



Yupit School District

Basic Financial Statements,
Required Supplementary Information,
Additional Supplementary Information
and Single Audit Reports
Year Ended June 30, 2018

Yupiit School District

Basic Financial Statements, Required Supplementary Information,
Additional Supplementary Information and Single Audit Reports
Year Ended June 30, 2018

Yupiiit School District

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Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Members of the School Board
Yupiit School District
Akiachak, 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 the Yupiit School District, as of and for the year ended June 30, 2018, 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 Yupiiit School District, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 16 to the financial statements, in 2018 the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 38, and the Schedules of Net Pension Liability and Pension Contributions on pages 39-46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Yupiiit School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, the Schedule of State Financial Assistance, and additional supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance are 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 State of Alaska Audit Guide and Compliance Supplement for State Single Audits, respectively.

The accompanying Schedule of Expenditures of Federal Awards, the Schedule of State Financial Assistance, and the combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2019 on our consideration of Yupiit 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 Yupiit 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 Yupiit School District's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
April 4, 2019

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Basic Financial Statements

Yupit School District
Statement of Net Position

<i>June 30, 2018</i>	Governmental Activities
Assets and Deferred Outflows of Resources	
Current Assets	
Cash and cash equivalents	\$ 4,673,721
Accounts receivable	746,204
Prepaid items	615,108
Inventory	673,040
Capital assets not being depreciated - construction in progress	451,641
Other capital assets, net of accumulated depreciation	38,867,624
Total Assets	46,027,338
Deferred Outflows of Resources	
Pension related	547,095
Other postemployment benefits related	156,259
Total Deferred Outflows of Resources	703,354
Total Assets and Deferred Outflows of Resources	\$ 46,730,692
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	\$ 828,293
Accrued payroll and related liabilities	180,811
Unearned revenue	427,394
Noncurrent liability - due within one year - accrued leave	38,022
Noncurrent liability due in more than one year:	
Net pension liability	5,038,648
Net OPEB liability	587,357
Total Liabilities	7,100,525
Deferred Inflows of Resources	
Pension related	1,277,701
Other postemployment benefits related	523,475
Total Deferred Inflows of Resources	1,801,176
Net Position	
Net investment in capital assets	39,319,265
Unrestricted	(1,490,274)
Total Net Position	37,828,991
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 46,730,692

See accompanying notes to basic financial statements.

Yupiiit School District
Statement of Activities

<i>Year Ended June 30, 2018</i>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants & Contri- butions	Governmental Activities
Governmental Activities				
Instruction	\$ 5,676,954	\$ -	\$ 1,045,647	\$ (4,631,307)
Special education instruction	481,257	-	161,116	(320,141)
Special education support services	282,963	-	10,640	(272,323)
Support services - students	381,338	-	28,573	(352,765)
Support services - instruction	2,478,132	-	31,574	(2,446,558)
School administration	421,507	-	46,718	(374,789)
School administration support services	133,145	-	4,974	(128,171)
District administration	562,876	-	22,183	(540,693)
District administration support services	1,001,168	-	6,410	(994,758)
Operations and maintenance of plant	2,942,234	275,374	25,255	(2,641,605)
Student activities	245,699	-	2,966	(242,733)
Student transportation - to and from school	4,316	-	865	(3,451)
Food services	623,573	32,432	378,185	(212,956)
	\$ 15,235,162	\$ 307,806	\$ 1,765,106	(13,162,250)
General Revenues				
State grants and entitlements				6,279,375
Federal grants and entitlements				4,954,461
E-Rate				1,554,659
Other				134,815
Total General Revenues				12,923,310
Change in Net Position				(238,940)
Net Position, beginning of year, as restated (Note 16)				38,067,931
Net Position, end of year				\$ 37,828,991

See accompanying notes to basic financial statements.

Yupit School District
Governmental Funds
Balance Sheet

<i>June 30, 2018</i>	Major Funds			Total
	General	Grants and Revenue Fund	Special Programs Capital Project Fund	
Assets				
Cash	\$ 3,786,638	\$ 507,274	\$ 379,809	\$ 4,673,721
Accounts receivable	-	746,204	-	746,204
Inventory	673,040	-	-	673,040
Prepays	141,000	-	-	141,000
Due from other funds	685,174	-	-	685,174
Total Assets	\$ 5,285,852	\$ 1,253,478	\$ 379,809	\$ 6,919,139
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 701,796	\$ 126,497	\$ -	\$ 828,293
Accrued payroll and related liabilities	169,855	10,956	-	180,811
Unearned revenue	-	427,394	-	427,394
Due to other funds	-	685,174	-	685,174
Total Liabilities	871,651	1,250,021	-	2,121,672
Fund Balances				
Nonspendable	814,040	-	-	814,040
Committed	-	3,457	-	3,457
Assigned	-	-	379,809	379,809
Unassigned	3,600,161	-	-	3,600,161
Total Fund Balances	4,414,201	3,457	379,809	4,797,467
Total Liabilities and Fund Balances	\$ 5,285,852	\$ 1,253,478	\$ 379,809	\$ 6,919,139

See accompanying notes to basic financial statements.

Yupit School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2018

Total fund balances of governmental funds		\$ 4,797,467
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation, consist of:		
Construction in progress	\$ 451,641	
Buildings & improvements	58,392,855	
Equipment	909,065	
Vehicles	328,733	
Total capital assets	60,082,294	
Accumulated depreciation	(20,763,029)	
Total capital assets, net		39,319,265
Defined contribution forfeitures are recognized as used to offset current contributions in the funds.		
This is the balance of the unused forfeitures		474,108
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of:		
Accrued leave	(38,022)	
Net Pension liability	(5,038,648)	
Net OPEB liability	(587,357)	
Total long-term liabilities		(5,664,027)
Certain changes in net pension liabilities are deferred rather than recognized immediately. These are amortized over time.		
Deferred outflows related to pensions	547,095	
Deferred inflows related to pensions	(1,277,701)	
Deferred outflows related to OPEB	156,259	
Deferred inflows related to OPEB	(523,475)	
Total deferred pension items		(1,097,822)
Total Net Position of Governmental Activities		\$ 37,828,991

See accompanying notes to basic financial statements.

Yupiiit School District
Governmental Funds
Statement of Revenues, Expenditures and Changes
in Fund Balances

<i>Year Ended June 30, 2018</i>	Major Funds			Total
	General	Grants and Programs Special Revenue Fund	Capital Project Fund	
Revenues				
Local sources	\$ 1,689,474	\$ 309,393	\$ -	\$ 1,998,867
State sources	6,851,533	38,271	-	6,889,804
Federal sources:				
Direct	4,954,461	57,801	-	5,012,262
Passed through the State of Alaska	-	1,095,289	-	1,095,289
Total Revenues	13,495,468	1,500,754	-	14,996,222
Expenditures				
Instruction	4,610,464	634,686	-	5,245,150
Special education instruction	483,840	111,251	-	595,091
Special education support services	243,177	40,030	-	283,207
Support services - students	396,245	-	-	396,245
Support services - instruction	2,647,442	-	-	2,647,442
School administration	512,205	-	-	512,205
School administration support services	165,484	12,352	-	177,836
District administration	620,464	23,070	-	643,534
District administration support services	1,072,691	-	-	1,072,691
Operations and maintenance of plant	2,331,666	690,054	-	3,021,720
Student activities	258,212	-	-	258,212
Student transportation - to and from school	-	4,320	-	4,320
Food services	5,119	683,671	-	688,790
Total Expenditures	13,347,009	2,199,434	-	15,546,443
Excess (Deficiency) of Revenues Over Expenditures	148,459	(698,680)	-	(550,221)
Other Financing Sources (Uses)				
Transfers in	4,070	586,078	-	590,148
Transfers out	(586,078)	(4,070)	-	(590,148)
Net Other Financing Sources (Uses)	(582,008)	582,008	-	-
Net Change in Fund Balances	(433,549)	(116,672)	-	(550,221)
Fund Balances, beginning of year	4,847,750	120,129	379,809	5,347,688
Fund Balances, end of year	\$ 4,414,201	\$ 3,457	\$ 379,809	\$ 4,797,467

See accompanying notes to basic financial statements.

Yupiiit School District

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2018**

Net change in fund balances - total governmental funds	\$ (550,221)
The change in net position reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives.	(1,469,130)
Changes in net pension and OPEB liabilities and related accounts can increase or decrease net position. This is the net increase in equity due to changes in net pension and OPEB liability and the related deferred outflows and inflows.	1,767,022
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. This is the amount of the decrease in accrued leave.	<div style="border-top: 1px solid black;">13,389</div>
Change in Net Position of Governmental Activities	<div style="border-top: 3px double black; border-bottom: 3px double black;">\$ (238,940)</div>

See accompanying notes to basic financial statements.

Yupiit School District
Student Activities Agency Fund
Statement of Fiduciary Assets and Liabilities

June 30, 2018

Assets

Cash \$ 37,806

Liabilities

Due to student groups 37,806

Total Liabilities **\$ 37,806**

See accompanying notes to basic financial statements.

Yupiit School District

Notes to Basic Financial Statements Year Ended June 30, 2018

1. Summary of Significant Accounting Policies

The financial statements of the Yupiit School District have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

In 1985, the Legislature of the State of Alaska established the Yupiit School District (hereafter referred to as the District). At that time, assets to be used by the District were turned over by direct transfer or by use permits from the State of Alaska. The schools were previously operated by the Lower Kuskokwim School District and the Bureau of Indian Affairs. The State of Alaska has retained budget approval powers.

The District is operated under the exclusive oversight management and control of the locally-elected seven-member School Board. The School Board is the level of government which has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the Yupiit School District. The District receives funding from state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, since the School Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

The School Board does not exercise oversight responsibility over any other entity. No other entity engages in activities which benefit the School District, nor do any special financial relationships exist between the District and any other entity. Therefore, the School District does not have any component units, as defined in General Accounting Standards Board statements.

Basis of Presentation

The basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements include the financial information about the Yupiit School District as a whole. These statements include all financial activities of the District. The District does not have any activities that are considered business-type activities.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operation or capital requirements of a particular program.

Yupiit School District

Notes to Basic Financial Statements

Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

The fund financial statements include activities relating to certain functions or activities segregated in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. The major funds are presented in separate columns. Nonmajor funds are aggregated and presented in a single column.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the District are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flow. 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. Current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The District uses funds to maintain its financial records during the fiscal year. A fund is a separate accounting entity. The operations of each fund is accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures. There are three categories of funds: governmental, proprietary and fiduciary. Of these three, the District maintains governmental funds and fiduciary funds.

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and Balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

The *Grants and Programs Special Revenue Fund* accounts for educational grants and contributions from federal, state and other local agencies. There is not a legally adopted budget for this fund.

The *Capital Project Capital Project Fund* is used to account for revenues and expenditures incurred maintenance and improvements of school facilities.

In addition, the School District maintains one Student Activity Agency Fund, a type of fiduciary fund.

Yupiit School District

Notes to Basic Financial Statements

The School District follows the *Uniform Chart of Accounts for School Districts*, as required by the State of Alaska, Department of Education and Early Development.

Budgets

Annual budgets for operations are adopted by the School Board for all operating revenues, expenditures, and interfund transfers. Budgets are prepared and presented on the modified accrual basis of accounting.

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

The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs. The final revised and approved budget is presented in these financial statements. Expenditure authority for the School Operating Fund is limited to the total approved budget. There are no specific line item or category limitations.

Annual budgets of the various Special Revenue Funds are prepared in connection with the application for the special programs' funding and are reviewed and approved by the School Board. Expenditure authority for Special Revenue Fund programs is limited to the actual combined revenues and transfers from other funds.

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the School Operating Fund and Special Revenue Funds. Encumbrances, if any, outstanding at year end are reported as appropriate constraints of fund balance if they meet the definitions and criteria outlined later in these notes. Encumbrances are included as reductions to fund balance for the purpose of calculating fund balance limits in accordance with state regulations.

Cash and Investments

Cash and investments include amounts in demand deposits and short-term investments. There are no statutory limitations on the type of investment allowed.

Short-Term Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Yupiit School District

Notes to Basic Financial Statements

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018 are recorded as prepaid items. Year-end prepaid items are recorded as assets and are classified as "nonspendable" fund balance indicating that such amounts do not represent "available spendable resources".

Inventories

Inventories are valued at cost (first-in, first-out). Inventory in the School Operating Fund consists of fuel, and in the Special Revenue Funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time the items are used or consumed. Year-end inventories are recorded as assets and classified as "nonspendable" fund balance, indicating that such amounts do not represent "available spendable resources".

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported on the balance sheet of the fund financial statements.

All purchased capital assets are valued at cost. Donated capital assets are valued at their estimated fair market value on the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure.

All reported capital assets except land and construction in progress are depreciated. Depreciation is computed on the straight line method over the estimated useful life of the assets, generally 3 to 7 years for equipment and vehicles and 40 years for buildings. Maintenance and repairs of a routine nature that do not add to the value of the asset are charged as expenditures as incurred and are not capitalized.

Compensated Absences

All permanent employees earn and accrue annual leave. Unused annual leave is accrued utilizing current salary cost as earned by employees and recorded as a non-current liability in the period earned in the government-wide statements.

All permanent employees accrue sick leave, which is available for use while remaining in a permanent position with the District. Sick leave pay is recorded as an expenditure during the period it is used. There is no provision for payment or use of sick leave upon separation from employment.

Unearned Revenue

Amounts received, which are restricted as to use and have not been expended for the intended use are shown as unearned revenue.

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund Balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are

Yupiit School District

Notes to Basic Financial Statements

either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund Balances comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted Fund Balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the school board, the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the school board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance - This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The school board and superintendent have the authority to assign amounts to be used for specific purposes. Assigned fund Balances include all remaining amounts (except negative Balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance - This fund balance is the residual classification for the General Fund. It is also used to report negative fund Balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds, including expenditures and transfers of resources to provide services and construct assets. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. The classification of amounts recorded as subsidies, advances, or transfers is determined by District management. The effects of the inter-fund transactions are eliminated in the government-wide statement of activities.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of the net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

Yupiit School District

Notes to Basic Financial Statements

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position

Net position is reported on the government-wide financial statements and represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District has no restricted net position amounts at June 30, 2018.

Management Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles 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 and expenditures during the reporting period. Actual results could differ from those estimates.

Pensions and OPEB

For purposes of measuring the net pension and net OPEB liabilities, related deferred outflows of resources and deferred inflows of resources, and pension/OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and the Teachers' Retirement Systems (TRS) and additions to/from PERS/TRS fiduciary net position have been determined on the same basis as they are reported by PERS/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.

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Yupiit School District

Notes to Basic Financial Statements

2. Cash and Investments

The District's cash and investment resources for general operations are maintained in a central treasury. In addition, the District maintains accounts for specific purposes such as the Student Activity accounts. Negative cash Balances have been reclassified to "due to other funds."

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the District's deposit and investment Balances to the financial statements as of June 30, 2018.

			Pooled Cash and Investments
Bank Deposits			\$ 4,462,198
	Government-wide Statement of Net Position	Fiduciary Fund Statement of Assets and Liabilities	Totals
Cash and Investments	\$ 4,673,721	\$ 37,806	\$ 4,711,527

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At year end, the District's carrying amount totaled \$4,673,722 in governmental funds and \$37,806 in the agency fund for a combined balance of \$5,358,538. At June 30, 2018, all of the District's cash was insured or covered by collateralization agreements.

3. Receivables

All accounts receivable are considered collectible; therefore, no allowance for uncollectible accounts has been provided.

4. Interfund Receivables, Payables, and Transfers

A schedule of interfund Balances and transfers for the year ended June 30, 2018, follows:

Due From Other Funds

Due to the General Fund from:		
Grants and Programs Special Revenue Fund for short-term operating advances	\$	685,174
Total Amount Due From Other Funds	\$	685,174

Transfers

From the General Fund to		
The Grants and Programs Special Revenue Fund for operating subsidies	\$	582,009
From the Grants and Programs Special Revenue Fund to		
The General Fund for residual equity transfer		4,070
	\$	590,148

Yupiit School District

Notes to Basic Financial Statements

5. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

Governmental Activities	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Construction in progress	\$ 451,641	\$ -	\$ -	\$ 451,641
Assets being depreciated:				
Buildings & improvements	58,392,855	-	-	58,392,855
Equipment	909,065	-	-	909,065
Vehicles	328,733	-	-	328,733
Total assets being depreciated	59,630,653		-	59,630,653
Accumulated depreciation	(19,293,898)	(1,469,131)	-	(20,763,029)
Assets being depreciated net of depreciation	40,336,755	(1,469,131)	-	38,867,624
Total Governmental Capital Assets Net of Depreciation	\$ 40,788,396	\$ (1,469,131)	\$ -	\$ 39,319,265

Depreciation expense was charged to governmental functions as follows for the year ended June 30, 2018:

Instruction	\$ 1,330,821
District administration support services	1,352
Operations and maintenance of plant	135,045
Food services	1,913
Total Depreciation Allocated to Functions	\$ 1,469,131

6. Long-term Liabilities

The following schedule shows the changes in the District's long-term liabilities for the year ended June 30, 2018.

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Amount Due Within One Year
Accrued leave	\$ 51,411	\$ 71,184	\$ 84,573	\$ 38,022	\$ 38,022
Total Long-term Liabilities	\$ 51,411	\$ 71,184	\$ 84,573	\$ 38,022	\$ 38,022

The General Fund is used to liquidate a majority of the accrued leave. The special revenue funds liquidate the remaining portion of accrued leave.

Yupiit School District

Notes to Basic Financial Statements

7. Fund Balances

Fund Balances, reported for the major funds in the aggregate on the governmental funds balance sheet are subject to the following constraints at June 30, 2018:

	General Fund	Grants and Programs Special Revenue Funds	Capital Project Fund	Totals
Nonspendable - Inventory and Prepaid	\$ 814,040	\$ -	\$ -	\$ 814,040
Committed: Scholarships	-	3,457	-	3,457
Assigned: Capital projects	-	-	379,809	379,809
Unassigned	3,600,161	-	-	3,600,161
Total Fund Balances	\$ 4,414,201	\$ 3,457	\$ 379,809	\$ 4,797,467

8. Defined Benefit (DB) Pension Plans

General Information About the Plans

The District participates in two defined benefit pension plans. The Teachers' Retirement System (TRS) is a cost-sharing multiple employer plan which covers teachers and other eligible participants. The Public Employees' Retirement System (PERS) is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. Both Plans were established and are administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

Both Plans are included in comprehensive annual financial reports that include financial statements and other required supplemental information. Those reports are available via the internet at <http://doa.alaska.gov/drb>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

Both Plans provide for retirement, death and disability, and post-employment health care benefits. There are three tiers of employees, based on entry date. For all tiers within the DB pension plans, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. The tiers within the Plans establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other OPEB benefits. A complete benefit comparison chart is available at the website noted above.

Yupiit School District

Notes to Basic Financial Statements

Both PERS and TRS DB Plans were closed to new entrants on July 1, 2006. New employees hired after that date participate in the PERS/TRS Defined Contribution (DC) Plans described later in these notes.

Historical Context and Special Funding Situation

Historically, the TRS plan has been a cost-sharing plan, while originally, PERS was an agent-multiple-employer plan. In April 2008, the Alaska Legislature passed legislation converting the PERS agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate for both plans, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against *all* PERS/TRS eligible wages, including wages paid to participants of the PERS/TRS defined contribution plans described later in these footnotes.

Alaska Statutes 14.25.085 and 39.35.255 require the State of Alaska to contribute to the Plans an amount such that, when combined with the employer contribution, is sufficient to pay each Plans' past service liability contribution rates as adopted by the Alaska Retirement Management Board. As such, both Plans are considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows, and disclosures on this basis. The District records the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

It is important to note that the Alaska Legislature has the power and authority to change the aforementioned statutes through the legislative process.

Employee Contribution Rates

District PERS employees are required to contribute 6.75% of their annual covered salary (9.60% for employees on a nine-month payment contract). Teachers and other certificated employees are required to contribute 8.65% of annual covered salary for TRS.

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 contractual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages for PERS and 12.56% of eligible wages for TRS, subject to a wage floor, and other termination events. These rates are applied to all PERS/TRS participating wages, respectively, including those wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employees are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

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

Yupiit School District

Notes to Basic Financial Statements

closed 25 year term which ends in 2039. This change results in lower ARM Board Rates than previously adopted.

On-behalf Contribution Rate: This is the rate normally paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate.

In the governmental fund financial statements, on-behalf contribution amounts have been recognized as revenues and expenditures. In government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a one-year timing lag between the cash transfers and revenue and expense recognition.

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. Additionally, the GASB Rate disregards all future Medicare Part D payments. For FY17, the calculation uses an 8.00% pension discount rate and a 4.3% healthcare discount rate for PERS and 4.43% for TRS. The GASB Rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

Contribution rates for the year ended June 30, 2018 were determined in the June 30, 2015 actuarial valuation.

<i>PERS</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	17.12%	21.90%	3.01%	29.07%
Postemployment healthcare (see Note 9)	4.88%	3.11%	-%	66.85%
Total PERS Contribution Rates	22.00%	25.01%	3.01%	95.92%

<i>TRS</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	8.40%	24.19%	14.22%	37.86%
Postemployment healthcare (see Note 9)	4.16%	2.59%	-%	64.72%
Total TRS Contribution Rates	12.56%	26.78%	14.22%	102.58%

Yupiit School District

Notes to Basic Financial Statements

In 2018, the District was credited with the following contributions to the pension plans:

<i>PERS</i>	District FY17 Measurement Period	District FY18
Employer contributions (including DBUL)	\$ 221,475	\$ 241,747
Nonemployer contributions (on-behalf)	85,223	60,673
Total Contributions	\$ 306,698	\$ 302,420

In addition, employee contributions to the Plan totaled \$83,006 during the District fiscal year.

<i>TRS</i>	District FY17 Measurement Period	District FY18
Employer contributions (including DBUL)	\$ 95,205	\$ 104,885
Nonemployer contributions (on-behalf)	536,384	511,528
Total Contributions	\$ 631,589	\$ 616,413

In addition, employee contributions to the Plan totaled \$71,682 during the District fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability associated with the District were as follows:

	PERS	TRS
District's proportionate share of NPL	\$ 2,767,564	\$ 2,271,084
State's proportionate share of NPL associated with the District	1,031,503	3,963,506
Total Net Pension Liability	\$ 3,799,067	\$ 6,234,590

The total pension liabilities for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 to calculate the net pension liabilities as of that date. The District's proportion of the net pension liabilities were based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating entities, actuarially determined. The District's proportion of the net pension liability measured at June 30, 2017 for PERS was 0.05354 percent, which was an decrease of 0.01572 percent, from its proportion as of the prior measurement date. For TRS the District's proportion was 0.11206 percent, representing a decrease of 0.08612 percent, from the prior year.

Yupiiit School District

Notes to Basic Financial Statements

For the year ended June 30, 2018, the District recognized pension benefit of \$170,731 for PERS and \$128,975 for TRS. In addition, the District recognized on-behalf revenue from the State of Alaska in the amounts of \$81,872 and \$322,070 for PERS and TRS, respectively. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (87,635)
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	178,071	-
Changes in proportion and differences between District contributions and proportionate share of contributions	22,392	(1,190,066)
District contributions subsequent to the measurement date	346,632	-
Total Deferred Outflows and Deferred Inflows of Resources	\$ 547,095	\$ (1,277,701)

The \$346,632 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2019	\$ (1,231,428)
2020	171,014
2021	79,814
2022	(96,638)
2023	-
Thereafter	-

Actuarial Assumptions

The total pension liability for the measurement period ended June 30, 2017 (District fiscal year 2018) was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2017. The actuarial assumptions used in the June 30, 2016 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

Yupiit School District

Notes to Basic Financial Statements

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level dollar, closed
Inflation	3.12%
Salary increases	Graded by service, from 8.11% to 3.87% for teachers Graded by age and service, from 8.55% to 4.34% for all others
Allocation methodology	Amounts for FY17 were allocated to employers based on the projected present value of contributions for FY2019-FY2039. The liability is expected to go to zero at 2039.
Investment return / Discount rate	8.00%, 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%.
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience, 68% of male and 60% of female post-termination rates for teachers, 60% of male and 65% of female for all others. Deaths are assumed to be nonoccupational 85% of the time for teachers, 50% of the time for others. Post-termination - Based 94% of the male rates and 97% of the female rates for teachers, 96% for all others, of the RP-scale BB with a three-year setback for males and four-year setback for females.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class are summarized in the following table (note that the rates shown below exclude the inflation component):

<i>Asset Class</i>	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	8.83%
Global ex-U.S. equity	22%	7.79%
Intermediate Treasuries	13%	1.29%
Opportunistic	5%	4.76%
Real assets	17%	4.94%
Absolute return	7%	4.76%
Private equity	9%	12.02%
Cash equivalents	1%	0.63%

Yupiit School District

Notes to Basic Financial Statements

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate:

<i>PERS</i>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net pension liability	0.05354%	\$ 3,635,451	\$ 2,767,564	\$ 2,034,667

<i>TRS</i>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net pension liability	0.11206%	\$ 3,201,373	\$ 2,271,084	\$ 1,489,541

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued PERS and TRS financial reports.

9. Defined Contribution (DC) Pension Plans

Employees hired on or after July 1, 2006 participate in PERS Tier IV or TRS Tier III, defined contribution plans. These Plans are administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plans noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plans are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. These Plans are included in the comprehensive annual financial reports for PERS and TRS, and at the following website, as noted above. <http://doa.alaska.gov/drj>.

Yupiit School District

Notes to Basic Financial Statements

Contributions to the DC plans consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the District contribute at 22%. Actual remittances to the TRS system require that the District contribute at 12.56%. After deducting the DC pension plan contributions and related DC OPEB contributions, the remaining remittance (the DBUL) is deposited into the DB plan (pension and/or OPEB) as noted earlier.

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service.

Employee Contribution Rate

Employees are required to contribute 8.0% of their annual covered salary for both PERS and TRS. This amount goes directly to the individual's account.

Employer Contribution Rates

For the year ended June 30, 2018, the District was required to contribute 5% of covered salary into PERS and 7% of covered salary for TRS.

The District and employee contributions to PERS for pensions for the year ended June 30, 2018 were \$38,564 and \$0, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2018 were \$181,712 and \$2,609, respectively.

District contributions are recognized as pension expense/expenditures.

10. Other Post-Employment Benefit (OPEB) Plans

Defined Benefit OPEB

As part of its participation in the PERS and TRS DB Plans (Tiers I, II, III for PERS and Tiers I and II for TRS), which are cost-sharing multiple employer plans, the District participates in the Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD). The ARHCT is self-funded and provides major medical coverage to retirees of the DB Plans. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS and TRS DC Plans (Tier IV for PERS and Tier III for TRS). The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS and TRS. The Plans are administered by the State of Alaska, Department of Administration.

Employer Contribution Rates

The District is required to contribute 4.88% of covered payroll into the PERS OPEB plan and 4.16% of covered payroll into the TRS OPEB plan. Employees do not contribute.

Yupiiit School District

Notes to Basic Financial Statements

In 2018, the District was credited with the following contributions to the OPEB plans:

<i>PERS</i>	District FY17 Measurement Period	District FY18
Employer contributions	\$ 103,736	\$ 78,090
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 103,736	\$ 78,090

<i>TRS</i>	District FY17 Measurement Period	District FY18
Employer contributions	\$ 62,542	\$ 75,565
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 62,542	\$ 75,565

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liabilities (NOL) that reflected a reduction for State OPEB support provided to the District. The amount recognized by the District for its proportional share, the related State proportion, and the total were as follows:

	PERS	TRS
District's proportionate share of NOL - ARHCT	\$ 452,583	\$ 205,763
District's proportionate share of NOL - RMP	3,986	(37,959)
District's proportionate share of NOL - ODD	(10,845)	(26,171)
State's proportionate share of NOL associated with the District	168,690	360,675
Total Net OPEB Liabilities	\$ 614,414	\$ 502,308

The total OPEB liabilities for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 to calculate the net OPEB liabilities as of that date. The District's proportion of the net OPEB liabilities were based on a projection of the District's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

Yupiiit School District

Notes to Basic Financial Statements

<i>PERS</i>	June 30, 2016 Measurement Date Employer Proportion	June 30, 2017 Measurement Date Employer Proportion	Change
District's proportionate share of the net OPEB liabilities:			
ARHCT	0.06930%	0.05358%	(0.01572)%
RMP	0.05435%	0.07643%	0.02208%
ODD	0.05435%	0.07643%	0.02208%

<i>TRS</i>	June 30, 2016 Measurement Date Employer Proportion	June 30, 2017 Measurement Date Employer Proportion	Change
District's proportionate share of the net OPEB liabilities:			
ARHCT	0.19750%	0.11187%	(0.08563)%
RMP	0.81605%	0.80082%	(0.01523)%
ODD	0.81605%	0.80082%	(0.01523)%

As a result of its requirement to contribute to the Plan, the District recognized OPEB expense of \$41,140 and \$(52,655) for PERS and TRS, respectively. In addition, the District recognized on-behalf revenue of \$0 and \$0 for PERS and TRS, respectively, for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (51,554)
Changes in assumptions	-	-
Change in benefits	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(263,579)
Changes in proportion and differences between District contributions and proportionate share of contributions	2,603	(208,342)
District contributions subsequent to the measurement date	153,656	-
Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB Plans		
	\$ 156,259	\$ (523,475)

The \$153,656 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Yupiit School District

Notes to Basic Financial Statements

Year Ending June 30,

2019	\$ (233,988)
2020	(154,578)
2021	(65,995)
2022	(65,995)
2023	(102)
Thereafter	(214)

Actuarial Assumptions

The total OPEB liability for the measurement period ended June 30, 2017 (District fiscal year 2018) was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2017. The actuarial assumptions used in the June 30, 2016 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level dollar, closed
Inflation	3.12%
Salary increases	Graded by service, from 8.11% to 3.87% for teachers Graded by service from 8.55% to 4.34% for all others
Allocation Methodology	Amounts for FY17 were allocated to employers based on the projected present value of contributions for FY2019-FY2039. The liability is expected to go to zero at 2039.
Investment Return / Discount Rate	8.00%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Healthcare cost trend rates	Pre-65 medical; 8.8% grading down to 4.4% Post-65 medical; 5.8% grading down to 4.0% Prescription drug; 5.4% grading down to 4.0%
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience, 68% of male and 60% of female post-termination rates for teachers, 60% of male and 65% of female for all others. Deaths are assumed to be nonoccupational 85% of the time for teachers, 50% of the time for others. Post-termination - Based 94% of the male rates and 97% of the female rates for teachers, 96% for all others, of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB with a three-year setback for males and four-year setback for females.

Yupiiit School District

Notes to Basic Financial Statements

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare 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 by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized in the following table (note that the rates shown below exclude the inflation component):

<i>Asset Class</i>	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	8.83%
Global ex-U.S. equity	22%	7.79%
Intermediate Treasuries	13%	1.29%
Opportunistic	5%	4.76%
Real assets	17%	4.94%
Absolute return	7%	4.76%
Private equity	9%	12.02%
Cash equivalents	1%	0.63%

Discount Rate

The discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity

The following presents the District's proportionate share of the net OPEB liabilities calculated using the discount rate of 8.00%, as well as what the District's proportionate share of the net OPEB liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

<i>PERS</i>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net OPEB liabilities:				
ARHCT	0.05358%	\$ 968,576	\$ 452,583	\$ 18,563
RMP	0.07643%	\$ 18,673	\$ 3,986	\$ (7,482)
ODD	0.07643%	\$ (9,790)	\$ (10,845)	\$ (11,707)

Yupiit School District

Notes to Basic Financial Statements

<i>TRS</i>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net OPEB liabilities:				
ARHCT	0.11187%	\$ 627,017	\$ 205,763	\$ (143,758)
RMP	0.80082%	\$ 16,273	\$ (37,959)	\$ (79,161)
ODD	0.80082%	\$ (26,299)	\$ (26,171)	\$ (26,107)

Healthcare Cost Trend Rates Sensitivity

The following presents the District's proportionate share of the net OPEB liabilities calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net OPEB liabilities 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:

<i>PERS</i>	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liabilities:				
ARHCT	0.05358%	\$ (50,204)	\$ 452,583	\$ 1,057,054
RMP	0.07643%	\$ (9,866)	\$ 3,986	\$ 22,545
ODD	0.07643%	\$ -	\$ (10,845)	\$ -

<i>TRS</i>	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liabilities:				
ARHCT	0.11187%	\$ (191,811)	\$ 205,763	\$ 689,272
RMP	0.80082%	\$ (87,378)	\$ (37,959)	\$ 30,399
ODD	0.80082%	\$ -	\$ (26,171)	\$ -

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

11. Defined Contribution (DC) OPEB Plans

Defined Contribution Pension Plan participants (PERS Tier IV, and TRS Tier III) participate in the Occupational Death and Disability Plan (ODD), and the Retiree Medical Plan. Information on these plans is included in the comprehensive annual financial reports for the PERS and TRS plans noted above. These plans provide for death, disability, and post-employment health care benefits.

Yupiiit School District

Notes to Basic Financial Statements

Employer Contribution Rates

Employees do not contribute to the DC OPEB plans. Employer contribution rates were as follows for the year ended June 30, 2018:

	PERS Tier IV	TRS Tier III
Retiree medical plan	1.03%	0.91%
Occupational death and disability benefits	0.16%	-%
Total Contribution Rates	1.19%	0.91%

In addition, PERS and TRS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers* in the plan”. At July 1, 2017, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,084 per year for each full-time employee, and \$1.34 per hour for part-time employees for both PERS and TRS.

Annual Postemployment Healthcare Cost

In 2018, the District contributed \$50,270 in DC OPEB costs to PERS and \$68,604 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

12. Commitments/Contingencies

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, would become a liability of the School Operating Fund.

The District receives a substantial portion of its revenues from federal, state and local grants. Significant changes in these revenue sources could have a material effect on the operations of the District.

The District provides services solely to the residents of Akiachak, Akiak and Tulusak as defined by the boundaries of the Yupiiit School District. Any significant changes in the number of enrolled students would have a material effect on state and federal funding.

The District is subject to various claims and legal proceedings covering a wide range of matters that arise in the course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the District.

13. Risk Management

The District faces a considerable number of risks of loss, including: (a) damage and loss to property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensation; i.e., employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for general liability, errors and omissions, and student accidents. Worker's compensation is also purchased as required by statute. The District has no

Yupiit School District

Notes to Basic Financial Statements

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.

The District participates in the Alaska Public Entity Insurance (APEI) which provides insurance coverage for property and contents damage. APEI is a public entity risk pool organized to share risks among its members. The APEI's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year or at the discretion of the Board. Such supplemental contributions shall be based on each member's annual deposit contribution in comparison to the aggregate annual deposit contributions of all members.

14. Self-Insurance

The District created a health and medical benefit program, which covers all full time employees. The 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 insurance limits the District's liability for individual and aggregate claims. Stop-loss limits were \$80,000 for individual claims and an aggregate stop loss that is calculated by multiplying the monthly single enrollment units for the year by \$839, and the monthly enrollment units with dependents by \$1,774 for aggregate claims. Health and medical insurance expenditure totaled was \$1,298,821 for the year ended June 30, 2018, and consisted of paid claims, stop-loss premiums, administrative fees, and the change in estimated liability for incurred but unreported claims at fiscal year-end.

As of June 30, 2018, an estimated liability for incurred but unreported claims of approximately \$108,855 was recorded in the General (School Operating) Fund. This estimate was calculated based on subsequent to year-end claims filed and past experience.

Changes in the Balances of claims liabilities for the year ending June 30, 2018 is as follows:

Unpaid Claims, beginning of year	\$	98,892
Incurred claims (including IBNR's)		1,298,821
Claim payments		(1,288,858)
<hr/>		
Unpaid Claims, end of year	\$	108,855

15. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined.

GASB 83 - Certain Asset Retirement Obligations - Effective for year-end December 31, 2019, with earlier application encouraged - This statement addresses accounting and financial reporting for certain asset retirement obligations that are legally enforceable liabilities associated with the retirement of a tangible capital asset.

Yupit School District

Notes to Basic Financial Statements

GASB 84 - *Fiduciary Activities* - Effective for year-end December 31, 2019, with earlier application encouraged - This statement addresses criteria for identifying and reporting fiduciary activities.

GASB 87 - *Leases* - Effective for year-end December 31, 2020, with earlier application encouraged - This statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. 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.

GASB 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* - Effective for year-end December 31, 2019, with earlier application encouraged - This statement addresses note disclosures related to debt, clarifies which liabilities to include when disclosing information related to debt, and defines debt for the purpose of disclosure. It requires additional essential information related to debt be disclosed in the notes, as well as information for direct borrowings and direct placements.

GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period* - Effective for year-end June 30, 2021, with earlier application encouraged - This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB 90 - *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61* - Effective for year-end June 30, 2020, with earlier application encouraged - This statement addresses accounting and financial reporting for a majority equity interest in a legally separate organization. It provides a definition of a majority equity interest and provides guidance for further presentation as either an investment or a component unit, based on specific criteria.

16. Change in Accounting Principle

As discussed in Note 8 to the financial statements, the District participates in the Alaska Public Employees Retirement Systems (PERS) plan and Teachers Retirement System (TRS) plan. In 2018, the District adopted the provisions of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, which, among other accounting and reporting criteria, requires the District to recognize its proportional share of the Net OPEB Liability (and related deferred inflows of resources and deferred outflows of resources), as of the beginning of the District's fiscal year. As a result of the implementation of this statement, the District has recorded an opening balance adjustment to reflect opening balance OPEB liabilities and related accounts and to decrease opening net position as follows:

	Opening net position, as originally resented	Change in Accounting Principle adjustment	Opening net position, as restated
Governmental Activities	\$ 39,218,414	\$ (1,150,483)	\$ 38,067,931

Required Supplementary Information

Yupiiit School District
General (School Operating) Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

<i>Year Ended June 30, 2018</i>	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local sources	\$ 1,626,642	\$ 1,626,642	\$ 1,689,474	\$ 62,832
State sources	8,172,112	7,605,252	6,851,533	(753,719)
Federal sources - direct grants	3,448,750	3,448,750	4,954,461	1,505,711
Total Revenues	13,247,504	12,680,644	13,495,468	814,824
Expenditures				
Instruction	4,529,592	4,529,592	4,610,464	(80,872)
Special education instruction	1,246,753	1,246,753	483,840	762,913
Special education support services	172,793	172,793	243,177	(70,384)
Support services - students	402,734	402,734	396,245	6,489
Support services - instruction	2,410,858	2,410,858	2,647,442	(236,584)
School administration	496,962	496,952	512,205	(15,253)
School administration support services	226,134	226,134	165,484	60,650
District administration	487,112	487,112	620,464	(133,352)
District administration support services	301,042	301,042	1,072,691	(771,649)
Operations and maintenance of plant	2,046,878	2,046,878	2,331,666	(284,788)
Student activities	232,724	232,724	258,212	(25,488)
Food services	-	-	5,119	(5,119)
Total Expenditures	12,553,582	12,553,572	13,347,009	(793,437)
Excess (Deficiency) of Revenues Over Expenditures	693,922	127,072	148,459	21,387
Other Financing Uses				
Transfers in	-	-	4,070	4,070
Transfers out	(528,869)	(528,869)	(586,078)	(57,209)
Total Other Financing Uses	(528,869)	(528,869)	(582,008)	53,139
Net Change in Fund Balance	\$ 165,053	\$ (401,797)	(433,549)	\$ 74,526
Fund Balance, beginning of year			4,847,750	
Fund Balance, end of year			\$ 4,414,201	

See accompanying notes to Required Supplementary Information.

Yupit School District
Public Employee's Retirement System (PERS)
Schedule of the District's Information on the Net Pension Liability

<i>Years Ended June 30,</i>	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of 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 Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.05354%	\$ 2,767,564	\$ 1,031,503	\$ 3,799,067	\$ 1,935,751	143%	63.37%
2017	0.06926%	\$ 3,871,440	\$ 489,861	\$ 4,361,301	\$ 1,961,859	197%	59.55%
2016	0.07421%	\$ 3,599,028	\$ 964,909	\$ 4,563,937	\$ 1,758,933	205%	63.96%
2015	0.04611%	\$ 2,150,430	\$ 1,710,603	\$ 3,861,033	\$ 1,681,437	128%	62.37%
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2009	*	*	*	*	*	*	*
2008	*	*	*	*	*	*	*

* Information for these years is not available

See accompanying notes to Required Supplementary Information.

Yupit School District
Public Employee's Retirement System (PERS)
Schedule of the District's Contributions

<i>Years Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 241,747	\$ 241,747	\$ -	\$ 2,203,425	10.97%
2017	\$ 221,475	\$ 221,475	\$ -	\$ 1,935,751	11.44%
2016	\$ 213,671	\$ 213,671	\$ -	\$ 1,961,859	10.89%
2015	\$ 170,086	\$ 170,086	\$ -	\$ 1,758,933	5.59%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*
2008	*	*	*	*	*

* Information for these years is not available

See accompanying notes to Required Supplementary Information.

Yupit School District
Teacher's Retirement System (TRS)
Schedule of the District's Information on the Net Pension Liability

<i>Years Ended June 30,</i>	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 Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	11.20600%	\$ 2,271,084	\$ 3,963,506	\$ 6,234,590	\$ 3,301,449	69%	72.39%
2017	0.19818%	\$ 4,525,156	\$ 5,381,885	\$ 9,907,041	\$ 3,474,487	130%	68.40%
2016	0.16236%	\$ 3,020,660	\$ 4,831,946	\$ 7,852,606	\$ 3,042,325	99%	73.82%
2015	0.03648%	\$ 1,094,112	\$ 10,507,673	\$ 11,601,785	\$ 2,914,658	38%	55.70%
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2009	*	*	*	*	*	*	*
2008	*	*	*	*	*	*	*

* Information for these years is not available

See accompanying notes to Required Supplementary Information.

Yupit School District
Teacher's Retirement System (TRS)
Schedule of the District's Contributions

<i>Years Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 104,885	\$ 104,885	\$ -	\$ 3,477,295	3.016%
2017	\$ 95,205	\$ 95,205	\$ -	\$ 3,301,449	2.884%
2016	\$ 68,270	\$ 68,270	\$ -	\$ 3,474,487	1.965%
2015	\$ 68,141	\$ 68,141	\$ -	\$ 3,042,325	3.874%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*
2008	*	*	*	*	*

* Information for these years is not available

See accompanying notes to Required Supplementary Information.

Yupit School District
Public Employee's Retirement System (PERS)
Schedule of the District's Proportionate Share on the Net OPEB Liability

<i>Years Ended June 30,</i>	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State of Proportionate Share of the Net OPEB Liability	Total Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2018	0.05358	\$ 445,724	\$ 168,690	\$ 614,414	\$ 19,357,515	23.03%	89.68%
2017	*	*	*	*	*	*	*
2016	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2009	*	*	*	*	*	*	*

* Information for these years is not available

See accompanying notes to Required Supplementary Information.

Yupit School District
Public Employee's Retirement System (PERS) OPEB Plan
Schedule of the District's Contributions

<i>Years Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 78,090	\$ 78,090	\$ -	\$ 2,203,425	3.54%
2017	*	*	*	*	*
2016	*	*	*	*	*
2015	*	*	*	*	*
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*

* Information for these years is not available

See accompanying notes to Required Supplementary Information.

Yupit School District
Teacher's Retirement System (TRS)
Schedule of the District's Information on the Net OPEB Liability

<i>Years Ended June 30,</i>	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State of Alaska Proportionate Share of the Net OPEB Liability	Total Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2018	0.111870	\$ 141,633	\$ 360,675	\$ 502,308	\$ 3,301,449	4.29%	93.75%
2017	*	*	*	*	*	*	*
2016	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2009	*	*	*	*	*	*	*

* Information for these years is not available

See accompanying notes to Required Supplementary Information.

Yupit School District
Teacher's Retirement System (TRS) OPEB Plan
Schedule of the District's Contributions

<i>Years Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 75,565	\$ 75,565	\$ -	\$ 3,477,295	2.17%
2017	*	*	*	*	*
2016	*	*	*	*	*
2015	*	*	*	*	*
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*

* Information for these years is not available

See accompanying notes to Required Supplementary Information.

Yupiit School District

Notes to Required Supplementary Information Year Ended June 30, 2018

1. Budgetary Comparison Schedule

The budgetary comparison schedule is presented on the modified accrual basis of accounting.

2. Schedule of the District's Information on the Net Pension Liability - PERS

Information in this table is presented based on the Plan measurement date. For June 30, 2018, the Plan measurement date is June 30, 2017.

3. Schedule of District Contributions - Public Employees Retirement System

This table reports the District's pension contributions to PERS for each year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

4. Schedule of the District's Information on the Net Pension Liability - TRS

Information in this table is presented based on the Plan measurement date. For June 30, 2018, the Plan measurement date is June 30, 2017.

5. Schedule of District Contributions - Teachers Retirement System

This table reports the District's pension contributions to TRS for each year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

Neither plan is reporting any changes in benefit terms from the prior measurement period.

Neither plan is reporting any changes in assumptions from the prior measurement period.

Neither plan is reporting any changes in the allocation methodology.

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Additional Supplementary Information

Yupiit School District
General (School Operating) Fund
Schedule of Revenues and Expenditures - Budget and Actual

<i>Year Ended June 30, 2018</i>	Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources:			
Other local revenues	\$ -	\$ 134,815	\$ 134,815
E-rate revenue	1,626,642	1,554,659	(71,983)
Total local sources	1,626,642	1,689,474	62,832
State sources:			
Foundation program	6,810,052	6,110,945	(699,107)
PERS on behalf	228,340	60,630	(167,710)
TRS on behalf	566,860	511,528	(55,332)
Other state sources	-	168,430	168,430
Total state sources	7,605,252	6,851,533	(753,719)
Federal sources - direct - impact aid	3,448,750	4,954,461	1,505,711
Total Revenues	\$ 12,680,644	\$ 13,495,468	\$ 814,824

Yupit School District
General (School Operating) Fund
Schedule of Revenues and Expenditures - Budget and Actual, continued

<i>Year Ended June 30, 2018</i>	Budget	Actual	Variance Positive (Negative)
Expenditures			
Instruction:			
Certificated salaries	\$ 2,415,188	\$ 2,295,638	\$ 119,550
Non-certificated salaries	459,911	565,549	(105,638)
Employee benefits	1,468,043	1,459,187	8,856
Transportation allowance	9,500	13,336	(3,836)
Professional and technical services	4,000	9,939	(5,939)
Staff travel	-	92,201	(92,201)
Student travel	-	-	-
Utility services	6,550	8	6,542
Energy	-	-	-
Other purchased services	10,000	-	10,000
Supplies, materials and media	156,400	137,716	18,684
Other expenditures	-	560	(560)
Tuition and stipends	-	38,446	(38,446)
Indirect cost	-	(2,116)	2,116
Total instruction	4,529,592	4,610,464	(80,872)
Special education instruction:			
Certificated salaries	626,270	171,043	455,227
Non-certificated salaries	182,794	131,198	51,596
Employee benefits	419,289	170,259	249,030
Transportation allowance	8,800	2,991	5,809
Professional and technical services	-	8,193	(8,193)
Supplies, materials and media	9,600	156	9,444
Total special education instruction	1,246,753	483,840	762,913
Special education support services:			
Certificated salaries	44,384	46,181	(1,797)
Non-certificated salaries	-	5,857	(5,857)
Employee benefits	19,059	33,554	(14,495)
Transportation allowance	550	406	144
Professional and technical services	95,000	136,947	(41,947)
Staff travel	10,000	14,607	(4,607)
Student travel	-	1,174	(1,174)
Other purchased services	-	1,559	(1,559)
Supplies, materials and media	3,000	2,892	108
Other expenditures	800	-	800
Equipment	-	-	-
Total special education support services	172,793	243,177	(70,384)

Yupit School District
General (School Operating) Fund
Schedule of Revenues and Expenditures - Budget and Actual, continued

<i>Year Ended June 30, 2018</i>	Budget	Actual	Variance Positive (Negative)
Expenditures, continued			
Support services - students:			
Certificated salaries	\$ 259,197	\$ 269,986	\$ (10,789)
Employee benefits	140,537	124,951	15,586
Transportation allowance	1,500	1,308	192
Staff travel	-	-	-
Supplies, materials and media	1,500	-	1,500
Total support services - students	402,734	396,245	6,489
Support services - instruction:			
Certificated salaries	131,768	137,562	(5,794)
Non-certificated salaries	220,643	152,886	67,757
Employee benefits	121,597	190,135	(68,538)
Transportation allowance	550	406	144
Professional and technical services	23,000	56,774	(33,774)
Staff travel	20,000	6,721	13,279
Student travel	-	-	-
Utility services	1,800,300	2,052,174	(251,874)
Other purchased services	8,500	3,936	4,564
Supplies, materials and media	81,500	46,248	35,252
Other expenditures	3,000	600	2,400
Total support services - instruction	2,410,858	2,647,442	(236,584)
School administration:			
Certificated salaries	319,550	337,822	(18,272)
Employee benefits	171,962	161,159	10,803
Transportation allowance	1,350	1,308	42
Professional and technical services	-	-	-
Staff travel	3,200	3,329	(129)
Utility services	-	8,336	(8,336)
Other purchased services	-	-	-
Supplies, materials and media	900	176	724
Other expenditures	-	75	(75)
Total school administration	496,962	512,205	(15,243)
School administration support services:			
Non-certificated salaries	160,881	104,759	56,122
Employee benefits	64,353	54,765	9,588
Staff travel	-	5,645	(5,645)
Utility services	-	-	-
Supplies, materials and media	900	315	585
Total school administration support services	226,134	165,484	60,650

Yupiiit School District
General (School Operating) Fund
Schedule of Revenues and Expenditures - Budget and Actual, continued

<i>Year Ended June 30, 2018</i>	Budget	Actual	Variance Positive (Negative)
Expenditures, continued			
District administration:			
Certificated salaries	\$ 125,000	\$ 107,267	\$ 17,733
Non-certificated salaries	119,900	135,273	(15,373)
Employee benefits	114,362	120,338	(5,976)
Transportation allowance	7,500	305	7,195
Professional and technical services	35,000	138,554	(103,554)
Staff travel	57,500	73,349	(15,849)
Utility services	1,800	1,082	718
Other purchased services	-	5,750	(5,750)
Insurance and bonds premiums	-	-	-
Supplies, materials and media	7,100	11,996	(4,896)
Other expenditures	18,950	26,550	(7,600)
Total district administration	487,112	620,464	(133,352)
District administration support services:			
Certificated salaries	-	81,450	(81,450)
Non-certificated salaries	104,418	131,972	(27,554)
Employee benefits	45,028	151,049	(106,021)
Transportation allowance	1,500	10,812	(9,312)
Professional and technical services	103,000	188,519	(85,519)
Student travel	-	1,325	(1,325)
Staff travel	14,750	83,183	(68,433)
Utility services	30,000	29,007	993
Other purchased services	40,000	14,751	25,249
Insurance and bond premiums	18,500	18,499	1
Supplies, materials and media	5,250	12,418	(7,168)
Other expenditures	8,750	370,661	(361,911)
Indirect cost recovery	(70,154)	(20,955)	(49,199)
Total district administration support services	301,042	1,072,691	(771,649)
Operations and maintenance of plant:			
Certificated salaries	-	6,200	(6,200)
Non-certificated salaries	342,000	362,441	(20,441)
Employee benefits	146,408	267,830	(121,422)
Transportation allowance	-	406	(406)
Professional and technical services	15,000	3,277	11,723
Staff travel	15,000	7,277	7,723
Student travel	-	-	-
Utility services	280,200	280,783	(583)
Energy	843,750	556,558	287,192
Other purchased services	31,000	120	30,880
Insurance and bond premiums	170,000	609,469	(439,469)
Supplies, materials and media	202,170	237,305	(35,135)
Other expenditures	1,350	-	1,350
Total operations and maintenance of plant	2,046,878	2,331,666	(284,788)

Yupiit School District
General (School Operating) Fund
Schedule of Revenues and Expenditures - Budget and Actual, continued

<i>Year Ended June 30, 2018</i>	Budget	Actual	Variance Positive (Negative)
Expenditures, continued			
Student activities:			
Certificated salaries	\$ 65,000	\$ 18,974	\$ 46,026
Non-certificated salaries	15,233	18,990	(3,757)
Employee benefits	37,221	12,352	24,869
Professional and technical services	-	7,635	(7,635)
Staff travel	2,500	7,351	(4,851)
Student travel	102,960	172,718	(69,758)
Other purchased services	3,000	-	3,000
Supplies, materials and media	3,100	13,417	(10,317)
Other expenditures	3,710	6,775	(3,065)
Total student activities	232,724	258,212	(25,488)
Food services:			
Employee benefits	-	4,814	(4,814)
Staff travel	-	305	(305)
Other expenditures	-	-	-
Total food services	-	5,119	(5,119)
Total Expenditures	12,553,582	13,347,009	(793,427)
Other Financing Uses			
Transfers in	-	(4,070)	4,070
Transfers out	528,869	586,078	(57,209)
Total Other Financing Uses	528,869	582,008	(53,139)
Total Expenditures and Other Financing Uses	\$ 13,082,451	\$ 13,929,017	\$ (846,566)

Yupiit School District
Grants and Programs Special Revenue Fund
Combining Balance Sheet

<i>June 30, 2018</i>	Alaska Pilot Pre - Kindergarten	Early Literacy	Targeted Resources Moore Settlement
Assets			
Cash	\$ 85,076	\$ 29,579	\$ 44,842
Accounts receivable	-	-	-
Due from (to) other funds	-	-	-
Total Assets	\$ 85,076	\$ 29,579	\$ 44,842
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-
Unearned revenue	85,076	29,579	44,842
Total Liabilities	85,076	29,579	44,842
Fund Balances			
Nonspendable	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned (deficit)	-	-	-
Total Fund Balances	-	-	-
Total Liabilities and Fund Balances	\$ 85,076	\$ 29,579	\$ 44,842

Yupit School District

Grants and Programs Special Revenue Fund
Combining Balance Sheet, continued

<i>June 30, 2018</i>	Title II-A Professional Development	Food Service	Title I-A Basic	Title I-C Migrant Education	Preschool Disabled
Assets					
Cash	\$ -	\$ -	\$ 81,163	\$ -	\$ -
Accounts receivable	2,876	-	507,002	27,407	1,347
Due from other funds	(2,876)	2,623	(504,021)	(26,020)	(1,347)
Total Assets	\$ -	\$ 2,623	\$ 84,144	\$ 1,387	\$ -
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 2,623	\$ 84,144	\$ 1,387	\$ -
Accrued payroll and related liabilities	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	-	2,623	84,144	1,387	-
Fund Balances					
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	\$ -	\$ 2,623	\$ 84,144	\$ 1,387	\$ -

Yupit School District
Grants and Programs Special Revenue Fund
Combining Balance Sheet, continued

<i>June 30, 2018</i>	Title III-A English Language Acquisition	Title I-A School Improvement 1003(a)	Math in a Cultural Context	IDEA, Part B, Title VI-B	Carl Perkins	Johnson O'Malley	Improving Literacy Through School Libraries
Assets							
Cash	\$ -	\$ -	\$ 7,221	\$ -	\$ -	\$ -	\$ 42,962
Accounts receivable	2,040	73,386	-	120,694	11,452	-	-
Due from other funds	(2,040)	(69,470)	-	(120,397)	(11,452)	4,740	-
Total Assets	\$ -	\$ 3,916	\$ 7,221	\$ 297	\$ -	\$ 4,740	\$ 42,962
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ 3,916	\$ -	\$ 297	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	-	-	-
Unearned revenue	-	-	7,221	-	-	4,740	42,962
Total Liabilities	-	3,916	7,221	297	-	4,740	42,962
Fund Balances (Deficits)							
Nonspendable	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ -	\$ 3,916	\$ 7,221	\$ 297	\$ -	\$ 4,740	\$ 42,962

Yupit School District
Grants and Programs Special Revenue Fund
Combining Balance Sheet, continued

<i>June 30, 2018</i>	AK Native Education School for Life	Best Beginnings	Teacher Housing	Carrs Safeway Innovation	Scholarship Fund	Totals
Assets						
Cash	\$ 207,929	\$ 45	\$ -	\$ 5,000	\$ 3,457	\$ 507,274
Accounts receivable	-	-	-	-	-	746,204
Due from other funds	-	-	45,086	-	-	(685,174)
Total Assets	\$ 207,929	\$ 45	\$ 45,086	\$ 5,000	\$ 3,457	\$ 568,304
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ -	\$ 34,130	\$ -	\$ -	\$ 126,497
Accrued payroll and related liabilities	-	-	10,956	-	-	10,956
Unearned revenue	207,929	45	-	5,000	-	427,394
Total Liabilities	207,929	45	45,086	5,000	-	564,847
Fund Balances (Deficits)						
Nonspendable	-	-	-	-	-	-
Committed	-	-	-	-	3,457	3,457
Assigned	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	3,457	3,457
Total Liabilities and Fund Balances	\$ 207,929	\$ 45	\$ 45,086	\$ 5,000	\$ 3,457	\$ 568,304

Yupiit School District
Grants and Programs Special Revenue Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year Ended June 30, 2018</i>	Pupil Transportation	Early Literacy	Title II-A Professional Development
Revenues			
Local sources	\$ -	\$ -	-
State sources	865	37,406	-
Federal sources:			
Direct	-	-	-
Through the State of Alaska	-	-	2,876
Total Revenues	865	37,406	2,876
Expenditures			
Instruction	-	33,078	2,785
Special education instruction	-	-	-
Special education support services	-	3,140	-
Support services - instruction	-	-	-
School administration support services	-	-	-
District administration support services	-	1,188	91
Operations and maintenance of plant	-	-	-
Student transportation - to and from school	4,320	-	-
Food services	-	-	-
Total Expenditures	4,320	37,406	2,876
Excess (Deficiency) of Revenues Over Expenditures	(3,455)	-	-
Other Financing Sources			
Transfers in	3,455	-	-
Transfers out	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balances, beginning of year	-	-	-
Fund Balances (Deficits), end of year	\$ -	\$ -	-

Yupiit School District
Grants and Programs Special Revenue Fund, continued
Combining Statement of Revenues, Expenditures and Changes in Fund Balance, continued

<i>Year Ended June 30, 2018</i>	Food Service	Title I-A Basic	Title I-C Migrant Education	Preschool Disabled	Title III-A English Language Acquisition	Migrant Ed Parent Advisory	Title I-A School Improvement 1003(a)	IDEA, Part B, Title VI-B	Carl Perkins
Revenues									
Local sources	\$ 32,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-	-
Federal sources:									
Direct	21,609	-	-	-	-	858	-	30,959	-
Through the State of Alaska	349,085	507,002	27,407	1,347	2,040	-	73,386	120,694	11,452
Total Revenues	403,126	507,002	27,407	1,347	2,040	858	73,386	151,653	11,452
Expenditures									
Instruction	-	493,422	14,223	-	2,000	858	71,270	-	11,088
Special education instruction	-	-	-	296	-	-	-	110,955	-
Special education support services	-	-	-	1,008	-	-	-	35,882	-
Support services - instruction	-	-	-	-	-	-	-	-	-
School administration support services	-	-	12,352	-	-	-	-	-	-
District administration support services	-	13,580	832	43	40	-	2,116	4,816	364
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-	-
Food services	683,671	-	-	-	-	-	-	-	-
Total Expenditures	683,671	507,002	27,407	1,347	2,040	858	73,386	151,653	11,452
Excess (Deficiency) of Revenues Over Expenditures	(280,545)	-	-	-	-	-	-	-	-
Other Financing Sources									
Transfers in	258,778	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(21,767)	-	-	-	-	-	-	-	-
Fund Balances, beginning of year	21,767	-	-	-	-	-	-	-	-
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Yupit School District
Grants and Programs Special Revenue Fund, continued
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued

<i>Year Ended June 30, 2018</i>	Johnson O'Malley	Best Beginnings	Teacher Housing	Yup'ik Books	Scholar- ship Fund	Totals
Revenues						
Local sources	\$ -	\$ 1,587	\$ 275,374	\$ -	\$ -	\$ 309,393
State sources	-	-	-	-	-	38,271
Federal sources:						
Direct	4,375	-	-	-	-	57,801
Through the State of Alaska	-	-	-	-	-	1,095,289
Total Revenues	4,375	1,587	275,374	-	-	1,500,754
Expenditures						
Instruction	4,375	1,587	-	-	-	634,686
Special education instruction	-	-	-	-	-	111,251
Special education support services	-	-	-	-	-	40,030
Support services - instruction	-	-	-	-	-	-
School administration support services	-	-	-	-	-	12,352
District administration support services	-	-	-	-	-	23,070
Operations and maintenance of plant	-	-	690,054	-	-	690,054
Student transportation - to and from school	-	-	-	-	-	4,320
Food services	-	-	-	-	-	683,671
Total Expenditures	4,375	1,587	690,054	-	-	2,199,434
Excess (Deficiency) of Revenues Over Expenditures	-	-	(414,680)	-	-	(698,680)
Other Financing Sources						
Transfers in	-	-	323,845	-	-	586,078
Transfers out	-	-	-	(4,070)	-	(4,070)
Net Change in Fund Balances (Deficits)	-	-	(90,835)	(4,070)	-	(116,672)
Fund Balances, beginning of year	-	-	90,835	4,070	3,457	120,129
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ 3,457	\$ 3,457

Yupit School District
Pupil Transportation
Statement of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Revenues	
State sources	\$ 865
Expenditures	
Student transportation - to and from school - other purchased services	4,320
Deficiency of Revenues Over Expenditures	(3,455)
Other Financing Sources	
Transfers in	3,455
Net Change in Fund Balance	-
Fund Balance, beginning of year	-
Fund Balance, end of year	\$ -

Yupiit School District
Early Literacy
Statement of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Revenues

State sources	\$ 37,406
---------------	-----------

Expenditures

Instruction:

Certified salaries	866
Non-certified salaries	15,963
Employee benefits	2,640
Professional and technical services	12,055
Staff travel	1,554

Total instruction	33,078
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Special education support services:

Professional and technical services	3,140
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Direct administration support services -

Indirect costs	1,188
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Total Expenditures	37,406
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Net Change in Fund Balance	-
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Fund Balance, beginning of year	-
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Fund Balance, end of year	\$ -
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Yupiit School District
Title II-A Professional Development
Statement of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Revenues

Federal sources - through the State of Alaska	\$	2,876
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Expenditures

Instruction:

Staff travel		720
Supplies, materials and media		1,065
Other expenditures		1,000

Total instruction		2,785
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District administration support services - indirect costs		91
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Total Expenditures		2,876
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Net Change in Fund Balance		-
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Fund Balance, beginning of year		-
---------------------------------	--	---

Fund Balance, end of year	\$	-
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Yupiit School District
Food Service
Schedule of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Revenues

Other local sources	\$ 32,432
Federal sources - direct	21,609
Federal sources - through the State of Alaska	349,085

Total Revenues 403,126

Expenditures

Food Services:

Non-certificated salaries	174,955
Employee benefits	121,389
Staff travel	7,405
Other purchased services	2,280
Supplies, materials and media	376,970

Instruction:

Other expenditures	132
--------------------	-----

Student Activities:

Staff travel	540
--------------	-----

Total Expenditures 683,671

Deficiency of Revenues Over Expenditures (280,545)

Other Financing Sources

Transfers from other sources	258,778
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Net Change in Fund Balance (21,767)

Fund Balance, beginning of year 21,767

Fund Balance, end of year \$ -

Yupiit School District
Title I-A Basic
Statement of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Revenues

Federal sources - through the State of Alaska \$ 507,002

Expenditures

Instruction:

Certificated salaries	434
Non-certificated salaries	148,266
Employee benefits	111,221
Staff travel	7,492
Student travel	12,560
Supplies, materials and media	135,073
Tuition and stipends	23,114
Equipment	55,262

Total instruction 493,422

Direct administration support services -

Indirect costs 13,580

Total Expenditures 507,002

Net Change in Fund Balance -

Fund Balance, beginning of year -

Fund Balance, end of year \$ -

Yupiit School District
Title I-C Migrant Education
Statement of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Revenues

Federal sources - through the State of Alaska	\$ 27,407
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Expenditures

Instruction:

Non-certificated salaries	6,166
Employee benefits	3,907
Student travel	1,472
Supplies, materials and media	1,478
Tuition and stipends	1,200

Total instruction	14,223
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School administration support services:

Non-certificated salaries	12,352
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Direct administration support services -

Indirect costs	832
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Total Expenditures	27,407
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Net Change in Fund Balance	-
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Fund Balance, beginning of year	-
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Fund Balance, end of year	\$ -
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Yupiit School District
Preschool Disabled
Statement of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Revenues

Federal sources - through the State of Alaska	\$	1,347
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Expenditures

Special education instruction:

Professional and technical services		-
Supplies, materials and media		296

Total special education instruction		296
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Special education support services - students:

Professional and technical services		1,008
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Direct administration support services -

Indirect costs		43
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Total Expenditures		1,347
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Net Change in Fund Balance		-
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Fund Balance, beginning of year		-
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Fund Balance, end of year	\$	-
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Yupiit School District
Title III-A, English Language Acquisition
Schedule of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Revenues

Federal sources - through the State of Alaska	\$	2,040
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Expenditures

Instruction:

Supplies, materials and media		2,000
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Total instruction		2,000
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District administration support services:

Indirect costs		40
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Total district administration support services		40
--	--	----

Total Expenditures		2,040
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Net Change in Fund Balance		-
----------------------------	--	---

Fund Balance, beginning of year		-
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Fund Balance, end of year	\$	-
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Yupiit School District
Migrant Education Parent Advisory
Schedule of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Revenues	
Federal sources	\$ 858
<hr/>	
Expenditures	
Instruction - staff travel	858
<hr/>	
Total Expenditures	858
<hr/>	
Net Change in Fund Balance	-
<hr/>	
Fund Balance, beginning of year	-
<hr/>	
Fund Balance, end of year	\$ -
<hr/>	

Yupiit School District
Title I-A, School Improvement 1003(a)
Statement of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Revenues

Federal sources - through the State of Alaska	\$	73,386
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Expenditures

Instruction:

Certificated salaries		3,600
Professional and technical services		5,111
Staff travel		24,000
Supplies, materials and media		31,800
Tuition and stipends		6,759

Total instruction		71,270
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District administration support services:

Indirect costs		2,116
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Total Expenditures		73,386
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Net Change in Fund Balance		-
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Fund Balance, beginning of year		-
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Fund Balance, end of year	\$	-
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Yupiit School District
IDEA, Part B, Title VI-B
Statement of Revenues, Expenditures
and Changes in Fund Balance

Year Ended June 30, 2018

Revenues

Federal sources - direct	\$ 30,959
Federal sources - through the State of Alaska	120,694

Total Revenues 151,653

Expenditures

Special education instruction:	
Non-certificated salaries	46,610
Employee benefits	22,900
Professional and technical services	41,445

Total special education instruction 110,955

Special education support services:

Professional and technical services	27,266
Staff travel	4,607
Supplies, materials and media	4,009

Total special education support services 35,882

District administration support services:

Indirect costs	4,816
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Total Expenditures 151,653

Net Change in Fund Balance -

Fund Balance, beginning of year -

Fund Balance, end of year \$ -

Yupiit School District

Carl Perkins

Statement of Revenues, Expenditures and Changes
in Fund Balance*Year Ended June 30, 2018***Revenues**

Federal sources - through the State of Alaska	\$ 11,452
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Expenditures

Instruction:

Professional and technical services	8,938
Staff travel	1,464
Supplies, materials and media	686

Total instruction	11,088
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District administration support services -

Indirect costs	364
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Total Expenditures	11,452
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Net Change in Fund Balance	-
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Fund Balance, beginning of year	-
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Fund Balance, end of year	\$ -
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Yupiit School District
Johnson O'Malley
Statement of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Revenues	
Federal sources	\$ 4,375
Expenditures	
Instruction:	
Supplies, materials and media	4,375
Total instruction	4,375
Total Expenditures	4,375
Net Change in Fund Balance	-
Fund Balance, beginning of year	-
Fund Balance, end of year	\$ -

Yupiit School District
Best Beginnings
Schedule of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Revenues

Local sources - other local sources	\$ 1,587
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Expenditures

Instruction - Supplies, materials and media	1,587
--	-------

Net Change in Fund Balance	-
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Fund Balance, beginning of year	-
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Fund Balance, end of year	\$ -
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Yupiit School District
Teacher Housing
Statement of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Revenues	
Rent revenues	\$ 268,633
Other local revenues	6,741
Total Revenues	275,374
Expenditures	
Operations and maintenance of plant:	
Non-certificated salaries	190,458
Employee benefits	110,554
Staff travel	2,237
Utility services	11,003
Energy	243,592
Other purchased services	51,781
Supplies, materials and media	80,430
Total operations and maintenance of plant	690,055
Total Expenditures	690,055
Deficiency of Revenues Over Expenditures	(414,681)
Other Financing Sources	
Transfers from other sources	323,846
Net Change in Fund Balance	(90,835)
Fund Balance, beginning of year	90,835
Fund Balance, end of year	\$ -

Yupiit School District
Yup'ik Books
Schedule of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2018

Other Financing Sources

Transfers to other sources	\$ (4,070)
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Net Change in Fund Balance	(4,070)
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Fund Balance, beginning of year	4,070
--	--------------

Fund Balance, end of year	\$ -
----------------------------------	-------------

Yupit School District
Capital Projects Fund
Combining Balance Sheet

June 30, 2018

Assets

Cash	\$	379,809
Accounts receivable		-

Total Assets	\$	379,809
---------------------	-----------	----------------

Liabilities and Fund Balances

Liabilities

Due to other funds	\$	-
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Fund Balances

Assigned		379,809
----------	--	---------

Total Liabilities and Fund Balances	\$	379,809
--	-----------	----------------

Yupiit School District

Capital Projects Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year Ended June 30, 2018</i>	Tuluksak Power Generator Replacement	Akiachak Fire	Akiak Flood/FEMA Projects	General CIP Services	Totals
Revenues - Other Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures					
Operations and maintenance of plant:					
Staff travel	-	-	-	-	-
Other purchased services	-	-	-	-	-
Supplies, materials and media	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Other Financing Sources					
Transfers from (to) other sources	(44,872)	(153,608)	(31,329)	229,809	-
Net Change in Fund Balances	(44,872)	(153,608)	(31,329)	229,809	-
Fund Balances, beginning of year	44,872	153,608	31,329	150,000	379,809
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ 379,809	\$ 379,809

Yupiiit School District

Schedule of Compliance - AS 14.17.505
Year Ended June 30, 2018

Total fund balance - School Operating Fund	\$ 4,414,201
less exemptions per 4 AAC 09.160(a):	
Inventory	673,040
Federal impact aid received	<u>3,465,886</u>
Fund Balance Subject to 10% Limitation	<u>\$ 275,275</u>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	\$ 275,275	=	<u>2.06%</u>
Current year expenditures	<u>\$ 13,347,009</u>		

Yupit School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Grant Number	Federal CFDA Number	Total Grant Award	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education					
Passed through the State of Alaska Department of Education and Early Development:					
Title I Grants to Local Educational Agencies:					
Title I-A Basic	IP 18.YPSD.01	84.010	\$ 573,229	\$ -	\$ 507,002
Title I-A School Improvement 1003a	PF 17.YPSD.01	84.010	149,999	-	73,386
Total Title I, CFDA 84.010 Title I Grants to Local Educational Agencies				-	580,388
Migrant Education State Grant Program:					
Title I-C, Migrant Education	IP 18.YPSD.01	84.011	52,188	-	27,407
Migrant Education Parent Advisory	MP 18.YPSD.02	84.011	858	-	858
Total for CFDA 84.011 Migrant Education State Grant Program				-	28,265
Special Education Cluster (IDEA):					
Special Education Grants to States - Title VI-B IDEA	SE 18.YPSD.01	84.027	151,653	-	151,653
Special Education Preschool Grants Preschool Disabled	SE 18.YPSD.01	84.173	1,696	-	1,347
Total Special Education Cluster (IDEA)				-	153,000
Career and Technical Education - Basic Grants to States:					
Carl Perkins Vocational Ed Secondary	EK 18.YPSD.01	84.048	19,709	-	11,452
Passed through the State of Alaska					
Department of Education and Early Development:					
English Language Acquisition State Grants					
Title III-A, English Language Acquisition	IP 18 YPSD.01	84.365	41,944	-	2,040

Yupiit School District

Schedule of Expenditures of Federal Awards, continued

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Grant Number	Federal CFDA Number	Total Grant Award	Provided to Subrecipients	Federal Expenditures
U.S. Department of Education					
Passed through the State of Alaska					
Department of Education and Early Development:					
Supporting Effective Instruction State Grants:					
Title II-A T&P R&R	IP 18.YPSD.01	84.367	106,704	\$ -	\$ 2,876
Impact Aid Program - Direct - Impact Aid	11-AK-2018-3701	84.041	4,954,461	-	4,954,461
Total U.S. Department of Education				-	5,732,482
U.S. Department of Agriculture					
Passed through the State of Alaska					
Department of Education and Early Development -					
Child Nutrition Cluster:					
National School Breakfast Program	FY 18 0540-01	10.553	73,914	-	73,914
National School Lunch Program	FY 18 0540-01	10.555	273,972	-	273,972
State Administrative Expenses for Child Nutrition	FD 18.YPSD.01	10.560	1,199	-	1,199
Total Child Nutrition Cluster				-	349,085
Food Distribution Cluster - Commodity Supplemental Food Program	FY 18	10.565	21,609	-	21,609
Total U.S. Department of Agriculture				-	370,694
U.S. Department of the Interior					
Indian Education Assistance to Schools -					
Johnson O'Malley Program	A16V00608	15.130	27,573	-	4,375
Total Expenditures of Federal Awards				\$ -	\$ 6,107,551

See accompanying notes to the Schedule.

Yupiit School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2018

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Yupiit School District under programs of the federal government for the year ended June 30, 2018. 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 Yupiit School District, it is not intended to and does not present the financial position, changes in net assets or cash flows of Yupiit 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 as following, as applicable, either the cost principles in the Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or 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.

Note 3. Indirect Cost Rate

Yupiit School District has elected not to use the 10 percent de minimis rate allowed under Uniform Guidance.

Yupiiit School District
Schedule of State Financial Assistance
Year Ended June 30, 2018

Name of Award	Grant Number	Total Grant Award	Student Expend- itures
Department of Education and Early Development			
*Public School Funding	2018	\$ 6,291,199	\$ 6,213,900
Quality Schools	2018	26,194	25,731
Pupil Transportation	2018	865	865
Broadbank Assistance Grant		25,915	25,915
Moore Settlement: Targeted Resources	ME 18.YPSD.01	79,000	<u>37,406</u>
Total Department of Education and Early Development			<u>6,303,817</u>
Department of Administration			
PERS on behalf	FY18	60,673	60,630
*TRS on behalf	FY18	511,528	<u>511,528</u>
Total Department of Administration			<u>572,158</u>
Total State Financial Assistance			<u>\$ 6,875,975</u>

* Denotes a major program

Note 1: Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state grant activity of Yupiiit School District under programs of the State of Alaska for the year ended June 30, 2018. 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 Yupiiit School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Yupiiit School District.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

Single Audit Section



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's 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*

Members of the School Board
Yupiiit School District
Akiachak, 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 Yupiiit School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Yupiiit School District's basic financial statements, and have issued our report thereon dated April 4, 2019.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2018-001, 2018-002, and 2018-003 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2018-004 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yupiit 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*.

Yupiit School District's Response to Findings

Yupiit School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Yupiit School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

BDO USA, LLP

Anchorage, Alaska
April 4, 2019



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Members of the School Board
Yupiit School District
Akiachak, Alaska

Report on Compliance for Each Major Federal Program

We have audited Yupiit 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 Yupiit School District's major federal programs for the year ended June 30, 2018. Yupiit School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 Yupiit 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 Yupiit 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 Yupiit School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Yupiit 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, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2018-005 and 2018-006. Our opinion on each major federal program is not modified with respect to these matters.

Yupiit School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and/or corrective action plan. Yupiit School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Yupiit 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 Yupiit 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 Yupiit 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identify certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2018-005 and 2018-006 that we consider to be a Material Weaknesses.

Yupiit School District's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. Yupiit School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

BDO USA, LLP

Anchorage, Alaska
April 4, 2019



Independent Auditor's 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*

Members of the School Board
Yupiit School District
Akiachak, Alaska

Report on Compliance for Each Major State Program

We have audited Yupiit 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 Yupiit School District's major state programs for the year ended June 30, 2018. Yupiit 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 the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Yupiit 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 *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and *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 Yupiit 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 Yupiit School District's compliance.

Opinion on Each Major State Program

In our opinion, Yupiit 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, 2018.

Report on Internal Control Over Compliance

Management of Yupiit 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 Yupiit 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 *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 Yupiit 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 and 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 *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
April 4, 2019

Yupiit School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> X </u> yes	<u> </u> (none reported)
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> (none reported)

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of major federal programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	
84.010	Title I Grants to Local Educational Agencies	US Department of Education
84.041	Impact Aid	US Department of Education

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

Auditee qualified as low-risk auditee? yes X no

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> (none reported)

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

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

Yupiit School District

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2018

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards

Finding 2018-001 Year End Financial Reporting - Material Weakness in Internal Control Over Financial Reporting

Criteria Internal controls should be established to ensure proper and accurate financial reporting in accordance with generally accepted accounting principles (GAAP).

Condition Certain general ledger accounts were not fully reconciled at year end.

Context During the final audit work, auditor noted that certain accounts, such as cash, capital assets, accounts payable, grant revenue, grant receivables, due to/from accounts, deferred revenue, inventory, interest income and depreciation required adjustments to conform to GAAP.

Effect Timeliness of year-end audit was not achieved and financial statements were not submitted to the various agencies in a timely manner. Adjustments were also required to the year-end financial statements to bring them into compliance with GAAP.

Cause The District does not have a proper calendaring system in place to ensure all reconciliations are done timely with a system of accountability to determine that the calendaring system is followed.

Recommendation The District should institute a proper calendaring system to ensure all reconciliations are done timely with a system of accountability to ensure the calendaring system is followed.

Views of responsible officials and planned corrective actions See the corrective action plan.

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Yupiit School District

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2018

Finding 2018-002 **Form 941 Submission and Payments - Material Weakness in Internal Control Over Financial Reporting**

Criteria Internal controls should be established to submit Form 941's and payments in a timely manner.

Condition Form 941 and payments were not submitted in a timely manner.

Context During review and inquiry with the client, auditor noted that the form and payments were submitted significantly late.

Effect Due to the lack of controls over Form 941 and payments, the forms and payments could have been submitted in an untimely manner.

Cause The District lacks proper controls over Form 941's and payments for timely submission.

Recommendation The District should properly review and approve Form 941's and payments to ensure that the information is accurate and is being submitted and paid in a timely manner.

Views of responsible officials and planned corrective actions See the corrective action plan.

Finding 2018-003 **Expenditure Review - Material Weakness in Internal Control Over Financial Reporting**

Criteria Internal controls should be established to review and approve the accuracy of timecards, invoices, and purchase orders.

Condition Instances were noted of timecards and invoices that were not reviewed after completion or approved. Also, there were instances of accounting coding not being documented.

Context During review and inquiry with the client and sample testwork, auditor noted that 1 timesheet was not signed by the employee and the 2 of the 25 forms selected were not reviewed and approved by an appropriate personnel.

Effect Due to the lack of controls over the review of timecards, invoices, and purchase order, the charges could have been inaccurate or coded incorrectly.

Cause The District lacks proper review over the review and approval of timecards, invoices, and purchase orders.

Recommendation The District should properly review and approve timecards, invoices, and purchase orders to ensure that the information is accurate and is being submitted in a timely manner.

Views of responsible officials and planned corrective actions See the corrective action plan.

Yupiit School District

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2018

Finding 2018-004	PERS Payments - Significant Deficiency in Internal Control Over Financial Reporting
<i>Criteria</i>	Internal controls should be established to submit PERS payments in a timely manner.
<i>Condition</i>	PERS payments were not submitted in a timely manner.
<i>Context</i>	During review and inquiry with the client, auditor noted that PERS payments were submitted late.
<i>Effect</i>	Due to the lack of controls over PERS payments, the payments have been submitted in an untimely manner.
<i>Cause</i>	The District lacks proper controls over PERS payments for timely submission.
<i>Recommendation</i>	The District should properly review and approve PRES payments to ensure that the information is accurate and is being submitted in a timely manner.
<i>Views of responsible officials and planned corrective actions</i>	See the corrective action plan.

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Yupiit School District

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2018

Section III - Federal Award Findings and Questioned Costs

Finding Number: 2018-005
Prior Year Finding Number: N/A
Compliance Requirement: Period of Performance - Material Weakness in Internal Control Over Compliance

Program:

U.S. Department of Education passed through the State of Alaska, Department of Education and Early Development

Title I Grants to Local Educational Agencies
CFDA #: 84.010
Award #: IP 18.YPSD.01
Award Years: 7/1/2017 - 6/30/2018

Criteria Uniform Guidance, in addition to the grant award, requires organizations to timely and accurately prepare and submit expenditures to the funding agency within the grant period. The District should establish and maintain effective controls to ensure the expenditures are submitted accurately and timely within the grant period.

Condition The expenditures submitted for during the fiscal year was for expenditures incurred in the previous fiscal year.

Questioned Costs None noted

Context Expenditures incurred in the previous fiscal year was submitted to the funding agency.

Effect Expenditures were not properly reviewed.

Cause Proper controls were not in place to ensure only expenditures incurred during the period of performance was reported.

Recommendation We recommend the District design and implement internal control procedures to ensure expenditures submitted to the funding agency are for costs incurred within the period of performance.

*Views of Responsible Officials and
Planned Corrective Actions* See the corrective action plan

Yupiit School District

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2018

Finding Number: 2018-006
Prior Year Finding Number: N/A
Compliance Requirement: Reporting - Material Weakness in Internal Control Over Compliance

Program:

U.S. Department of Education passed through the State of Alaska, Department of Education and Early Development

Impact Aid
CFDA #: 84.041
Award #: 11-AK-2018-3701
Award Years: 7/1/2017 - 6/30/2018

Criteria Uniform Guidance requires organizations to timely and accurately prepare and submit required reports to the funding agency. The District should establish and maintain effective controls to ensure the reports are submitted accurately and timely.

Condition There was no evidence of documentation to support the number of students reported on the impact aid tables for the application prepared for the 2018 school year that was based upon the 2016 - 2017 school year and submitted January 24, 2017. Although the total number of students reported would not change the allocation amongst the tables could not be verified.

Questioned Costs None noted

Context The auditor was unable to obtain evidence of the documentation to support the filed application.

Effect Documentation to support the number of students on the impact aid tables was unavailable.

Cause Proper controls were not in place to ensure proper review of student records and documentation of students on federal lands.

Recommendation We recommend the District design and implement internal control procedures to ensure data submitted to the funding agency is supported and ensures that it is properly reviewed prior to submissions.

*Views of Responsible Officials and
Planned Corrective Actions* See the corrective action plan

Yupiit School District

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2018

Section IV - State Award Findings and Questioned Costs
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There were no findings and questioned costs for State awards (*as defined in the State of Alaska Audit Guide and Compliance Supplement for State Single Audits*) that are required to be reported.

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Summary Schedule of Prior Audit Findings Year Ended June 30, 2018

Financial Statement

Finding 2017-001 Year End Financial Reporting - Material Weakness in Internal Control Over Financial Reporting

Condition Certain general ledger accounts were not fully reconciled at year end.

Status Repeated as Finding 2018-001

Finding 2017-002 Form 941 - Material Weakness in Internal Control Over Financial Reporting

Condition Form 941s were not reviewed after completion or approved before submission. Also, there was no verification as to when the form was submitted.

Status Repeated as Finding 2018-002

Finding 2017-003 Expenditure Review - Material Weakness in Internal Control Over Financial Reporting

Condition Instances were noted of timecards and invoices that were not reviewed after completion or approved. Also, there were instances of account coding not being documented.

Status Repeated as Finding 2018-003

Finding 2017-004 Electronic Payments - Material Weakness in Internal Control Over Financial Reporting

Condition Electronic payments can be entered and released by the same individual without additional timely review of the transaction occurring.

Status This finding has been resolved

Federal Award

Finding 2017-005 Cash Management and Reporting - Significant Deficiency in Internal Control Over Compliance

Condition The report that was inspected did not contain evidence of review of approval.

Status This finding has been resolved



Summary Schedule of Prior Audit Findings, continued Year Ended June 30, 2018

State Award	
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Finding 2017-006	Uniform Chart of Accounts -Noncompliance and Material Weakness in Internal Control Over Compliance
Condition	Certain accounts utilized in the accounting system were not in accordance with the Uniform Chart of Accounts
Status	This finding has been resolved

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Corrective Action Plan Year Ended June 30, 2018

Contact John Stackhouse
Business Manager
Yupiiit School District
907-825-3600 (office)

Financial Statement Findings

Finding 2018-001 Year End Financial Reporting - Material Weakness in Internal Control Over Financial Reporting

Corrective action Plan: Yupiiit School District has hired a business manager to perform and oversee the completion of all reconciliations and to bring the accounting records up to date. A proper calendaring system will be implemented with responsible parties designated with tasks to ensure completion of all required tasks. All tasks will require sign off of assigned member and business manager and/or superintendent to ensure accountability.

Completion Date: June 30, 2019

Finding 2018-002 Form 941 Submission and Payments - Material Weakness in Internal Control Over Financial Reporting

Corrective action Plan: Yupiiit School District will review and approve Form 941's every quarter before they are submitted and ensure that the information is accurate and submitted in a timely manner. 941's will be completed no later than the end of the following month after quarter ends and will be verified by the business manager as to accuracy of quality and content. Payment will be made at the time of 941 submissions to ensure timely Federal Tax Payments.

Completion Date: June 30, 2019

Finding 2018-003 Expenditure Review - Material Weakness in Internal Control Over Financial Reporting

Corrective action Plan: The district will implement a system to ensure review of expenditures occur in a timely manner and properly documented. The business office will incorporate a remote requisition module with its current accounting software platform to streamline the ordering process. Purchase requests will require site manager, business manager, program manager, and superintendent approval to process. Invoices will require business manager and superintendent approval before payment will be made. The business office is adding an accounts payable technician to separate payroll and A/P processes to expedite ordering. Time cards are reviewed by site administrator and forwarded to payroll technician for review. Payroll is prepared by the payroll technician and forwarded to the business manager for final review before processing.

Completion Date: June 30, 2019



Corrective Action Plan, continued Year Ended June 30, 2018

Finding 2018-004 **PERS Payments - Significant Deficiency in Internal Control Over Financial Reporting**

Corrective action Plan: Yupiit School District will implement a proper calendaring system to ensure PERS and TRS payments are made in a timely manner. Payments will be made no later than three days after the submission of payroll to the accounting system.

Completion Date: June 30, 2019

Federal Award Findings and Questioned Costs

Finding 2018-005 **Period of Performance - Material Weakness in Internal Control Over Compliance**

Corrective action Plan: Yupiit School District has implemented a review of expenditures prior to Federal Grant reimbursement request submission. The Business Manager will review reimbursement requests with the Federal Grant Clerk prior to submission.

Completion Date: June 30, 2019

Finding 2018-006 **Reporting - Material Weakness in Internal Control Over Compliance**

Corrective action Plan: Yupiit School District has reviewed the Impact Aid application procedures and has implemented a checklist of items to ensure complete application items are submitted and available.

Completion Date: June 30, 2019