674</u>	<u>378</u>
Total expenditures	<u>629,884</u>	<u>621,977</u>	<u>7,907</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 –
CARL PERKINS SECONDARY

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 54,627	53,309	(1,318)
Expenditures:			
Current:			
Instruction:			
Staff travel	20,480	18,609	1,871
Supplies, materials and media	30,046	30,381	(335)
Other	-	985	(985)
Total instruction	<u>50,526</u>	<u>49,975</u>	<u>551</u>
Support services - instruction:			
Staff travel	-	795	(795)
Other	1,500	-	1,500
Total support services - instruction	<u>1,500</u>	<u>795</u>	<u>705</u>
District administration support services -			
Indirect costs	<u>2,601</u>	<u>2,539</u>	<u>62</u>
Total expenditures	<u>54,627</u>	<u>53,309</u>	<u>1,318</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 –
 MIGRANT EDUCATION BOOK PROGRAM

Year Ended June 30, 2019

	<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>14,965</u>	<u>13,571</u>	<u>(1,394)</u>
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	<u>14,965</u>	<u>13,571</u>	<u>1,394</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 –
YOUTH RISK BEHAVIOR

Year Ended June 30, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - State of Alaska	\$ 11,574	11,574	-
Expenditures:			
Current:			
Support services - students - Professional and technical services	-	263	(263)
Student activities:			
Staff travel	1,000	-	1,000
Supplies, materials and media	10,574	11,311	(737)
Total student activities	<u>11,574</u>	<u>11,311</u>	<u>263</u>
Total expenditures	<u>11,574</u>	<u>11,574</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 –
SCHOOL IMPROVEMENT

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 10,000	8,865	(1,135)
Expenditures:			
Current:			
Support services - instruction:			
Non-certificated salaries	4,000	3,900	100
Employee benefits	400	365	35
Professional and technical services	4,600	3,600	1,000
Supplies, materials and media	1,000	1,000	-
Total expenditures	<u>10,000</u>	<u>8,865</u>	<u>1,135</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-A BASIC

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 366,940	355,318	(11,622)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	178,347	195,106	(16,759)
Non-certificated salaries	3,925	8,602	(4,677)
Employee benefits	102,976	80,836	22,140
Staff travel	2,901	-	2,901
Supplies, materials and media	1,970	694	1,276
Total instruction	<u>290,119</u>	<u>285,238</u>	<u>4,881</u>
Support services - instruction:			
Non-certificated salaries	-	1,688	(1,688)
Employee benefits	-	1,101	(1,101)
Supplies, materials and media	-	30	(30)
Total support services - instruction	<u>-</u>	<u>2,819</u>	<u>(2,819)</u>
District administration:			
Certificated salaries	29,315	32,512	(3,197)
Employee benefits	14,187	15,145	(958)
Total district administration	<u>43,502</u>	<u>47,657</u>	<u>(4,155)</u>
District administration support services:			
Non-certificated salaries	9,975	1,675	8,300
Employee benefits	5,837	978	4,859
Indirect costs	17,507	16,951	556
Total district administration support services	<u>33,319</u>	<u>19,604</u>	<u>13,715</u>
Total expenditures	<u>366,940</u>	<u>355,318</u>	<u>11,622</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, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 592,875	415,553	(177,322)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	-	540	(540)
Non-certificated salaries	89,044	89,089	(45)
Employee benefits	92,512	35,574	56,938
Supplies, materials and media	138,850	83,462	55,388
Tuition and stipends	3,983	1,274	2,709
Other	110,000	46,249	63,751
Total instruction	<u>434,389</u>	<u>256,188</u>	<u>178,201</u>
Support services - instruction -			
Student travel	1,000	-	1,000
Support services - instruction:			
Certificated salaries	34,243	-	34,243
Professional and technical services	5,000	-	5,000
Supplies, materials and media	-	68,280	(68,280)
Total support services - instruction	<u>39,243</u>	<u>68,280</u>	<u>(29,037)</u>
School administration support services:			
Certificated salaries	3,600	3,600	-
Non-certificated salaries	35,718	3,600	32,118
Employee benefits	410	410	-
Utility services	3,000	3,000	-
Total school administration support services	<u>42,728</u>	<u>10,610</u>	<u>32,118</u>
District administration support services:			
Non-certificated salaries	29,908	38,296	(8,388)
Employee benefits	17,511	22,414	(4,903)
Indirect costs	28,096	19,765	8,331
Total district administration support services	<u>75,515</u>	<u>80,475</u>	<u>(4,960)</u>
Total expenditures	<u>592,875</u>	<u>415,553</u>	<u>177,322</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, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 171,893	115,453	(56,440)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	-	1,080	(1,080)
Employee benefits	-	210	(210)
Total instruction	-	1,290	(1,290)
Special education support services - students -			
Staff travel	-	432	(432)
Support services - students -			
Staff travel	-	2,050	(2,050)
Support services - instruction:			
Certificated salaries	32,355	27,990	4,365
Non-certificated salaries	6,840	2,437	4,403
Employee benefits	30,003	4,874	25,129
Professional and technical services	27,000	24,075	2,925
Staff travel	52,550	36,328	16,222
Supplies, materials and media	14,944	1,275	13,669
Total support services - instruction	163,692	96,979	66,713
School administration -			
Staff travel	-	7,102	(7,102)
District administration:			
Staff travel	-	1,668	(1,668)
Supplies, materials and media	-	388	(388)
Total district administration	-	2,056	(2,056)
District administration support services:			
Staff travel	-	36	(36)
Indirect costs	8,201	5,508	2,693
Total district administration support services	8,201	5,544	2,657
Total expenditures	171,893	115,453	56,440
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 –
 MIGRANT COMPETITIVE

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 136,654	40,725	(95,929)
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	-	4,763	(4,763)
Employee benefits	18,360	2,196	16,164
Supplies, materials and media	11,729	4,608	7,121
Total instruction	<u>30,089</u>	<u>11,567</u>	<u>18,522</u>
Support services - instruction:			
Non-certificated salaries	69,564	12,120	57,444
Employee benefits	23,883	8,519	15,364
Staff travel	6,598	3,827	2,771
Total support services - instruction	<u>100,045</u>	<u>24,466</u>	<u>75,579</u>
District administration -			
Staff travel	-	2,749	(2,749)
District administration support services -			
Indirect costs	6,520	1,943	4,577
Total expenditures	<u>136,654</u>	<u>40,725</u>	<u>95,929</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 III-A ENGLISH LANGUAGE ACQUISITION (ELA)

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 38,925	34,926	(3,999)
Expenditures:			
Current:			
Instruction:			
Staff travel	-	1,875	(1,875)
Supplies, materials and media	30,287	27,470	2,817
Total instruction	<u>30,287</u>	<u>29,345</u>	<u>942</u>
Support services - instruction -			
Staff travel	<u>7,875</u>	<u>2,815</u>	<u>5,060</u>
District administration -			
Staff travel	<u>-</u>	<u>2,081</u>	<u>(2,081)</u>
District administration support services -			
Indirect costs	<u>763</u>	<u>685</u>	<u>78</u>
Total expenditures	<u>38,925</u>	<u>34,926</u>	<u>3,999</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 IV-A STUDENT SUPPORT

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 54,859	49,441	(5,418)
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	-	3,499	(3,499)
Support services - students:			
Non-certificated salaries	17,850	17,573	277
Employee benefits	-	1,643	(1,643)
Supplies, materials and media	35,933	6,530	29,403
Total support services - students	53,783	25,746	28,037
District administration support services -			
Indirect costs	1,076	969	107
Operations and maintenance of plant -			
Supplies, materials and media	-	19,227	(19,227)
Total expenditures	54,859	49,441	5,418
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 –
TITLE I-A HOMELESS

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 2,100	169	(1,931)
Expenditures:			
Current:			
Support services - students -			
Supplies, materials and media	2,000	161	1,839
District administration support services -			
Indirect costs	100	8	92
Total expenditures	2,100	169	1,931
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, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal direct sources	\$ 184,421	181,908	(2,513)
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	112,708	113,213	(505)
Employee benefits	42,618	39,356	3,262
Supplies, materials and media	6,166	4,496	1,670
Total instruction	<u>161,492</u>	<u>157,065</u>	<u>4,427</u>
School administration-			
Supplies, materials and media	<u>-</u>	<u>323</u>	<u>(323)</u>
District administration support services:			
Non-certificated salaries	8,294	9,993	(1,699)
Employee benefits	5,836	5,848	(12)
Indirect costs	8,799	8,679	120
Total district administration support services	<u>22,929</u>	<u>24,520</u>	<u>(1,591)</u>
Total expenditures	<u>184,421</u>	<u>181,908</u>	<u>2,513</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, 2019

	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	\$ 87,679	48,684	(38,995)
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	12,187	8,741	3,446
	<u> </u>	<u> </u>	<u> </u>
Support services - students:			
Certificated salaries	27,934	17,145	10,789
Employee benefits	11,347	3,069	8,278
Professional and technical services	14,946	9,935	5,011
Staff travel	21,265	900	20,365
Total support services-students	<u>75,492</u>	<u>31,049</u>	<u>44,443</u>
Support services - instruction:			
Professional and technical services	-	6,930	(6,930)
Staff travel	-	1,112	(1,112)
Supplies, materials and media	-	852	(852)
Total support services - instruction	<u>-</u>	<u>8,894</u>	<u>(8,894)</u>
Total expenditures	<u>87,679</u>	<u>48,684</u>	<u>38,995</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, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal direct sources	\$ 999,444	815,428	(184,016)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	216,124	203,353	12,771
Non-certificated salaries	14,829	16,116	(1,287)
Employee benefits	174,126	72,787	101,339
Professional and technical services	75,713	39,188	36,525
Staff travel	60,020	36,738	23,282
Supplies, materials and media	141,434	60,111	81,323
Other	-	2,725	(2,725)
Equipment	35,000	-	35,000
Total instruction	<u>717,246</u>	<u>431,018</u>	<u>286,228</u>
Support services - instruction:			
Certificated salaries	-	4,315	(4,315)
Employee benefits	-	937	(937)
Supplies, materials and media	-	189	(189)
Total support services - instruction	<u>-</u>	<u>5,441</u>	<u>(5,441)</u>
School administration support services - Staff travel	<u>-</u>	<u>161</u>	<u>(161)</u>
District administration:			
Certificated salaries	5,330	14,441	(9,111)
Employee benefits	784	4,486	(3,702)
Total district administration	<u>6,114</u>	<u>18,927</u>	<u>(12,813)</u>
District administration support services:			
Certificated salaries	114,000	130,724	(16,724)
Non-certificated salaries	94,546	80,142	14,404
Employee benefits	11,305	110,110	(98,805)
Indirect costs	56,233	38,905	17,328
Total district administration support services	<u>276,084</u>	<u>359,881</u>	<u>(83,797)</u>
Total expenditures	<u>999,444</u>	<u>815,428</u>	<u>184,016</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 –
CARRS SAFEWAY

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues - local sources -			
Other	\$ <u> 634</u>	<u> 634</u>	<u> -</u>
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	<u> 634</u>	<u> 634</u>	<u> -</u>
Excess of revenues over expenditures	\$ <u> -</u>	<u> -</u>	<u> -</u>
Fund balance, beginning of year		<u> -</u>	
Fund balance, end of year		\$ <u> -</u>	

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 –
BP TEACHERS OF EXCELLENCE

Year Ended June 30, 2019

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - local sources -			
Other	\$ <u>393</u>	<u>393</u>	<u>-</u>
Expenditures:			
Current:			
Operations and maintenance of plant - Supplies, materials and media	<u>393</u>	<u>393</u>	<u>-</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 –
TEACHING TOLERANCE

Year Ended June 30, 2019

	<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>9,762</u>	<u>(238)</u>
Expenditures:			
Current:			
Instruction:			
Professional and technical services	-	5,650	(5,650)
Staff travel	3,000	2,019	981
Supplies, materials and media	<u>7,000</u>	<u>1,603</u>	<u>5,397</u>
Total instruction	<u>10,000</u>	<u>9,272</u>	<u>728</u>
Student activities -			
Other purchased services	<u>-</u>	<u>490</u>	<u>(490)</u>
Total expenditures	<u>10,000</u>	<u>9,762</u>	<u>238</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 –
CARRS SAFEWAY INNOVATION EDUCATION

Year Ended June 30, 2019

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources -			
Other	\$ 5,000	5,000	-
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	5,000	5,000	-
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 - Capital Projects Fund -
 IMPACT AID CONSTRUCTION

Year Ended June 30, 2019

Revenues - Intergovernmental - Federal sources passed through the State of Alaska - Impact aid - construction payments	\$ <u>80,814</u>
Expenditures	<u>-</u>
Excess of revenues over expenditures	80,814
Fund balance, beginning of year	<u>89,577</u>
Fund balance, end of year	\$ <u><u>170,391</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, 2019

	Balance at June 30, 2018	Increases	Decreases	Balance at June 30, 2019
High school:				
Athletics	\$ 175,148	287,584	271,233	191,499
Classes/Clubs	107,814	91,000	111,615	87,199
Other Clubs	31,146	48,434	41,711	37,869
Misc./Other	2,124	2,185	2,394	1,915
Class of 20xx	4,846	12,584	10,652	6,778
Total high school	<u>321,078</u>	<u>441,787</u>	<u>437,605</u>	<u>325,260</u>
Middle school and other:				
Athletics	5,838	11,757	11,000	6,595
Classes/Clubs	55,146	24,950	12,212	67,884
Other Clubs	34,682	9,823	11,000	33,505
Misc./Other	6,609	3,556	4,612	5,553
Class of 20xx	1,232	1,081	197	2,116
Total middle school and other	<u>103,507</u>	<u>51,167</u>	<u>39,021</u>	<u>115,653</u>
Elementary schools:				
East Elementary	20,609	28,483	32,911	16,181
Main Elementary	31,054	27,978	24,176	34,856
North Star Elementary	36,553	24,855	23,870	37,538
Peterson Elementary	25,397	11,767	6,800	30,364
Preschool Peterson	9,213	28,584	21,798	15,999
Elem Music/Alutiq	3,746	-	-	3,746
Total elementary schools	<u>126,572</u>	<u>121,667</u>	<u>109,555</u>	<u>138,684</u>
Rural schools:				
Akhiok	4,297	6,830	3,079	8,048
Chiniak	4,809	490	-	5,299
Danger Bay	3,142	-	-	3,142
Karluk	985	-	-	985
Larsen Bay	1,480	540	-	2,020
Old Harbor	19,108	13,153	9,671	22,590
Ouzinkie	10,966	7,790	5,552	13,204
Port Lions	(420)	4,524	2,865	1,239
Village-Wide	8,994	2,670	2,056	9,608
Total rural schools	<u>53,361</u>	<u>35,997</u>	<u>23,223</u>	<u>66,135</u>
AK Teach	<u>63,710</u>	<u>2,144</u>	<u>1,080</u>	<u>64,774</u>
Other Funds:				
Wellness	22,449	9,780	1,726	30,503
Scholarships/BOE	225	-	-	225
Staff Morale	84	116,806	117,232	(342)
Misc./Other	(875)	504	334	(705)
Total other funds	<u>21,883</u>	<u>127,090</u>	<u>119,292</u>	<u>29,681</u>
	\$ <u>690,111</u>	<u>779,852</u>	<u>729,776</u>	<u>740,187</u>

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

Schedule of Expenditures of Federal Awards

Year end June 30, 2019

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-2017-0201	\$ 4,010	4,010
Impact Aid	84.041	11-AK-2018-0201	6,142	6,142
Impact Aid	84.041	11-AK-2019-0201	33,376	33,376
Total impact aid			<u>43,528</u>	<u>43,528</u>
Indian Education	84.060	S060A180673	184,421	181,908
Kodiak I Can Project	84.299	S299A160045-17	999,444	815,428
Total direct programs			<u>1,227,393</u>	<u>1,040,864</u>
Passed through the State of Alaska, Department of Education and Early Development:				
Impact Aid:				
Impact Aid	84.041	11-AK-2017-0001	14,907	266,839
Impact Aid	84.041	11-AK-2018-0001	533,073	533,073
Impact Aid Construction	84.041	11-AK-2018-0001	80,814	80,814
Impact Aid	84.041	11-AK-2019-0001	12,426	2,397,906
Department of Defense	84.041	None	91,710	91,710
Total Impact Aid			<u>732,930</u>	<u>3,370,342</u>
Special Education Cluster:				
Preschool Disabled	84.173	SE19.KISD.01	21,390	19,130
Title VI-B	84.027	SE19.KISD.01	629,884	621,977
Staff Development	84.027	SD19.KISD.01	4,000	761
Total Special Education Cluster			<u>655,274</u>	<u>641,868</u>
Carl Perkins Secondary	84.048	EK19.KISD.01	54,627	53,309
Staff Development	84.048	SD19.KISD.01	2,790	2,472
Total 84.048			<u>57,417</u>	<u>55,781</u>
Title I-C Migrant Education	84.011	IP19.KISD.01	592,875	415,553
Migrant Education Book Program	84.011	MB19.KISD.01	14,965	13,571
Migrant Competitive	84.011	MC19.KISD.01	136,654	40,725
Staff Development	84.011	SD19.KISD.01	5,500	3,220
Total 84.011			<u>749,994</u>	<u>473,069</u>
Title I-A Basic	84.010	IP19.KISD.01	375,466	355,318
Title 1-A Homeless	84.010	IP19.KISD.01	2,100	169
School Improvement	84.010	SI19.KISD.01	10,000	8,865
Total 84.010			<u>387,566</u>	<u>364,352</u>
Title IV-A	84.424	IP19.KISD.01	54,859	49,441

(continued)

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

Exhibit L-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	IP19.KISD.01	\$ 171,893	115,453
English Language Acquisition:				
Title III-A English Language Acquisition	84.365	IP19.KISD.01	38,925	34,926
Staff Development	84.365	SD19.KISD.01	3,849	3,114
Total English Language Acquisition			<u>42,774</u>	<u>38,040</u>
Passed through Association of Alaska School Boards - CRESEL	84.411	U411C150085	75,000	48,684
Total U.S. Department of Education			<u>2,931,807</u>	<u>5,157,030</u>
U.S. Department of Health and Human Services, Passed through the State of Alaska, Department of Education and Early Development -				
Staff Development	93.243	SD19.KISD.01	4,100	3,748
National Endowment for the Arts:				
Passed through Alaska State Council on the Arts:				
Artist in Schools	45.025	FY19AIS0010	2,100	2,100
New Vision FY18	45.025	FY18-NV002	1,250	357
New Vision FY19	45.025	FY19-NV007	1,607	1,250
Total National Endowment for the Arts			<u>4,957</u>	<u>3,707</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	145,933	145,933
National School Lunch Program	10.555	None	664,922	664,922
National School After School Snack Program	10.555	None	1,221	1,221
Commodities	10.555	None	85,535	85,535
National Summer Lunch Program	10.559	None	37,847	37,847
Total Child Nutrition Cluster			<u>935,458</u>	<u>935,458</u>
Fresh Fruits and Vegetables	10.582	FF19.KISD.01	9,183	9,183
Fresh Fruits and Vegetables	10.582	FF19.KISD.02	38,565	38,565
			<u>47,748</u>	<u>47,748</u>
Food Distribution Administrative Fee Reimbursement	10.560	FD19.KISD.01	13,650	13,650
Total U.S. Department of Agriculture			<u>983,206</u>	<u>996,856</u>
Total federal financial assistance			\$ <u>5,151,463</u>	<u>7,202,205</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, 2019

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, 2019. 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 \$3,413,870 for the year ended June 30, 2019.

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

Schedule of State Financial Assistance

Year Ended June 30, 2019

Grant Title	Grant Number	Grant Amount	Current Year Expenditures
Alaska Department of Education and Early Development:			
Direct:			
# Foundation	None	\$ 27,212,628	27,212,628
Senate Bill 142	None	415,514	415,514
Quality Schools Initiative	None	85,684	85,684
# Pupil Transportation	None	1,939,686	1,939,686
Safe Children's Act	SC17.KISD.01	5,455	1,737
Broadband Assistance Grant (BAG)	None	25,946	25,946
# Alaska Pre-Elementary	PT19.KISD.01	691,015	691,015
Early Literacy K-3	LE15.028.01	5,999	5,999
Staff Development	SD19.KISD.01	2,500	1,212
Youth Risk Behavior Survey FY17	YR17.KISD.01	6,674	6,674
Youth Risk Behavior Survey FY19	YR19.KISD.01	4,900	4,900
Total Alaska Department of Education and Early Development		30,396,001	30,390,995
Alaska Department of Commerce, Community and Economic Development:			
Direct:			
Nutritional Alaska Foods in Schools	15-NAFS-373	9,752	704
Alaska Department of Administration:			
Direct:			
# TRS On-behalf	None	2,461,368	2,461,368
PERS On-behalf	None	465,120	435,120
Total Alaska Department of Administration		2,926,488	2,896,488
Alaska State Council on the Arts:			
Direct:			
Artists in Schools	FY19AIS0010	2,100	2,100
New Visions FY18	FY18-NV002	1,250	357
New Visions FY19	FY19-NV007	1,250	1,250
Total Alaska State Council on the Arts		4,600	3,707
Total State financial assistance		\$ 33,336,841	33,291,894

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, 2019

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, 2019. 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.

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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, 2019, 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 October 29, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Anchorage, Alaska
October 29, 2019

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, 2019. 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, 2019.

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.

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

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



Anchorage, Alaska
October 29, 2019

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

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

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?

___ Yes X None Reported

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

___ Yes X No

Type of auditor's report issued on compliance for major 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)

84.041

84.011

Name of Federal Program or Cluster

Impact Aid

Title I-C Migrant Education

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

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

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

Independent Auditor's Report

Members of the School Board
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, 2019. 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, 2019.

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
October 29, 2019

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

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

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.

Report on Statement of Compliance with AS 14.14.020 and Other State Requirements

Independent Auditor's Report

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kodiak Island Borough School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 29, 2019.

Report on Statement of Compliance with AS 14.14.020 and Other State Requirements

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 of 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 principles used and reasonableness of significant estimates made by management, as well as evaluating overall presentation of the financial statement.

In connection with our audit, nothing came to our attention, which caused us to believe that:

- (a) The statements of revenues and expenditures of the Special Revenue Funds do not present fairly the allowable funds expended within the limits of the project budgets.
- (b) Kodiak Island Borough School District has not complied with the *Uniform Chart of Accounts* for school districts as required by the State of Alaska, Department of Education and Early Development.

Members of the School Board
Kodiak Island Borough School District

- (c) Kodiak Island Borough School District has not complied with the bonding requirements of AS 14.14.020.
- (d) Kodiak Island Borough School District's financial statements do not reflect the minimum accounting and reporting requirements of the Department of Education and Early Development.

However, it should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with the foregoing requirements.

Purpose of this Report

This report is intended solely to describe the scope of our testing of compliance with AS 14.14.020 and other State requirements and the results of that testing, and not to provide an opinion on compliance with AS 14.14.020 and other State requirements. Accordingly, this communication is not suitable for any other purpose.

Altman, Rogers & Co.

Anchorage, Alaska
October 29, 2019

Report on Statement of Compliance with AS 14.17.505

Independent Auditor's Report

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Kodiak Island Borough School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 29, 2019.

Report on Statement of Compliance with AS 14.17.505

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 of 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 in accordance with these standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation.

In connection with our audit, as presented in the Statement of Compliance with AS 14.17.505, nothing came to our attention that caused us to believe that the Kodiak Island Borough School District had failed to comply with the accumulated fund balance restriction in AS 14.17.505 as interpreted by the State of Alaska, Department of Education and Early Development. However, it should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with such requirements.

Members of the School Board
Kodiak Island Borough School District

Purpose of this Report

This report is intended solely to describe the scope of our testing of compliance with AS 14.17.505 and the results of that testing, and not to provide an opinion on compliance with AS 14.17.505. Accordingly, this communication is not suitable for any other purpose.

Altman, Rogers & Co.

Anchorage, Alaska
October 29, 2019

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

Statement of Compliance AS 14.17.505

Year Ended June 30, 2019

	General Fund		
	Reserved	Unreserved	Total
Reserved:			
Inventory	\$ 378,554	-	378,554
Encumbrances	525	-	525
Impact Aid	2,731,049	-	2,731,049
Prepaid	15,615	-	15,615
Homeschool allotment rollover	28,368	-	28,368
Self-insurance	2,750,182	-	2,750,182
Unreserved:			
Designated for compensated absences	-	571,758	571,758
Undesignated	-	3,568,031	3,568,031
	\$ 5,904,293	4,139,789	10,044,082

Unreserved fund balance as a percentage of
current year expenditures:

$$\frac{\text{Unreserved fund balance}}{\text{Current year expenditures}} = \frac{4,139,789}{41,847,324} = \underline{\underline{9.89\%}}$$

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