



## **YUPIIT SCHOOL DISTRICT**

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

Year Ended June 30, 2021

***Altman, Rogers  
& Co.*** CERTIFIED  
PUBLIC  
ACCOUNTANTS

**YUPIIT SCHOOL DISTRICT**

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

Year Ended June 30, 2021

# YUPIIT SCHOOL DISTRICT

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### **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 Yupiit School District (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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, 2021, and the respective changes in financial position and the respective budgetary comparison information for the School Operating Fund and the Title I-A Basic Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America

### ***Change in Accounting Principle***

As discussed in Note IV. D. to the financial statements, in 2021 the District adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Statement No. 84 established criteria for identifying fiduciary activities and the reporting requirements of said fiduciary activities. Statement No. 97 clarifies the criteria for reevaluating a Section 457 Plan as a pension plan and adds or amends criteria for assessing fiduciary component units of the District in relation to previously issued accounting principles. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Schedules of the District's Proportionate Share of Net Pension and OPEB Liabilities (Assets) and Contributions for the Public Employees' Retirement System and Teachers' Retirement System on pages 45-54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management'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 Government 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 the missing information.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Yupit School District's basic financial statements. The "Additional Supplementary Information" listed in the table of contents which include: Major Governmental Funds: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the School Operating Fund and Title I-A Basic Special Revenue Fund; Other Governmental Funds: Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances; Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (where applicable) – Special Revenue Funds and Capital Project Funds; Schedule of Compliance - AS 14.17.505; Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the Schedule of State Financial Assistance, as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audit*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021, on our consideration of the Yupit School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Yupit 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 Yupit School District internal control over financial reporting and compliance.

*Altman, Rogers & Co.*

Anchorage, Alaska  
October 29, 2021



## YUPIIT SCHOOL DISTRICT

## Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>
<u>Assets and Deferred Outflows of Resources</u>	
Current assets:	
Cash and cash equivalents	\$ 3,315,261
Investments	1,500,024
Accounts receivable	654,351
Inventory	108,727
Total current assets	<u>5,578,363</u>
Non-current:	
Capital assets, net of depreciation	35,021,404
Net OPEB assets	762,496
Total non-current assets	<u>35,783,900</u>
Deferred outflows of resources - Pension and OPEB deferrals	<u>1,152,224</u>
Total assets and deferred outflows of resources	<u>\$ 42,514,487</u>
<u>Liabilities and Deferred Inflows of Resources</u>	
Current liabilities:	
Accounts payable	55,376
Accrued payroll liabilities	286,693
Unearned revenues	172,105
Total current liabilities	<u>514,174</u>
Non-current liabilities - Net pension and OPEB liabilities	<u>5,551,664</u>
Deferred inflows of resources - Pension and OPEB deferrals	<u>742,964</u>
Total liabilities and deferred inflows of resources	<u>6,808,802</u>
<u>Net Position</u>	
Net investment in capital assets	35,021,404
Unrestricted	684,281
Total net position	<u>35,705,685</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 42,514,487</u>

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

## YUPIIT SCHOOL DISTRICT

## Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction	\$ 6,620,841	-	1,368,197	-	(5,252,644)
Special education instruction	837,571	-	80,229	-	(757,342)
Special education support services students	124,125	-	67,574	-	(56,551)
Support services - students	36,677	-	(6,630)	-	(43,307)
Support services - instruction	2,874,721	-	78,827	-	(2,795,894)
School administration	379,449	-	(5,303)	-	(384,752)
School administration support services	175,567	-	34,980	-	(140,587)
District administration	546,704	-	14,703	-	(532,001)
District administration support services	1,563,928	-	278,065	-	(1,285,863)
Operations and maintenance of plant	3,620,040	154,017	42,907	-	(3,423,116)
Student activities	22,375	-	9,288	-	(13,087)
Student transportation	120	-	998	-	878
Food services	369,529	40,903	103,696	-	(224,930)
Total governmental activities	\$ 17,171,647	194,920	2,067,531	-	(14,909,196)
General revenues:					
Investment					10,347
E-rate					2,640,078
Grants and contributions not restricted to specific programs					11,628,592
Other					12,561
Total general revenues					14,291,578
Change in net position					(617,618)
Net position, beginning of year, as originally stated					36,267,817
Cumulative effect of a change in accounting principle					55,486
Net position, beginning of year, as restated					36,323,303
Net position, end of year					\$ 35,705,685

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

## YUPIIT SCHOOL DISTRICT

## Balance Sheet - Governmental Funds

June 30, 2021

	School Operating Fund	Title I-A Basic Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 3,315,261	-	-	3,315,261
Investments	1,500,024	-	-	1,500,024
Accounts receivable	-	212,909	441,442	654,351
Due from other funds	608,267	-	669,086	1,277,353
Inventory	108,727	-	-	108,727
Total assets	<u>\$ 5,532,279</u>	<u>212,909</u>	<u>1,110,528</u>	<u>6,855,716</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	25,227	-	30,149	55,376
Accrued payroll liabilities	183,143	2,346	16,432	201,921
Due to other funds	669,086	210,563	397,704	1,277,353
Unearned revenues	-	-	172,105	172,105
Total liabilities	<u>877,456</u>	<u>212,909</u>	<u>616,390</u>	<u>1,706,755</u>
Fund Balances:				
Nonspendable -				
Inventory	108,727	-	-	108,727
Restricted -				
Student activities	-	-	44,861	44,861
Committed:				
Scholarships	-	-	3,457	3,457
Student transportation	-	-	1,967	1,967
Food services	-	-	73,572	73,572
Assigned:				
Capital projects	-	-	416,901	416,901
Impact aid	4,689,442	-	-	4,689,442
Unassigned	(143,346)	-	(46,620)	(189,966)
Total fund balances	<u>4,654,823</u>	<u>-</u>	<u>494,138</u>	<u>5,148,961</u>
Total liabilities and fund balances	<u>\$ 5,532,279</u>	<u>212,909</u>	<u>1,110,528</u>	<u>6,855,716</u>

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

## YUPIIT SCHOOL DISTRICT

Reconciliation of Net Position Between the  
Government-wide Financial Statements and the Fund Financial Statements

June 30, 2021

Amounts reported as fund balances on the governmental funds balance sheet		\$	5,148,961
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and are not reported in the funds			35,021,404
Long term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the fund financial statements.			
Compensated absences			(84,772)
Proportionate share of the collective net pension and OPEB liabilities:			
PERS	(3,353,461)		
TRS	(2,198,203)		(5,551,664)
Proportionate share of the collective OPEB assets:			
PERS	274,130		
TRS	488,366		762,496
Deferred inflows and outflows of resources are the results of timing differences in the actuarial report.			
Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources:			
PERS	653,719		
TRS	498,505		1,152,224
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources:			
PERS	(225,029)		
TRS	(517,935)		(742,964)
Net position of governmental activities		\$	<u>35,705,685</u>

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

## YUPIIT SCHOOL DISTRICT

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

Year Ended June 30, 2021

	School Operating Fund	Title I-A Basic Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Charges for services	\$ -	-	194,920	194,920
Earnings on investments	10,347	-	-	10,347
E-rate	2,640,078	-	-	2,640,078
Other	12,561	-	15,386	27,947
Intergovernmental:				
State of Alaska	7,197,923	-	998	7,198,921
Federal sources	5,224,178	848,737	1,157,892	7,230,807
Total revenues	<u>15,085,087</u>	<u>848,737</u>	<u>1,369,196</u>	<u>17,303,020</u>
Expenditures:				
Current:				
Instruction	5,194,485	622,529	624,355	6,441,369
Special education instruction	835,221	-	65,578	900,799
Special education support services - students	232,296	-	74,866	307,162
Support services - students	203,074	-	-	203,074
Support services - instruction	2,800,504	-	72,178	2,872,682
School administration	512,566	-	-	512,566
School administration support services	169,142	-	27,223	196,365
District administration	596,249	-	12,259	608,508
District administration support services	1,375,640	86,208	176,110	1,637,958
Operations and maintenance of plant	2,812,550	-	774,107	3,586,657
Student activities	2,462	-	19,913	22,375
Student transportation	-	-	120	120
Food services	-	-	365,514	365,514
Total expenditures	<u>14,734,189</u>	<u>708,737</u>	<u>2,212,223</u>	<u>17,655,149</u>
Excess (deficiency) of revenues over expenditures	<u>350,898</u>	<u>140,000</u>	<u>(843,027)</u>	<u>(352,129)</u>
Other financing sources (uses):				
Transfers in	-	-	886,163	886,163
Transfers out	(746,163)	(140,000)	-	(886,163)
Net other financing sources (uses)	<u>(746,163)</u>	<u>(140,000)</u>	<u>886,163</u>	<u>-</u>
Net changes in fund balances	(395,265)	-	43,136	(352,129)
Fund balances, beginning of year, as originally stated	<u>5,050,088</u>	<u>-</u>	<u>395,516</u>	<u>5,445,604</u>
Cumulative effect of a change in accounting principle	-	-	55,486	55,486
Fund balances, beginning of year, as restated	<u>5,050,088</u>	<u>-</u>	<u>451,002</u>	<u>5,501,090</u>
Fund balances, end of year	<u>\$ 4,654,823</u>	<u>-</u>	<u>494,138</u>	<u>5,148,961</u>

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

## YUPIIT SCHOOL DISTRICT

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

Year Ended June 30, 2021

Net change in fund balances - total government funds \$ (352,129)

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

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

Change in the unfunded net pension and OPEB liabilities and assets:

PERS	(98,109)	
TRS	999,799	901,690

Changes in deferred inflows and outflows of resources are the results  
of timing differences in the actuarial report.

Contributions to the pension plan in the current fiscal year are included  
in the fund financial statements and are presented as changes in  
deferred outflows of resources in the government-wide statements.

PERS	322,146	
TRS	(11,736)	310,410

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

Change in compensated absences (8,152)

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

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

Capital outlay	44,830	
Depreciation expense	(1,514,267)	(1,469,437)

Change in net position of governmental activities \$ (617,618)

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

## YUPIIT SCHOOL DISTRICT

## School Operating Fund

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

Year Ended June 30, 2021

	School Operating Fund			Variance with Final Budget- Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Local sources:				
Earnings on investments	\$ -	-	10,347	10,347
E-rate	1,646,875	2,255,284	2,640,078	384,794
Other	-	-	12,561	12,561
Intergovernmental:				
State of Alaska	8,090,459	7,313,146	7,197,923	(115,223)
Federal sources	4,131,007	4,112,007	5,224,178	1,112,171
Total revenues	<u>13,868,341</u>	<u>13,680,437</u>	<u>15,085,087</u>	<u>1,404,650</u>
Expenditures:				
Current:				
Instruction	4,581,294	4,120,630	5,194,485	(1,073,855)
Special education instruction	1,096,033	1,186,590	835,221	351,369
Special education support services - students	313,299	280,029	232,296	47,733
Support services - students	137,378	137,208	203,074	(65,866)
Support services - instruction	2,136,746	2,353,524	2,800,504	(446,980)
School administration	772,896	453,526	512,566	(59,040)
School administration support services	154,187	185,699	169,142	16,557
District administration	518,609	520,034	596,249	(76,215)
District administration support services	546,392	1,086,861	1,375,640	(288,779)
Operations and maintenance of plant	2,446,223	2,483,107	2,812,550	(329,443)
Student activities	256,770	262,710	2,462	260,248
Total expenditures	<u>12,959,827</u>	<u>13,069,918</u>	<u>14,734,189</u>	<u>(1,664,271)</u>
Excess of revenues over expenditures	908,514	610,519	350,898	(259,621)
Other financing sources (uses) -				
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(746,163)</u>	<u>(246,163)</u>
Net change in fund balance	\$ <u>408,514</u>	<u>110,519</u>	(395,265)	<u>(505,784)</u>
Fund balance, beginning of year			<u>5,050,088</u>	
Fund balance, end of year			\$ <u>4,654,823</u>	

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

## YUPIIT SCHOOL DISTRICT

## Title I-A Basic Special Revenue Fund

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

Year Ended June 30, 2021

	Title I-A Basic Special Revenue Fund			Variance with Final Budget- Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Intergovernmental - Federal sources	\$ 900,842	848,737	848,737	-
Expenditures:				
Current:				
Instruction	900,842	762,529	622,529	140,000
District administration support services	-	86,208	86,208	-
Total expenditures	900,842	848,737	708,737	140,000
Excess of revenues over expenditures	-	-	140,000	140,000
Other financing sources (uses):				
Transfers out	-	-	(140,000)	(140,000)
Net change in fund balance	\$ -	-	-	-
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

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



# YUPIIT SCHOOL DISTRICT

## Notes to the Financial Statements

June 30, 2021

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

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

In 1985, the Legislature of the State of Alaska established the Yupiit School 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.

#### B. Government wide and Fund Financial Statements

The basic financial statements consist of government-wide statements and fund financial statements which provide a more detailed level of financial information.

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

## Notes to the Financial Statements, Continued

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

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

Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column titled "Other Governmental Funds".

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets and liabilities associated with the operation of the District are included in the Statement of Financial Position.

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

Summarized below are the major sources of revenue, which are susceptible to accrual and the applicable recognition policies:

#### Intergovernmental Revenue:

State of Alaska foundation revenue and pupil transportation revenue is recorded in the year to which it relates and is susceptible to accrual.

Federal Impact Aid receipts are recorded as revenues in the year monies are received.

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

On-behalf payments are recognized in the year to which they relate.

## Notes to the Financial Statements, Continued

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

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

Local Revenues:

Interest earnings on investments in the School Operating Fund are recognized as earned. Other revenues are considered to be measurable and available if received within 60 days of year end.

The District reports the following major governmental funds:

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

The *Title I-A Basic Special Revenue Fund* is used to account for revenues and expenditures associated with the Title I-A grant.

Additionally, the District reports the following funds:

*Special Revenue Funds* are used to account for the proceeds for specific revenues sources (other than capital projects) that are legally restricted to expenditures for specified purposes.

*Capital Project Funds* are used to account for the acquisition of construction or construction of major capital facilities.

Use of Estimates

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

Indirect Costs

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

**D. Assets, Liabilities and Net Position or Fund Balance**

**1. Cash and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. There are no statutory limitations on the type of investment allowed. The District does not have a written investment policy.

## Notes to the Financial Statements, Continued

**2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

**3. Inventories and Prepaid Items**

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.

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

**4. Capital Assets**

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 recorded at acquisition value at the date of donation. 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.

**5. 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 in the government-wide statements.

## Notes to the Financial Statements, Continued

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.

**6. Unearned Revenue**

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

**7. Pensions and Other Post Employment Benefits (OPEB)**

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

**8. Fair Value of Financial Instruments**

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

**9. Net Position**

Government-wide net position is divided into three components:

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

## Notes to the Financial Statements, Continued

**10. 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 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.

**11. 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 interfund transactions are eliminated in the government-wide statement of activities.

## Notes to the Financial Statements, Continued

**12. 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.

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.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY****A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental fund types except capital project funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year-end. Unexpended balances of grants from the state and federal governments for the Special Revenue Funds lapse at June 30 with the exception of certain federal funding.

School Operating Fund

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

The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs. The originally adopted budget and the final revised and approved budget are presented in these financial statements. Expenditure authority for the School Operating Fund is limited to the total approved budget and functional areas of expenditures are not to be overspent.

The following functions had expenditures in excess of appropriations in the School Operating Fund for the year ended June 30, 2021:

		Amount in Excess of <u>Appropriations</u>
Instruction	\$	1,073,855
Support services – students	\$	65,866
Support services – instruction	\$	446,980
School administration	\$	59,040
District administration	\$	76,215
District administration – support services	\$	288,779
Operations and maintenance of plant	\$	329,443

## Notes to the Financial Statements, Continued

Special Revenue Funds

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. All special revenue funds, with the exception of the Food Service and Student Transportation Funds are expenditure driven. Management's expenditure authority for Special Revenue Fund programs is limited to the actual combined revenues and transfers from other funds. There are no line item or category limitations on management's authority to amend special revenue fund budgets subject to granting agency approval. Unexpended balances and appropriations of grants from the state and federal government for the special revenue funds lapse at June 30, with the exception of certain federal programs which lapse at various month-ends of July, August and September.

Capital Projects Fund

Project budgets are adopted for the capital project fund based on the construction projects, which are project length budgets.

**III. DETAILED NOTES ON ALL FUNDS****A. Cash and Investments**

The District uses a central treasury concept for cash of all funds, which are maintained separately. Each funds' portion of central treasury is reported on the balance sheet or Statement of Net Position as "cash and cash equivalents" or amounts "due to/from other funds."

The District's bank accounts are insured by the Federal Depository Insurance Corporation (FDIC) to a maximum of \$250,000. U.S. Treasury obligations, which are held by Bank of New York in a Tri-party collateral agreement with Wells Fargo, the pledging financial institution's agent, in the District's name, collateralize the remaining bank balance.

All deposits are carried at fair market value plus accrued interest. Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits will not be returned to the District. At June 30, 2021, the District's deposits were fully insured or collateralized, in accordance with District policy.

Investments

At year end the District had the following investments and maturities:

<u>Investment type:</u>	Fair Value	<u>Investment Maturity (in years)</u>		
		Less than 1 year	1-5	6-10
Certificates of Deposit	\$ 1,500,024	749,915	750,109	-

In addition to the investments listed above, the District also had cash equivalents of \$3,315,261 at year end.



YUPIIT SCHOOL DISTRICT

Notes to the Financial Statements, Continued

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2021:

Investments by fair value level	Total	Level 1	Level 2	Level 3
Certificates of Deposit	\$ 1,500,024	1,500,024	-	-

**B. Receivables**

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

	Title I-A Basic	Other Governmental Funds	Total
Receivables:			
Grants	\$ 212,909	441,442	654,351

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

**C. Capital Assets**

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 58,844,495	-	-	58,844,495
Equipment	815,081	44,830	-	859,911
Vehicles	269,380	-	-	269,380
Total capital assets being depreciated	59,928,956	44,830	-	59,973,786
Less accumulated depreciation	(23,438,115)	(1,514,267)	-	(24,952,382)
Net governmental capital assets	\$ 36,490,841	(1,469,437)	-	35,021,404

# YUPIIT SCHOOL DISTRICT

## Notes to the Financial Statements, Continued

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

Instruction	\$ 1,346,045
Support services - instruction	11,714
Operations and maintenance of plant	152,493
Food service	<u>4,015</u>
Total	\$ <u>1,514,267</u>

### D. Interfund Receivables and Payables and Transfers

Interfund receivables and payables are shown as "Due to other funds" and "Due from other funds" in each of the individual funds. These balances at June 30, 2021 were as follows:

Receivable Fund	Payable Fund	Amount
School Operating Fund	Title I-A Basic	\$ 210,563
School Operating Fund	Other Governmental Fund	397,704
Other Governmental Funds	School Operating Fund	<u>669,086</u>
Total		\$ <u>1,277,353</u>

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

Interfund transfers:

Transfer in:	Transfer out:	Amount
Teacher Housing	Title I-A Basic	\$ 140,000
School Improvement	School Operating Fund	7,059
Teacher Housing	School Operating Fund	466,629
Food Service	School Operating Fund	<u>272,475</u>
Total		\$ <u>886,163</u>

Transfers are used to move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provide as subsidies or matching funds for various grant programs. The Title I-A Basic Special Revenue Fund transferred \$140,000 to the Teacher Housing Special Revenue Fund as a subsidy to help offset the cost of teacher housing.

### E. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due within One year
Accrued leave	\$ <u>76,620</u>	<u>107,553</u>	<u>(99,401)</u>	<u>84,772</u>	<u>84,772</u>

## Notes to the Financial Statements, Continued

**F. 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 \$891, and the monthly enrollment units with dependents by \$2,474 for aggregate claims. Gross health and medical insurance expenditure totaled \$2,373,070 for the year ended June 30, 2021, 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, 2021, an estimated liability for incurred but unreported claims of approximately \$154,162 was recorded in the 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 are as follows:

	2021	2020	2019
Unpaid claims, beginning of year	\$ 125,979	125,979	108,855
Incurred claims (including IBNR's)	2,151,172	1,371,994	1,492,636
Claim payments	(2,122,989)	(1,371,994)	(1,475,512)
Unpaid claims, end of year	\$ 154,162	125,979	125,979

**IV. OTHER INFORMATION****A. Risk Management**

The District faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability, i.e., errors and omissions, (d) environmental damage, and (e) workers compensation.

The District currently participates in the Alaska Public Entity Insurance (APEI), a member driven risk pool, which covers property and contents, torts, general and auto liability, school leaders' errors and omissions, workers' compensation, and earthquakes and floods. 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 at the discretion of the Board. Supplemental contributions are based on each member's annual contribution in comparison to the aggregate annual deposit contributions of all members. No supplemental contributions have been assessed for the last several years. The District has no coverage for environmental damages.

## Notes to the Financial Statements, Continued

The District maintains other commercial insurance policies relating to faithful performance blanket bonds covering all employees and travel accidents. Coverage limits and the deductibles for the commercial policies have stayed relatively constant for several years. No losses in excess of insurance coverage have been realized over the past three years.

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

The District participates in Public Education Health Trust, which provides insurance coverage for a health and medical benefit program which covers all permanent full-time employees.

**B. 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, may constitute a liability of the School Operating Fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

The District receives a substantial portion of its revenue from state and local grants. Significant changes in these revenue sources could have a material effect (positive or negative) on the operations of the District.

The District, from time to time, may be a participant in legal proceeding related to the conduct of business. In the normal course of business, it also has various commitments and contingent liabilities, any current legal proceedings, commitments or contingent liabilities will not materially affect the financial position of the District.

**C. Employee Retirement Systems and Plans**

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

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

## Notes to the Financial Statements, Continued

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

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

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

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

#### **Other Postemployment Benefit Plans (OPEB)**

##### *Occupational Death and Disability Plan (ODD)*

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

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

<b>Membership</b>	<b>PERS</b>	<b>TRS</b>
Active plan members	23,378	5,569
Participating employers	152	57

## Notes to the Financial Statements, Continued

*Alaska Retiree Healthcare Trust Plan (ARHCT)*

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

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

*Retiree Medical Plan (RMP)*

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended June 30, 2021 employer contributions were 1.27% for PERS and .093% for TRS. Membership in the plan consists of the following at June 30, 2020 (latest available report):

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

*Healthcare Reimbursement Arrangement Plan*

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

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

## Notes to the Financial Statements, Continued

**Investments**

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

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

**Rate of Return**

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return, net of investment expense, for the year ended June 30, 2020 (latest available report) for the DB Pension Plan for PERS and TRS is 4.03% and 4.01%, for the ARHCT plan is 4.16% and 4.16%, for the ODD Plan is 4.28% and 4.22%, and for the RMP is 4.33% and 4.26%, respectively.

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

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

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

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

## Notes to the Financial Statements, Continued

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

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

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

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

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

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



# YUPIIT SCHOOL DISTRICT

## Notes to the Financial Statements, Continued

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

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

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

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

Investment return / discount rate	7.38% per year (geometric), compounded annually, net of expenses
Salary scale	Inflation – 2.5% per year Productivity – 0.25% per year
Payroll growth	2.75% per year (inflation + productivity)
Total inflation	Total inflation as measured by the Consumer Price Index for urban and clerical workers from Anchorage is assumed to increase 2.5% annually.
PERS Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, 100% (male and female) of RP-2014 healthy annuitant table with MP-2017 generational improvement.

# YUPIIT SCHOOL DISTRICT

## Notes to the Financial Statements, Continued

TRS Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, RP-2014 white-collar employee table with MP-2017 generational improvement.
PERS Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 91% of male and 96% of female rates of RP-2014 health annuitant table with MP-2017 generational improvement.
TRS Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 93% of male and 90% of female rates of RP-2014 white-collar healthy annuitant table with MP-2017 generational improvement.
Total turnover	Based upon the 2013-2017 actual withdrawal experience.
PERS Disability	Incidence rates based on 2013-2017 actual experience. Post-disability mortality in accordance with the RP-2014 disability table with MP-2017 generational improvement. Disabilities are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for others.
TRS Disability	Incidence rates based on 2013-2017 actual experience. Disabilities are assumed to be occupational 15% of the time. Post-disability mortality in accordance with the RP-2014 disabled table with MP-2017 generational improvement.
Retirement	Retirement rates based upon the 2013-2017 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date.
PERS Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. For others, 75% of male members and 70% of female members are assumed to be married. For peace officers/firefighters, 85% of male members and 60% female members are assumed to be married.

## Notes to the Financial Statements, Continued

TRS Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. 85% of male members and 75% of female members are assumed to be married at termination from active service.
Healthcare cost trend rates (ARHCT Plan and RMP)	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drugs: 8.0% grading down to 4.5% EGWP: 8.0% grading down to 4.5%.

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

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

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

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

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

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

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

## Notes to the Financial Statements, Continued

Currently there are 151 employers participating in PERS defined benefit plan, including the State of Alaska and 150 political subdivisions and public organizations.

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

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

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

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

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

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

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

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

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

# YUPIIT SCHOOL DISTRICT

## Notes to the Financial Statements, Continued

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

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

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

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 254,062	87,003	341,065

### Public Employees Retirement Plans

For the year ended June 30, 2021 the State of Alaska contributed \$183,895 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2020 to a total of \$110,810, to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

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

Defined Benefit:		Pension
District's proportionate share of the net pension liability	\$	3,347,802
State's proportionate share of the net pension liability		1,386,356
Total	\$	4,734,158
		OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$	(256,662)
State's proportionate share of the ARHCT OPEB liability (asset)		(106,211)
Total	\$	(362,873)
District's proportionate share of the ODD OPEB liability (asset)	\$	(17,468)
District's proportionate share of the RMP OPEB liability	\$	5,659
Total District's share of net pension and OPEB liabilities and assets	\$	3,079,331

YUPIIT SCHOOL DISTRICT

Notes to the Financial Statements, Continued

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

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

	June 30, 2019 Measurement	June 30, 2020 Measurement	Change
Pension	0.0530%	0.0567%	0.0037%
OPEB:			
ARHCT	0.0530%	0.0567%	0.0037%
ODD	0.0545%	0.0641%	0.0096%
RMP	0.0692%	0.0798%	0.0106%

Based on the measurement date of June 30, 2020, the District recognized pension and OPEB expense (benefit) of \$442,811 and (\$250,312), respectively, for the year ended June 30, 2021. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ 10,620	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	136,256	-
Changes in proportion and differences between District contributions and proportionate share of contributions	35,868	-
District contributions subsequent to the measurement date	254,062	-
Total	\$ 436,806	-

YUPIIT SCHOOL DISTRICT

Notes to the Financial Statements, Continued

OPEB ARHCT		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(20,590)
Changes of assumptions	-	(178,907)
Net difference between projected and actual earnings on OPEB plan investments	102,979	-
Changes in proportion and differences between District contributions and proportionate share of contributions	11,369	-
District contributions subsequent to the measurement date	68,161	-
Total	<u>\$ 182,509</u>	<u>(199,497)</u>
OPEB ODD		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(5,861)
Changes of assumptions	-	(256)
Net difference between projected and actual earnings on OPEB plan investments	599	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,906	(3,137)
District contributions subsequent to the measurement date	3,697	-
Total	<u>\$ 6,202</u>	<u>(9,254)</u>
OPEB RMP		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29	(1,216)
Changes of assumptions	7,947	(14,629)
Net difference between projected and actual earnings on OPEB plan investments	2,534	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,547	(433)
District contributions subsequent to the measurement date	15,145	-
Total	<u>\$ 28,202</u>	<u>(16,278)</u>

YUPIIT SCHOOL DISTRICT

Notes to the Financial Statements, Continued

\$254,062 and \$87,003 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities or an increase of the net pension and OPEB assets in the year ended June 30, 2021, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,		Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2021	\$	48,896	(188,958)	(1,136)	(278)
2022		47,917	36,655	(994)	228
2023		50,647	39,357	(991)	219
2024		35,284	27,797	(1,039)	26
2025		-	-	(1,190)	(585)
Thereafter		-	-	(1,399)	(2,831)
Total	\$	182,744	(85,149)	(6,749)	(3,221)

For the year ended June 30, 2021, the District recognized (\$168,984) and (\$31,705) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

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

		1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability (asset)	\$	4,352,850	3,347,802	2,504,846
Net OPEB ARHCT liability (asset)	\$	267,821	(256,662)	(691,089)
Net OPEB ODD liability (asset)	\$	(16,415)	(17,468)	(18,310)
Net OPEB RMP liability (asset)	\$	35,055	5,659	(16,593)

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

		1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	\$	(742,024)	(256,662)	331,085
Net OPEB ODD liability (asset)	\$	N/A	(17,468)	N/A
Net OPEB RMP liability	\$	(19,855)	5,659	40,362



## Notes to the Financial Statements, Continued

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

*Plan Description and Funding Requirements.* School Districts and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.27% for the retiree medical plan (DB), 0.31% for occupational and death and disability benefits (DB) and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is 22%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

The School District contributed \$121,774 for the year ended June 30, 2021, which included forfeitures of \$649 which have been applied against contributions.

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

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

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

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

# YUPIIT SCHOOL DISTRICT

## Notes to the Financial Statements, Continued

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

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

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

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

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

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	<u>101,573</u>	<u>88,969</u>	<u>190,542</u>

### Teachers Retirement Plans

For the year ended June 30, 2021 the State of Alaska contributed \$609,614 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date to a total of (\$66,292), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

YUPIIT SCHOOL DISTRICT

Notes to the Financial Statements, Continued

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

Defined Benefit:		Pension
District's proportionate share of the net pension liability	\$	2,198,203
State's proportionate share of the net pension liability		3,814,173
Total	\$	<u>6,012,376</u>
		OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$	(385,078)
State's proportionate share of the ARHCT OPEB liability (asset)		(670,797)
Total	\$	<u>(1,055,875)</u>
District's proportionate share of the ODD OPEB liability (asset)	\$	<u>(31,315)</u>
District's proportionate share of the RMP OPEB liability (asset)	\$	<u>(71,973)</u>
Total District's share of net pension and OPEB liabilities and assets	\$	<u>1,709,837</u>

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

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

	June 30, 2019 Measurement	June 30, 2020 Measurement	Change
Pension	0.1606%	0.1081%	(0.0525%)
OPEB:			
ARHCT	0.1601%	0.1076%	(0.0525%)
ODD	0.5986%	0.7274%	0.1288%
RMP	0.6028%	0.7296%	0.1268%

YUPIIT SCHOOL DISTRICT

Notes to the Financial Statements, Continued

Based on the measurement date of June 30, 2020, the District recognized pension expense of (\$317,377) and OPEB expense of (\$546,438), respectively, for the year ended June 30, 2021. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pensions	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ 2,504	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	151,475	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(307,066)
District contribution subsequent to the measurement date	101,573	-
Total	<u>\$ 255,552</u>	<u>(307,066)</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(10,326)
Changes of assumptions	-	(121,142)
Net difference between projected and actual earnings on pension plan investments	74,430	-
Changes in proportion and differences between District contributions and proportionate share of contributions	32,679	-
District contribution subsequent to the measurement date	61,333	-
Total	<u>\$ 168,442</u>	<u>(131,468)</u>

YUPIIT SCHOOL DISTRICT

Notes to the Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(3,492)
Changes of assumptions	-	(28)
Net difference between projected and actual earnings on pension plan investments	775	-
Changes in proportion and differences between District contributions and proportionate share of contributions	5,093	(4,056)
District contribution subsequent to the measurement date	2,189	-
Total	<u>\$ 8,057</u>	<u>(7,576)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,298	(5,448)
Changes of assumptions	11,247	(62,399)
Net difference between projected and actual earnings on pension plan investments	8,297	-
Changes in proportion and differences between District contributions and proportionate share of contributions	6,165	(3,978)
District contribution subsequent to the measurement date	25,447	-
Total	<u>\$ 66,454</u>	<u>(71,825)</u>

\$101,573 and \$88,969 are reported as deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liability and as an increase to the net pension and OPEB assets in the year ended June 30, 2020 (actuarial), respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension expense as follows:

Year Ended June 30,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2021	\$ (302,855)	(98,973)	(231)	(3,832)
2022	53,507	26,416	(6)	(2,087)
2023	56,939	28,258	6	(2,111)
2024	39,322	19,940	(64)	(2,783)
2025	-	-	(267)	(4,777)
Thereafter	-	-	(1,146)	(15,228)
Total	<u>\$ (153,087)</u>	<u>(24,359)</u>	<u>(1,708)</u>	<u>(30,818)</u>

## Notes to the Financial Statements, Continued

For the year ended June 30, 2021, the District recognized (\$851,432) and \$72,346 of pension and OPEB amortization of the deferred outflows and inflows of resources, respectively.

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

		<b>1% Decrease (6.38%)</b>	<b>Current Rate (7.38%)</b>	<b>1% Increase (8.38%)</b>
Net pension liability	\$	<b>3,084,766</b>	<b>2,198,203</b>	<b>1,452,605</b>
Net OPEB ARHCT liability (asset)	\$	<b>(21,229)</b>	<b>(385,078)</b>	<b>(685,173)</b>
Net OPEB ODD liability (asset)	\$	<b>(31,365)</b>	<b>(31,315)</b>	<b>(31,300)</b>
Net OPEB RMP liability (asset)	\$	<b>3,881</b>	<b>(71,973)</b>	<b>(128,697)</b>

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

		<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
Net OPEB ARHCT liability (asset)	\$	<b>(718,570)</b>	<b>(385,078)</b>	<b>20,560</b>
Net OPEB ODD liability (asset)	\$	<b>N/A</b>	<b>(31,315)</b>	<b>N/A</b>
Net OPEB RMP liability (asset)	\$	<b>(136,533)</b>	<b>(71,973)</b>	<b>16,860</b>

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

*Plan Description and Funding Requirements.* School Districts and Public Employers in the State of Alaska have a defined contribution retirement plan for new hires first enrolled on or after July 1, 2006. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. State statutes require the employer to contribute 7% of employees' eligible compensation. Additionally, employers are required to contribute to other post-employment benefits (DB): 0.93% for the retiree medical plan, 0.08% for occupational death and disability, and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The employer effective contribution rate is 12.56%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

## Notes to the Financial Statements, Continued

The School District contributed \$264,928 for the year ended June 30, 2021, which included forfeitures of \$136,119 which has been applied against contributions.

**D. Change in Accounting Principle**

During the year, the District implemented GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this statement, the District has recorded an opening balance adjustment to decrease the student activity agency account balances and increase fund balance in the governmental funds and opening net position as follows:

## Governmental Activities:

Beginning net position, as originally stated	\$	36,267,817
Change in accounting principle adjustment		<u>55,486</u>
Beginning net position, as restated	\$	<u><u>36,323,303</u></u>

## Governmental Funds - Other Governmental Funds:

Beginning fund balances, as originally stated	\$	395,516
Change in accounting principle adjustment		<u>55,486</u>
Beginning fund balances, as restated	\$	<u><u>451,002</u></u>

The District also adopted GASB Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Statement No. 97 clarifies the criteria for revaluating a Section 457 plan as a pension plan and adds or amends criteria for assessing fiduciary component units of the District in relation to previously issued accounting principles.

**E. Alternative Retirement Plan**

Yupit School District participates in a 403(b) plan through TSA Consulting Group, Inc. where all employees, with the exception of private contractors, appointed/elected trustees and/or school board members and student workers, are eligible to participate in the 403(b) plan immediately upon employment. Employees may make voluntary elective deferrals to the 403(b) plan up to the Internal Revenue Service regulation limits. The District does not contribute to the plan in any form.

**F. Subsequent Accounting Pronouncements**

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

- GASB 87 *Leases*. Effective for fiscal years beginning after June 15, 2021.
- GASB 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*. Effective for fiscal years beginning after December 15, 2020.
- GASB 92 *Omnibus 2020*. This Statement has multiple effective dates which vary by topic.
- GASB 93 *Replacement of Interbank Offered Rates*. Effective for fiscal years beginning after June 15, 2021.

## Notes to the Financial Statements, Continued

- GASB 94 *Public-Private and Public-Public Partnerships and Availability Payments Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*. Effective immediately.
- GASB 96 *Subscription-Based Information Technology Arrangements*. Effective for fiscal years beginning after June 15, 2022.

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

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

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

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

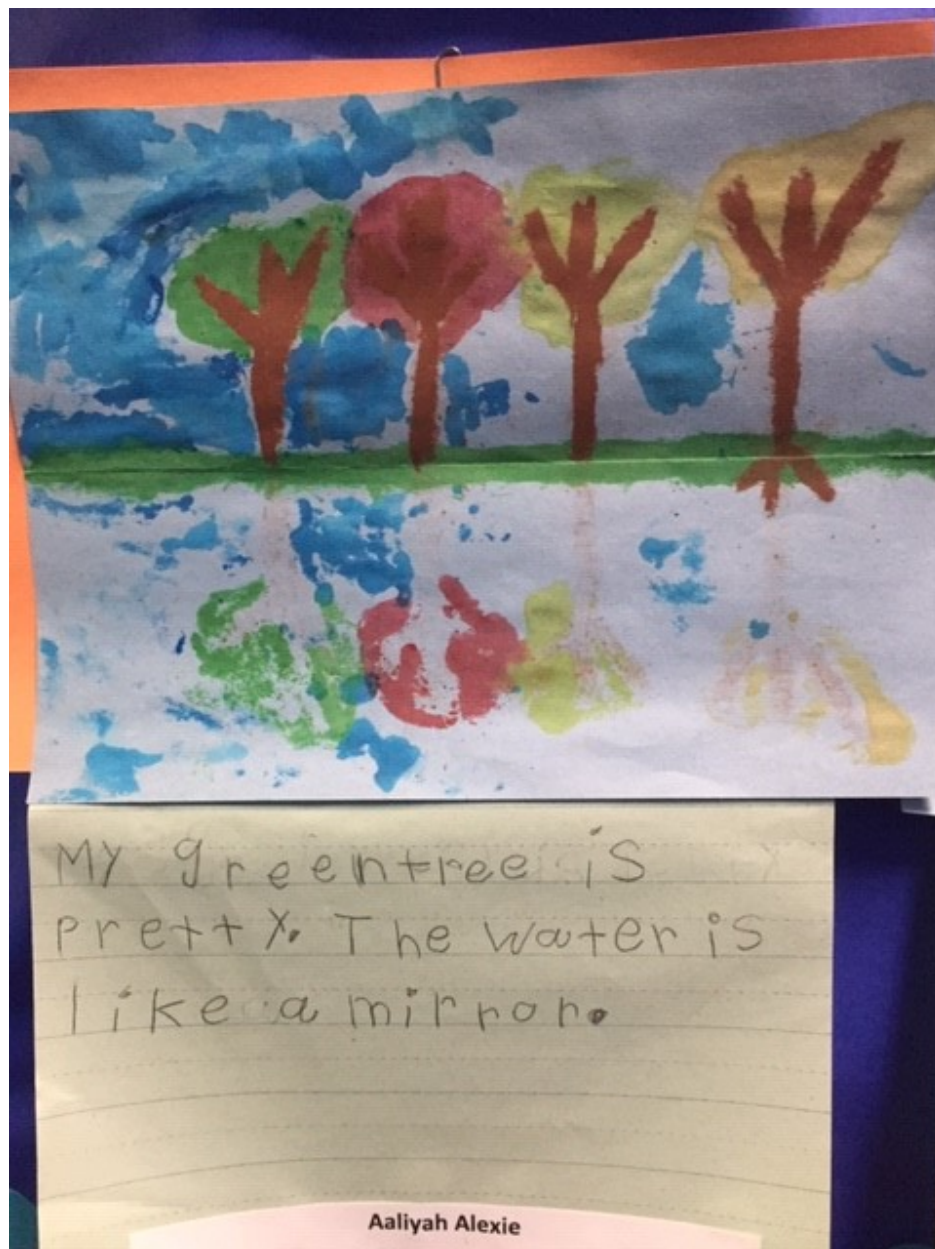
GASB Statement No. 93, addresses the fact that some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to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

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



## Notes to the Financial Statements, Continued

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



# **REQUIRED SUPPLEMENTARY INFORMATION**

## YUPIIT SCHOOL DISTRICT

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

## Public Employees' Retirement System (PERS)

June 30, 2021

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0461%	\$ 2,150,430	\$ 1,710,603	\$ 3,861,033	\$ 1,681,437	128%	62.37%
2016	0.0742%	\$ 3,599,028	\$ 964,909	\$ 4,563,937	\$ 1,758,933	205%	63.96%
2017	0.0693%	\$ 3,871,440	\$ 489,861	\$ 4,361,301	\$ 1,961,859	197%	59.55%
2018	0.0535%	\$ 2,767,564	\$ 1,031,503	\$ 3,799,067	\$ 1,935,751	143%	63.37%
2019	0.0703%	\$ 3,494,314	\$ 1,013,498	\$ 4,507,812	\$ 2,203,425	159%	65.19%
2020	0.0530%	\$ 2,899,194	\$ 1,151,527	\$ 4,050,721	\$ 1,876,136	155%	63.42%
2021	0.0567%	\$ 3,347,802	\$ 1,386,356	\$ 4,734,158	\$ 2,049,664	163%	61.61%

See accompanying notes to Required Supplementary Information.

## YUPIIT SCHOOL DISTRICT

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

## Public Employees' Retirement System (PERS)

June 30, 2021

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>							
2018	0.0536%	\$ 452,583	\$ 168,690	\$ 621,273	\$ 1,935,751	23.38%	89.68%
2019	0.0703%	\$ 721,349	\$ 209,924	\$ 931,273	\$ 2,203,425	32.74%	88.12%
2020	0.0530%	\$ 78,708	\$ 31,224	\$ 109,932	\$ 1,876,136	4.20%	98.13%
2021	0.0567%	\$ (256,662)	\$ (106,211)	\$ (362,873)	\$ 2,049,664	-12.52%	106.15%
<b>Occupational Death and Disability (ODD):</b>							
2018	0.0764%	\$ (10,845)	\$ -	\$ (10,845)	\$ 1,935,751	-0.56%	212.97%
2019	0.0682%	\$ (13,326)	\$ -	\$ (13,326)	\$ 2,203,425	-0.60%	270.62%
2020	0.0545%	\$ (13,224)	\$ -	\$ (13,224)	\$ 1,876,136	-0.70%	297.43%
2021	0.0641%	\$ (17,468)	\$ -	\$ (17,468)	\$ 2,049,664	-0.85%	283.80%
<b>Retiree Medical Plan (RMP):</b>							
2018	0.0764%	\$ 3,986	\$ -	\$ 3,986	\$ 616,628	0.65%	93.98%
2019	0.0682%	\$ 8,672	\$ -	\$ 8,672	\$ 502,309	1.73%	88.71%
2020	0.0692%	\$ 16,544	\$ -	\$ 16,544	\$ 480,219	3.45%	83.17%
2021	0.0798%	\$ 5,659	\$ -	\$ 5,659	\$ 524,636	1.08%	92.23%

See accompanying notes to Required Supplementary Information.

## YUPIIT SCHOOL DISTRICT

## Schedule of the District's Contributions (Pensions)

## Public Employees' Retirement System (PERS)

June 30, 2021

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 170,086	\$ (170,086)	\$ -	\$ 1,758,933	9.67%
2016	\$ 213,671	\$ (213,671)	\$ -	\$ 1,961,859	10.89%
2017	\$ 221,671	\$ (221,671)	\$ -	\$ 1,935,751	11.45%
2018	\$ 241,747	\$ (241,747)	\$ -	\$ 2,203,425	10.97%
2019	\$ 221,267	\$ (221,267)	\$ -	\$ 1,876,136	11.79%
2020	\$ 236,831	\$ (224,823)	\$ 12,008	\$ 2,049,664	11.55%
2021	\$ 256,563	\$ (254,062)	\$ 2,501	\$ 2,103,814	12.20%

See accompanying notes to Required Supplementary Information.

## YUPIIT SCHOOL DISTRICT

## Schedule of the District's Contributions (OPEB)

## Public Employees' Retirement System (PERS)

June 30, 2021

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>					
2018	\$ 73,707	\$ (73,707)	\$ -	\$ 2,203,425	3.35%
2019	\$ 70,633	\$ (70,633)	\$ -	\$ 1,876,136	3.76%
2020	\$ 93,506	\$ (93,506)	\$ -	\$ 2,049,664	4.56%
2021	\$ 68,161	\$ (68,161)	\$ -	\$ 2,103,814	3.24%
<b>Occupational Death and Disability (ODD):</b>					
2018	\$ 1,234	\$ (1,234)	\$ -	\$ 2,203,425	0.06%
2019	\$ 2,227	\$ (2,227)	\$ -	\$ 1,876,136	0.12%
2020	\$ 2,827	\$ (2,827)	\$ -	\$ 2,049,664	0.14%
2021	\$ 3,697	\$ (3,697)	\$ -	\$ 2,103,814	0.18%
<b>Retiree Medical Plan (RMP):</b>					
2018	\$ 7,944	\$ (7,944)	\$ -	\$ 502,309	1.58%
2019	\$ 8,115	\$ (8,115)	\$ -	\$ 480,219	1.69%
2020	\$ 14,350	\$ (14,350)	\$ -	\$ 524,636	2.74%
2021	\$ 15,145	\$ (15,145)	\$ -	\$ 553,518	2.74%

See accompanying notes to Required Supplementary Information.

## YUPIIT SCHOOL DISTRICT

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

## Teachers' Retirement System (TRS)

June 30, 2021

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0365%	\$ 1,094,112	\$ 10,507,673	\$ 11,601,785	\$ 2,914,658	37.54%	55.70%
2016	0.1624%	\$ 3,020,660	\$ 4,831,946	\$ 7,852,606	\$ 4,540,371	66.53%	73.82%
2017	0.1982%	\$ 4,525,156	\$ 5,381,885	\$ 9,907,041	\$ 4,709,751	96.08%	68.40%
2018	0.1121%	\$ 2,271,084	\$ 3,963,506	\$ 6,234,590	\$ 4,600,632	49.36%	72.39%
2019	0.1642%	\$ 3,142,443	\$ 4,674,449	\$ 7,816,892	\$ 3,615,917	86.91%	74.09%
2020	0.1606%	\$ 3,001,559	\$ 4,449,460	\$ 7,451,019	\$ 3,264,482	91.95%	74.68%
2021	0.1081%	\$ 2,198,203	\$ 3,814,173	\$ 6,012,376	\$ 3,891,775	56.48%	72.81%

See accompanying notes to Required Supplementary Information.

## YUPIIT SCHOOL DISTRICT

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

## Teachers' Retirement System (TRS)

June 30, 2021

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>							
2018	0.1119%	\$ 205,763	\$ 360,675	\$ 566,438	\$ 4,600,632	4.47%	93.75%
2019	0.1637%	\$ 508,849	\$ 212,049	\$ 720,898	\$ 3,615,917	14.07%	90.23%
2020	0.1601%	\$ (244,730)	\$ (364,049)	\$ (608,779)	\$ 3,264,482	-7.50%	105.50%
2021	0.1076%	\$ (385,078)	\$ (670,797)	\$ (1,055,875)	\$ 3,891,775	-9.89%	113.78%
<b>Occupational Death and Disability (ODD):</b>							
2018	0.8008%	\$ (26,171)	\$ -	\$ (26,171)	\$ 4,600,632	-0.57%	1342.59%
2019	0.7222%	\$ (25,321)	\$ -	\$ (25,321)	\$ 3,615,917	-0.70%	1304.81%
2020	0.5986%	\$ (24,068)	\$ -	\$ (24,068)	\$ 3,264,482	-0.74%	1409.77%
2021	0.7274%	\$ (31,315)	\$ -	\$ (31,315)	\$ 3,891,775	-0.80%	931.08%
<b>Retiree Medical Plan (RMP):</b>							
2018	0.8008%	\$ (37,959)	\$ -	\$ (37,959)	\$ 1,147,033	-3.31%	118.16%
2019	0.7222%	\$ (23,096)	\$ -	\$ (23,096)	\$ 1,843,527	-1.25%	109.56%
2020	0.6028%	\$ (23,125)	\$ -	\$ (23,125)	\$ 1,664,353	-1.39%	110.03%
2021	0.7296%	\$ (71,973)	\$ -	\$ (71,973)	\$ 2,289,689	-3.14%	125.59%

See accompanying notes to Required Supplementary Information.



## YUPIIT SCHOOL DISTRICT

## Schedule of the District's Contributions (Pensions)

## Teachers' Retirement System (TRS)

June 30, 2021

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 68,141	\$ (68,141)	\$ -	\$ 4,540,371	1.50%
2016	\$ 68,270	\$ (68,270)	\$ -	\$ 4,709,751	1.45%
2017	\$ 95,205	\$ (95,205)	\$ -	\$ 4,600,632	2.07%
2018	\$ 104,885	\$ (104,885)	\$ -	\$ 3,615,917	2.90%
2019	\$ 107,333	\$ (107,333)	\$ -	\$ 3,264,482	3.29%
2020	\$ 111,519	\$ (103,408)	\$ 8,111	\$ 3,891,775	2.87%
2021	\$ 101,542	\$ (101,573)	\$ (31)	\$ 3,626,354	2.80%

See accompanying notes to Required Supplementary Information.

## YUPIIT SCHOOL DISTRICT

## Schedule of the District's Contributions (OPEB)

## Teachers' Retirement System (TRS)

June 30, 2021

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>					
2018	\$ 57,039	\$ (57,039)	\$ -	\$ 3,615,917	1.58%
2019	\$ 50,674	\$ (50,674)	\$ -	\$ 3,264,482	1.55%
2020	\$ 62,875	\$ (62,875)	\$ -	\$ 3,891,775	1.62%
2021	\$ 61,333	\$ (61,333)	\$ -	\$ 3,626,354	1.69%
<b>Occupational Death and Disability (ODD):</b>					
2018	\$ -	\$ -	\$ -	\$ 3,615,917	0.00%
2019	\$ 1,868	\$ (1,868)	\$ -	\$ 3,264,482	0.06%
2020	\$ 2,390	\$ (2,390)	\$ -	\$ 3,891,775	0.06%
2021	\$ 2,189	\$ (2,189)	\$ -	\$ 3,626,354	0.06%
<b>Retiree Medical Plan (RMP):</b>					
2018	\$ 23,623	\$ (23,623)	\$ -	\$ 1,843,527	1.28%
2019	\$ 18,597	\$ (18,597)	\$ -	\$ 1,664,353	1.12%
2020	\$ 32,549	\$ (32,549)	\$ -	\$ 2,289,689	1.42%
2021	\$ 25,447	\$ (25,447)	\$ -	\$ 2,109,299	1.21%

See accompanying notes to Required Supplementary Information.

YUPIIT SCHOOL DISTRICT

Notes to Required Supplementary Information

June 30, 2021

**1. Public Employees' Retirement System**

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

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

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

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

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

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

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

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

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

***Schedule of District Contributions (Pension) and (OPEB)***

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

**2. Teachers' Retirement System**

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

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

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

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

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

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

# YUPIIT SCHOOL DISTRICT

## Notes to Required Supplementary Information, Continued

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

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

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

### ***Schedule of District Contributions (Pension) and (OPEB)***

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



## **ADDITIONAL SUPPLEMENTARY INFORMATION**

## YUPIIT SCHOOL DISTRICT

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget – Positive (Negative)
Revenues:			
Local sources:			
Earnings on investments	\$ -	10,347	10,347
E-rate	2,255,284	2,640,078	384,794
Other local revenue	-	12,561	12,561
Total local sources	2,255,284	2,662,986	407,702
State of Alaska:			
Foundation	6,361,995	6,334,311	(27,684)
Quality schools	27,685	27,685	-
TRS on-behalf	739,143	609,614	(129,529)
PERS on-behalf	158,408	183,895	25,487
Other State revenues	25,915	42,418	16,503
Total State of Alaska	7,313,146	7,197,923	(115,223)
Federal sources:			
Impact aid	4,112,007	5,224,178	1,112,171
Total revenues	13,680,437	15,085,087	1,404,650
Expenditures:			
Instruction:			
Certificated salaries	2,464,445	2,446,983	17,462
Non-certificated salaries	412,584	421,164	(8,580)
Employee benefits	1,057,643	2,177,186	(1,119,543)
Professional and technical services	-	1,805	(1,805)
Staff travel	2,000	13,351	(11,351)
Supplies, materials and media	183,958	133,996	49,962
Total instruction	4,120,630	5,194,485	(1,073,855)
Special education instruction:			
Certificated salaries	579,701	334,900	244,801
Non-certificated salaries	224,700	190,383	34,317
Employee benefits	377,189	295,439	81,750
Professional and technical services	-	405	(405)
Staff travel	-	1,375	(1,375)
Supplies, materials and media	5,000	12,719	(7,719)
Total special education instruction	1,186,590	835,221	351,369
Special education support services – students:			
Certificated salaries	77,612	81,049	(3,437)
Non-certificated salaries	-	3,812	(3,812)
Employee benefits	44,377	102,197	(57,820)
Transportation allowance	48,040	27,773	20,267
Professional and technical services	95,000	8,824	86,176
Staff travel	15,000	3,614	11,386
Supplies, materials and media	-	4,687	(4,687)
Other	-	340	(340)
Total special education support services – students	280,029	232,296	47,733

## YUPIIT SCHOOL DISTRICT

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget – Positive (Negative)
Expenditures, continued:			
Support services – students:			
Certificated salaries	\$ 89,842	91,393	(1,551)
Employee benefits	47,366	111,041	(63,675)
Staff travel	-	640	(640)
Total support services – students	<u>137,208</u>	<u>203,074</u>	<u>(65,866)</u>
Support services – instruction:			
Certificated salaries	114,312	83,276	31,036
Non-certificated salaries	88,769	84,030	4,739
Employee benefits	88,032	253,857	(165,825)
Professional and technical services	7,725	-	7,725
Staff travel	5,150	-	5,150
Utility services	2,038,386	2,352,050	(313,664)
Other purchased services	2,575	9,241	(6,666)
Supplies, materials and media	8,575	11,605	(3,030)
Equipment	-	6,005	(6,005)
Other	-	440	(440)
Total support services – instruction	<u>2,353,524</u>	<u>2,800,504</u>	<u>(446,980)</u>
School administration:			
Certificated salaries	296,991	281,957	15,034
Employee benefits	156,535	230,609	(74,074)
Total school administration	<u>453,526</u>	<u>512,566</u>	<u>(59,040)</u>
School administration support services:			
Non-certificated salaries	110,401	89,431	20,970
Employee benefits	45,298	49,531	(4,233)
Utility services	30,000	30,180	(180)
Total school administration support services	<u>185,699</u>	<u>169,142</u>	<u>16,557</u>
District administration:			
Certificated salaries	120,000	162,775	(42,775)
Non-certificated salaries	139,906	145,306	(5,400)
Employee benefits	116,578	160,948	(44,370)
Professional and technical services	35,000	84,156	(49,156)
Staff travel	82,500	17,659	64,841
Supplies, materials and media	7,100	14,612	(7,512)
Other	18,950	10,793	8,157
Total district administration	<u>520,034</u>	<u>596,249</u>	<u>(76,215)</u>

(continued)

## YUPIIT SCHOOL DISTRICT

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget – Positive (Negative)
Expenditures, continued:			
District administration support services:			
Certificated salaries	\$ 29,480	18,777	10,703
Non-certificated salaries	354,411	358,377	(3,966)
Employee benefits	159,945	279,667	(119,722)
Professional and technical services	53,000	60,772	(7,772)
Staff travel	17,500	358	17,142
Utility services	468,486	572,786	(104,300)
Other purchased services	41,500	18,345	23,155
Insurance and bond premiums	63,654	70,845	(7,191)
Supplies, materials and media	43,250	73,029	(29,779)
Other	10,000	57,147	(47,147)
Indirect costs	(154,365)	(134,463)	(19,902)
Total district administration support services	1,086,861	1,375,640	(288,779)
Operations and maintenance of plant:			
Non-certificated salaries	431,455	501,463	(70,008)
Employee benefits	161,379	421,033	(259,654)
Professional and technical services	2,000	51,676	(49,676)
Staff travel	-	4,595	(4,595)
Utility services	335,000	206,250	128,750
Energy	1,053,119	854,784	198,335
Insurance and bond premiums	328,000	411,040	(83,040)
Supplies, materials and media	172,154	306,365	(134,211)
Equipment	-	55,344	(55,344)
Total operations and maintenance of plant	2,483,107	2,812,550	(329,443)
Student activities:			
Certificated salaries	20,250	1,000	19,250
Non-certificated salaries	10,000	-	10,000
Employee benefits	15,752	438	15,314
Staff travel	1,500	-	1,500
Student travel	195,708	-	195,708
Supplies, materials and media	15,000	882	14,118
Other	4,500	142	4,358
Total student activities	262,710	2,462	260,248
Total expenditures	13,069,918	14,734,189	(1,664,271)
Excess of revenues over expenditures	610,519	350,898	(259,621)
Other financing (uses):			
Transfers out - School Improvement Special Revenue Fund	-	(7,059)	(7,059)
Transfers out - Teacher Housing Special Revenue Fund	(400,000)	(466,629)	(66,629)
Transfers out - Food Service Special Revenue Fund	(100,000)	(272,475)	(172,475)
Total other financing (uses)	(500,000)	(746,163)	(246,163)
Net change in fund balance	\$ 110,519	(395,265)	(505,784)
Fund balance, beginning of year		5,050,088	
Fund balance, end of year		\$ 4,654,823	



## YUPIIT SCHOOL DISTRICT

## Title I-A Basic Special Revenue Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 848,737	848,737	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	222,000	222,581	(581)
Non-certificated salaries	173,000	181,542	(8,542)
Employee benefits	198,700	188,774	9,926
Housing allowance/subsidy	140,000	-	140,000
Professional and technical services	1,529	1,650	(121)
Supplies, materials and media	27,300	27,131	169
Other	-	851	(851)
Total instruction	762,529	622,529	140,000
District administration support services - Indirect costs	86,208	86,208	-
Total expenditures	848,737	708,737	140,000
Excess of revenues over expenditures	-	140,000	140,000
Other financing uses:			
Transfers out -			
Teacher Housing Special Revenue Fund	-	(140,000)	(140,000)
Net change in fund balance	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## YUPIIT SCHOOL DISTRICT

## Other Governmental Funds

## Combining Balance Sheet

Year Ended June 30, 2021

	Special Revenue Funds							
	Student Transportation	Alaska Pilot Pre-Kindergarten	Early Literacy	Staff Development	Targeted Resources Moore Settlement	School Improvement	Food Service	Title I-C Migrant Education
<u>Assets</u>								
Accounts receivable	\$ -	-	-	16,513	-	11,590	46,123	38,690
Due from School Operating Fund	1,967	21,191	61,942	-	44,842	-	29,795	-
Total assets	<u>\$ 1,967</u>	<u>21,191</u>	<u>61,942</u>	<u>16,513</u>	<u>44,842</u>	<u>11,590</u>	<u>75,918</u>	<u>38,690</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	-	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-	2,346	-
Due to School Operating Fund	-	-	-	16,513	-	11,590	-	38,690
Unearned revenues	-	21,191	61,942	-	44,842	-	-	-
Total liabilities	<u>-</u>	<u>21,191</u>	<u>61,942</u>	<u>16,513</u>	<u>44,842</u>	<u>11,590</u>	<u>2,346</u>	<u>38,690</u>
Fund balances:								
Restricted	-	-	-	-	-	-	-	-
Committed	1,967	-	-	-	-	-	73,572	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>1,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,572</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,967</u>	<u>21,191</u>	<u>61,942</u>	<u>16,513</u>	<u>44,842</u>	<u>11,590</u>	<u>75,918</u>	<u>38,690</u>

(continued)

YUPIIT SCHOOL DISTRICT  
Other Governmental Funds  
Combining Balance Sheet, Continued

	Special Revenue Funds								
		Title III- A English Language Acquisition	Math in a Cultural Context	Title VI-B	Carl Perkins - Secondary	CARES Act	CARES Act ESSER II	Johnson O'Malley	Improving Literacy Through School Libraries
Assets	Preschool Disabled								
Accounts receivable	\$ 1,360	18,414	-	77,707	1,879	70,751	29,884	12,790	-
Due from School Operating Fund	-	-	7,221	-	-	-	-	-	36,864
Total assets	\$ 1,360	18,414	7,221	77,707	1,879	70,751	29,884	12,790	36,864
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	-	-	-	-	-	-	17,250	-	-
Accrued payroll	-	-	-	-	-	-	-	-	-
Due to School Operating Fund	1,360	18,414	-	77,707	1,879	70,751	12,634	12,790	-
Unearned revenues	-	-	7,221	-	-	-	-	-	36,864
Total liabilities	1,360	18,414	7,221	77,707	1,879	70,751	29,884	12,790	36,864
Fund balances:									
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 1,360	18,414	7,221	77,707	1,879	70,751	29,884	12,790	36,864

(continued)

## YUPIIT SCHOOL DISTRICT

## Other Governmental Funds

## Combining Balance Sheet, Continued

	Special Revenue Funds						Capital Project Funds			
<u>Assets</u>	Indian Education	Alaska Native Education	Teacher Housing	Student Activities	Scholarship Fund	Total Special Revenue Funds	General CIP Services	Impact Aid 7007A	Total Capital Project Funds	Total Other Governmental Funds
Accounts receivable	\$ -	115,741	-	-	-	441,442	-	-	-	441,442
Due from School Operating Fund	45	-	-	44,861	3,457	252,185	311,287	105,614	416,901	669,086
Total assets	\$ 45	115,741	-	44,861	3,457	693,627	311,287	105,614	416,901	1,110,528
<u>Liabilities and Fund Balances</u>										
Liabilities:										
Accounts payable	-	-	12,899	-	-	30,149	-	-	-	30,149
Accrued payroll	-	-	14,086	-	-	16,432	-	-	-	16,432
Due to School Operating Fund	-	115,741	19,635	-	-	397,704	-	-	-	397,704
Unearned revenues	45	-	-	-	-	172,105	-	-	-	172,105
Total liabilities	45	115,741	46,620	-	-	616,390	-	-	-	616,390
Fund balances:										
Restricted	-	-	-	44,861	-	44,861	-	-	-	44,861
Committed	-	-	-	-	3,457	78,996	-	-	-	78,996
Assigned	-	-	-	-	-	-	311,287	105,614	416,901	416,901
Unassigned	-	-	(46,620)	-	-	(46,620)	-	-	-	(46,620)
Total fund balances	-	-	(46,620)	44,861	3,457	77,237	311,287	105,614	416,901	494,138
Total liabilities and fund balances	\$ 45	115,741	-	44,861	3,457	693,627	311,287	105,614	416,901	1,110,528

## YUPIIT SCHOOL DISTRICT

## Other Governmental Funds

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

Year Ended June 30, 2021

	Special Revenue Funds					
	Student Transportation	School Improvement	Food Service	Title I-C Migrant Education	Preschool Disabled	Title III-A English Language Acquisition  Title VI-B
Revenues:						
Local sources:						
Charges for services	\$ -	-	40,903	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
State of Alaska	998	-	-	-	-	-
Federal sources	-	29,146	101,423	38,690	1,360	18,251
Total revenues	<u>998</u>	<u>29,146</u>	<u>142,326</u>	<u>38,690</u>	<u>1,360</u>	<u>139,084</u>
Expenditures:						
Current:						
Instruction	-	36,205	-	7,530	-	16,377
Special education instruction	-	-	-	-	1,360	-
Special education support services - students	-	-	-	-	-	64,218
Support services - instruction	-	-	-	-	-	74,866
School administration support services	-	-	-	27,223	-	-
District administration	-	-	-	-	-	-
District administration support services	-	-	-	3,937	-	1,874
Operations and maintenance of plant	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Student transportation	120	-	-	-	-	-
Food services	-	-	363,241	-	-	-
Total expenditures	<u>120</u>	<u>36,205</u>	<u>363,241</u>	<u>38,690</u>	<u>1,360</u>	<u>139,084</u>
Excess (deficiency) of revenues over expenditures	878	(7,059)	(220,915)	-	-	-
Other financing sources - Transfers in	<u>-</u>	<u>7,059</u>	<u>272,475</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	878	-	51,560	-	-	-
Fund balance (deficit), beginning of year, as originally stated	<u>1,089</u>	<u>-</u>	<u>22,012</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative effect of change in accounting principle	-	-	-	-	-	-
Fund balance (deficit), beginning of year, as restated	<u>1,089</u>	<u>-</u>	<u>22,012</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 1,967</u>	<u>-</u>	<u>73,572</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

## YUPIIT SCHOOL DISTRICT

## Other Governmental Funds

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit), Continued

	Special Revenue Funds							
	Carl Perkins - Secondary	CARES Act	CARES Act ESSER II	Johnson O'Malley	Improving Literacy Through School Libraries	Indian Education	Alaska Native Education	Teacher Housing
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	154,017
Other	-	-	-	-	6,098	-	-	-
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	-
Federal sources	20,081	399,549	29,884	12,790	-	17,483	350,151	-
Total revenues	20,081	399,549	29,884	12,790	6,098	17,483	350,151	154,017
Expenditures:								
Current:								
Instruction	19,214	285,277	375	12,790	-	17,483	228,684	420
Special education instruction	-	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-	-
Support services - instruction	-	48,830	17,250	-	6,098	-	-	-
School administration support services	-	-	-	-	-	-	-	-
District administration	-	-	12,259	-	-	-	-	-
District administration support services	867	47,965	-	-	-	-	121,467	-
Operations and maintenance of plant	-	15,204	-	-	-	-	-	758,903
Student activities	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-
Food services	-	2,273	-	-	-	-	-	-
Total expenditures	20,081	399,549	29,884	12,790	6,098	17,483	350,151	759,323
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	(605,306)
Other financing sources - Transfers in	-	-	-	-	-	-	-	606,629
Net change in fund balances	-	-	-	-	-	-	-	1,323
Fund balance (deficit), beginning of year, as originally stated	-	-	-	-	-	-	-	(47,943)
Cumulative effect of change in accounting principle	-	-	-	-	-	-	-	-
Fund balance (deficit), beginning of year, as restated	-	-	-	-	-	-	-	(47,943)
Fund balances (deficit), end of year	\$ -	-	-	-	-	-	-	(46,620)

(continued)

## YUPIIT SCHOOL DISTRICT

## Other Governmental Funds

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit), Continued

	Special Revenue Funds			Capital Project Funds			
	Student Activities	Scholarship Fund	Total Special Revenue Funds	General CIP Services	Impact Aid 7007A	Total Capital Project Funds	Total Other Governmental Funds
Revenues:							
Local sources:							
Charges for services	\$ -	-	194,920	-	-	-	194,920
Other	9,288	-	15,386	-	-	-	15,386
Intergovernmental:							
State of Alaska	-	-	998	-	-	-	998
Federal sources	-	-	1,157,892	-	-	-	1,157,892
Total revenues	<u>9,288</u>	<u>-</u>	<u>1,369,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,369,196</u>
Expenditures:							
Current:							
Instruction	-	-	624,355	-	-	-	624,355
Special education instruction	-	-	65,578	-	-	-	65,578
Special education support services - students	-	-	74,866	-	-	-	74,866
Support services - instruction	-	-	72,178	-	-	-	72,178
School administration support services	-	-	27,223	-	-	-	27,223
District administration	-	-	12,259	-	-	-	12,259
District administration support services	-	-	176,110	-	-	-	176,110
Operations and maintenance of plant	-	-	774,107	-	-	-	774,107
Student activities	19,913	-	19,913	-	-	-	19,913
Student transportation	-	-	120	-	-	-	120
Food services	-	-	365,514	-	-	-	365,514
Total expenditures	<u>19,913</u>	<u>-</u>	<u>2,212,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,212,223</u>
Excess (deficiency) of revenues over expenditures	(10,625)	-	(843,027)	-	-	-	(843,027)
Other financing sources - Transfers in	<u>-</u>	<u>-</u>	<u>886,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>886,163</u>
Net change in fund balances	(10,625)	-	43,136	-	-	-	43,136
Fund balance (deficit), beginning of year, as originally stated	<u>-</u>	<u>3,457</u>	<u>(21,385)</u>	<u>311,287</u>	<u>105,614</u>	<u>416,901</u>	<u>395,516</u>
Cumulative effect of change in accounting principle	55,486	-	55,486	-	-	-	55,486
Fund balance (deficit), beginning of year, as restated	<u>55,486</u>	<u>3,457</u>	<u>34,101</u>	<u>311,287</u>	<u>105,614</u>	<u>416,901</u>	<u>451,002</u>
Fund balances (deficit), end of year	<u>\$ 44,861</u>	<u>3,457</u>	<u>77,237</u>	<u>311,287</u>	<u>105,614</u>	<u>416,901</u>	<u>494,138</u>

## YUPIIT SCHOOL DISTRICT

## Student Transportation Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ 998	998	-
Expenditures:			
Current:			
Student transportation - Travel allowance	998	120	878
Excess of revenues over expenditures	\$ -	878	878
Fund balance, beginning of year		1,089	
Fund balance, end of year		\$ 1,967	



## YUPIIT SCHOOL DISTRICT

## School Improvement Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 172,567	29,146	(143,421)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	10,200	1,950	8,250
Non-certificated salaries	13,500	150	13,350
Employee benefits	8,295	758	7,537
Professional and technical services	109,092	10,635	98,457
Supplies, materials and media	31,480	22,712	8,768
Total expenditures	172,567	36,205	136,362
Excess (deficiency) of revenues over expenditures	-	(7,059)	7,059
Other financing sources:			
Transfers in - School Operating Fund	-	7,059	(7,059)
Net change in fund balance	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## YUPIIT SCHOOL DISTRICT

## Food Service Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources -			
Charges for services	\$ 40,903	40,903	-
Federal sources passed through the State of Alaska -			
USDA Food Service Reimbursement	55,301	101,423	46,122
Total revenues	<u>96,204</u>	<u>142,326</u>	<u>46,122</u>
Expenditures:			
Current:			
Food services:			
Non-certificated salaries	141,522	166,852	(25,330)
Employee benefits	49,534	111,117	(61,583)
Staff travel	1,500	-	1,500
Supplies, materials and media	373,000	81,525	291,475
Other	-	111	(111)
Equipment	2,500	3,636	(1,136)
Total expenditures	<u>568,056</u>	<u>363,241</u>	<u>204,815</u>
Excess (deficiency) of revenues over expenditures	(471,852)	(220,915)	250,937
Other financing sources:			
Transfers in -			
School Operating Fund	-	272,475	272,475
Net change in fund balance	\$ <u>(471,852)</u>	51,560	<u>523,412</u>
Fund balance, beginning of year		<u>22,012</u>	
Fund balance, end of year		\$ <u>73,572</u>	

## YUPIIT SCHOOL DISTRICT

## Title I-C Migrant Education Special Revenue Fund

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

Year Ended June 30, 2021

		Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -				
Federal sources passed				
through the State of Alaska	\$	<u>210,979</u>	<u>38,690</u>	<u>(172,289)</u>
Expenditures:				
Current:				
Instruction:				
Non-certificated salaries		19,980	3,812	16,168
Employee benefits		4,757	3,718	1,039
Staff travel		46,000	-	46,000
Supplies, materials and media		64,738	-	64,738
Tuition-students and stipends		30,000	-	30,000
Total instruction		<u>165,475</u>	<u>7,530</u>	<u>157,945</u>
School administration support services:				
Non-certificated salaries		17,035	17,034	1
Employee benefits		10,051	10,189	(138)
Total school administration support services		<u>27,086</u>	<u>27,223</u>	<u>(137)</u>
District administration support services -				
Indirect costs		<u>18,418</u>	<u>3,937</u>	<u>14,481</u>
Total expenditures		<u>210,979</u>	<u>38,690</u>	<u>172,289</u>
Excess of revenues over expenditures	\$	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			\$ <u>-</u>	

## YUPIIT SCHOOL DISTRICT

## Preschool Disabled Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 2,029	1,360	(669)
Expenditures: Current: Special education instruction - Supplies, material and media	2,029	1,360	669
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## YUPIIT SCHOOL DISTRICT

## Title III-A English Language Acquisition Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 45,822	18,251	(27,571)
Expenditures:			
Current:			
Instruction - Supplies, material and media	41,159	16,377	24,782
District administration support services - Indirect costs	4,663	1,874	2,789
Total expenditures	45,822	18,251	27,571
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## YUPIIT SCHOOL DISTRICT

## Title VI-B Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 139,084	139,084	-
Expenditures:			
Current:			
Special education instruction:			
Non-certificated salaries	46,382	42,819	3,563
Employee benefits	19,737	19,199	538
Supplies, materials and media	10,745	2,200	8,545
Total special education instruction	76,864	64,218	12,646
Special education support services - students - Professional and technical services	62,220	74,866	(12,646)
Total expenditures	139,084	139,084	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## YUPIIT SCHOOL DISTRICT

## Carl Perkins - Secondary Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 40,030	20,081	(19,949)
Expenditures:			
Current:			
Instruction:			
Professional and technical services	10,469	-	10,469
Supplies, materials and media	27,655	19,214	8,441
Total instruction	38,124	19,214	18,910
District administration support services - Indirect costs	1,906	867	1,039
Total expenditures	40,030	20,081	19,949
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## YUPIIT SCHOOL DISTRICT

## CARES Act Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 446,221	399,549	(46,672)
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	10,000	2,350	7,650
Employee benefits	3,033	580	2,453
Professional and technical services	35,000	17,250	17,750
Staff travel	12,099	22,750	(10,651)
Supplies, materials and media	314,783	242,347	72,436
Total instruction	374,915	285,277	89,638
Support services - instruction -			
Supplies, materials and media	-	48,830	(48,830)
District administration -			
Staff travel	1,259	-	1,259
District administration support services:			
Supplies, materials and media	-	6,388	(6,388)
Indirect costs	45,411	41,577	3,834
Total district administration support services	45,411	47,965	(2,554)
Operations and maintenance of plant:			
Non-certificated salaries	10,836	-	10,836
Employee benefits	2,800	-	2,800
Professional and technical services	11,000	12,122	(1,122)
Supplies, materials and media	-	3,082	(3,082)
Total operations and maintenance of plant	24,636	15,204	9,432
Food services:			
Non-certificated salaries	-	2,054	(2,054)
Employee benefits	-	219	(219)
Total food services	-	2,273	(2,273)
Total expenditures	446,221	399,549	46,672
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	



## YUPIIT SCHOOL DISTRICT

## CARES Act ESSER II Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 2,428,917	29,884	(2,399,033)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	143,000	-	143,000
Non-certificated salaries	738,275	-	738,275
Employee benefits	299,360	-	299,360
Professional and technical services	30,450	-	30,450
Staff travel	375	375	-
Other capital outlay	1,050,000	-	1,050,000
Total instruction	2,261,460	375	2,261,085
Support services - instruction - Supplies, materials and media	12,389	17,250	(4,861)
District administration - Staff travel	13,625	12,259	1,366
District administration support services - Indirect costs	141,443	-	141,443
Total expenditures	2,428,917	29,884	2,399,033
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## YUPIIT SCHOOL DISTRICT

## Johnson O'Malley Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources	\$ 12,790	12,790	-
Expenditures:			
Current:			
Instruction - Supplies, materials and media	12,790	12,790	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## YUPIIT SCHOOL DISTRICT

## Improving Literacy Through School Libraries Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 6,098	6,098	-
Expenditures:			
Current:			
Support services - instruction -			
Supplies, materials and media	6,098	6,098	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## YUPIIT SCHOOL DISTRICT

## Indian Education Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources	\$ 175,461	17,483	(157,978)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	12,040	-	12,040
Staff travel	86,870	-	86,870
Supplies, materials and media	27,000	17,483	9,517
Other	49,551	-	49,551
Total expenditures	175,461	17,483	157,978
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## YUPIIT SCHOOL DISTRICT

## Alaska Native Education Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources	\$ 450,000	350,151	(99,849)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	19,000	19,000	-
Non-certificated salaries	56,100	55,892	208
Employee benefits	9,999	10,408	(409)
Professional and technical services	68,358	66,897	1,461
Staff travel	4,690	4,225	465
Student travel	1,548	-	1,548
Supplies, materials and media	116,807	69,262	47,545
Tuition and stipends	42,954	-	42,954
Other	9,044	3,000	6,044
Total instruction	328,500	228,684	99,816
District administration support services:			
Non-certificated salaries	85,000	85,000	-
Employee benefits	36,500	36,467	33
Total district administration support services	121,500	121,467	33
Total expenditures	450,000	350,151	99,849
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## YUPIIT SCHOOL DISTRICT

## Teacher Housing Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources -			
Charges for services - rent	\$ 359,433	154,017	(205,416)
Expenditures:			
Current:			
Instruction -			
Professional and technical services	-	420	(420)
Operations and maintenance of plant:			
Non-certificated salaries	150,391	302,873	(152,482)
Employee benefits	52,542	99,485	(46,943)
Professional and technical services	-	55,700	(55,700)
Staff travel	2,500	-	2,500
Energy	88,000	92,897	(4,897)
Other purchased services	58,500	63,000	(4,500)
Supplies, materials medial	7,500	144,948	(137,448)
Total operations and maintenance of plant	359,433	758,903	(399,470)
Total expenditures	359,433	759,323	(399,890)
Excess (deficiency) of revenues over expenditures	-	(605,306)	(605,306)
Other financing sources:			
Transfers in:			
School Operating Fund	-	466,629	466,629
Title I-A Basic Special Revenue Fund	-	140,000	140,000
Total transfers in	-	606,629	606,629
Net change in fund balance	\$ -	1,323	1,323
Fund balance (deficit), beginning of year		(47,943)	
Fund balance (deficit), end of year		\$ (46,620)	

## YUPIIT SCHOOL DISTRICT

## Student Activities Special Revenue Fund

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

Year Ended June 30, 2021

Revenues - local sources - other	\$ <u>9,288</u>
Expenditures:	
Current:	
Student activities -	
Supplies, materials and media	<u>19,913</u>
Excess (deficiency) of revenues over expenditures	(10,625)
Fund balance, beginning of year, as originally stated	<u>-</u>
Cumulative effect of change in accounting principle	55,486
Fund balance, beginning of year, as restated	<u>55,486</u>
Fund balance, end of year	\$ <u><u>44,861</u></u>

## YUPIIT SCHOOL DISTRICT

## Scholarship Fund Special Revenue Fund

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

Year Ended June 30, 2021

Revenues	\$ <u>-</u>
Expenditures	<u>-</u>
Excess of revenues over expenditures	-
Fund balance, beginning of year	<u>3,457</u>
Fund balance, end of year	\$ <u><u>3,457</u></u>



YUPIIT SCHOOL DISTRICT

General CIP Services Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2021

Revenues	\$ <u>-</u>
Expenditures	<u>-</u>
Excess of revenues over expenditures	-
Fund balance, beginning of year	<u>311,287</u>
Fund balance, end of year	\$ <u><u>311,287</u></u>

## YUPIIT SCHOOL DISTRICT

## Impact Aid 7007A Capital Project Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2021

Revenues	\$ <u>-</u>
Expenditures	<u>-</u>
Excess of revenues over expenditures	-
Fund balance, beginning of year	<u>105,614</u>
Fund balance, end of year	\$ <u><u>105,614</u></u>

## YUPIIT SCHOOL DISTRICT

## Schedule of Compliance - AS 14.17.505

June 30, 2021

Total fund balance - School Operating Fund	\$	4,654,823	
less exemptions per 4 AAC 09.160(a):			
Inventory		108,727	
Impact Aid		<u>4,546,096</u>	
<b>Fund Balance Subject to 10% Limitation</b>	\$	<u><u>-</u></u>	
Nonexempt fund balance as a percentage of current year expenditures:			
<u>Fund balance subject to limitation</u>		<u>-</u>	= <u>0.00%</u>
Current year expenditures		<u>14,734,189</u>	

## YUPIIT SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

<u>Grant Title</u>	<u>Grant Number</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Total Grant Award</u>	<u>Federal Share of Expenditures</u>
U.S. Department of Education:				
Passed through the State of Alaska, Department of Education and Early Development:				
Title I-A Basic	IP21YPSD01	84.010	\$ 900,842	848,737
School Improvement	SI21YPSD01	84.010	172,567	29,146
Total CFDA 84.010			1,073,409	877,883
Title I-C Migrant Education	IP21YPSD01	84.011	210,978	38,690
Carl Perkins - Secondary	EK21YPSD01	84.048	40,031	20,081
Special Education Cluster:				
Title VI-B	SE21YPSD01	84.027	139,084	139,084
Preschool Disabled	SE21YPSD01	84.173	2,029	1,360
Total Special Education Cluster			141,113	140,444
Title III-A English Language Acquisition	IP21YPSD01	84.365	45,822	18,251
COVID-19 CARES Act	ER21YPSD01	84.425D	446,221	399,549
COVID-19 CARES Act ESSER II	CA21YP5001	84.425D	2,428,917	29,884
Total CFDA 84.425			2,875,138	429,433
Total passed through the State of Alaska, Department of Education and Early Development:			4,386,491	1,524,782
Direct:				
Impact Aid FY20	11-AK-2020-3701	84.041	503,552	503,552
Impact Aid FY21	11-AK-2021-3701	84.041	4,720,626	4,720,626
Total for CFDA 84.041			5,224,178	5,224,178
Alaska Native Education - Transforming Learning in Akiak	S356A180033	84.356A	2,421,676	350,151
Indian Education Act	S060A200012	84.060A	176,028	17,483
Total direct U.S. Department of Education			7,821,882	5,591,812
U.S. Department of the Interior:				
Direct -				
Johnson O'Malley	A20AV01042	15.130	34,986	12,790
U.S. Department of Agriculture:				
Passed through State of Alaska, Department of Education and Early Development:				
Child Nutrition Program:				
COVID-19 National School Breakfast Program	None	10.553	8,197	8,197
COVID-19 National School Lunch Program	None	10.555	69,877	69,877
Summer Food Program	None	10.559	22,056	22,056
Total Child Nutrition Cluster			100,130	100,130
Food Distribution Admin Fee	None	10.560	1,293	1,293
Total U.S. Department of Agriculture			101,423	101,423
Total federal financial assistance			\$ 12,344,782	7,230,807

See notes to Schedule of Expenditures of Federal Awards

## YUPIIT SCHOOL DISTRICT

### Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Yupiit School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Yupiit School District, it is not intended to and does not present the basic financial statements 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 following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

#### **Note 3. Subrecipient**

No federal funds were passed through to subrecipients.

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

<u>Grant Title</u>	<u>Grant Agreement Number</u>	<u>Total Grant Award</u>	<u>Eligible Expenditures</u>
State of Alaska Department of Education and Early Development:			
# Foundation	FY2021	\$ 6,334,311	6,334,311
Dividend Raffle	FY2021	3,209	3,209
Quality Schools Grant	FY2021	27,685	27,685
Pupil Transportation	FY2021	998	998
School Broadband Assistance Grant	FY2021	39,209	39,209
Total State of Alaska Department of Education and Early Development		<u>6,405,412</u>	<u>6,405,412</u>
State of Alaska Department of Administration:			
On-behalf PERS	FY2021	183,895	183,895
# On-behalf TRS	FY2021	609,614	609,614
Total Department of Administration		<u>793,509</u>	<u>793,509</u>
Total state financial assistance		<u>\$ 7,198,921</u>	<u>7,198,921</u>

See notes to the Schedule of State Financial Assistance

## YUPIIT SCHOOL DISTRICT

### Notes to Schedule of State Financial Assistance

Year Ended June 30, 2021

#### **Note 1. Basis of Presentation**

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Yupiit School District under programs of the State of Alaska for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Yupiit School District, it is not intended to and does not present the basic financial statements 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, which is described in Note 1 to the Yupiit School District's basic financial statements.

#### **Note 3. Subrecipients**

No state funds were passed through to Subrecipients.

#### **Note 4. Major Programs**

# Denotes a major program for compliance audit purposes.

# **COMPLIANCE REPORTS**



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

**Independent Auditor's Report**

Members of the School Board  
Yupit 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 Yupit School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Yupit School District's basic financial statements, and have issued our report thereon dated October 29, 2021.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying federal schedule of findings and questioned costs as Finding 2021-001, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

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

### **Yupiiit School District's Response to Findings**

Yupiiit School District's response to the finding identified in our audit is described in the accompanying federal schedule of findings and questioned costs and corrective action plan. The 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.



Anchorage, Alaska  
October 29, 2021

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

**Independent Auditor's Report**

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, 2021. Yupiit School District's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of 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, Yupit School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of Yupit 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 Yupit 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 Yupit School District's internal control over compliance.

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

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

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



Anchorage, Alaska  
October 29, 2021

YUPIIT SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

June 30, 2021

**Section I - Summary of Auditor's Results**

Financial Statements

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

Unmodified

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

\_\_\_\_ Yes X No

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_ Yes X No

Significant deficiency(ies) identified?

X Yes \_\_\_\_ None Reported

Noncompliance material to financial statements noted?

\_\_\_\_ Yes X No

Federal Awards

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

Material weakness(es) identified

\_\_\_\_ Yes X No

Significant deficiency(ies) identified

\_\_\_\_ Yes X None Reported

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

\_\_\_\_ Yes X No

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

Unmodified

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

\_\_\_\_ Yes X No

Identification of major programs:

CFDA Number(s)/Cluster

84.041

84.425D

84.010

Name of Federal Program or Cluster

Impact Aid

CARES Act

Title I-A Basic / School Improvement

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

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_\_ Yes X No

YUPIIT SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

***Section II – Financial Statement Findings***

**Finding 2021-001**

**Internal Controls over Accounts Payable**

**Significant Deficiency**

<b>Condition/Context:</b>	During audit procedures performed over accounts payable in the School Operating Fund, it was determined that accounts payable were understated at year end. The auditors proposed an adjustment of \$43,030 to properly state the accounts payable balance and associated expenditure accounts as of June 30, 2021.
<b>Criteria:</b>	A key component of internal controls is monitoring. Management should have adequate policies and procedures in place related to cash disbursements and the reconciliation of accounts payable in order to ensure the fair presentation of accounts payable within the financial statements in accordance with U.S. generally accepted accounting principles (GAAP).
<b>Cause:</b>	The District lacked proper monitoring in regards to completeness and accuracy over the general ledger, which led to accounts payable and expenditures to be misstated prior to adjustment.
<b>Effect:</b>	Understatement of accounts payable and associated expenditures in the amount of \$43,030.
<b>Recommendation:</b>	The District should implement stronger controls over reconciling general ledger balances to ensure material misstatements do not occur.
<b>Management Response:</b>	Management agrees with this finding, see Corrective Action Plan.

***Section III – Federal Award Findings and Questioned Costs***

The Yupiit School District did not have any findings related to federal awards.

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

**Independent Auditor's Report**

Members of the School Board  
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, 2021. 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of 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 the audit requirements of the *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, 2021.

***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 any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Altman, Rogers & Co.*

Anchorage, Alaska  
October 29, 2021



YUPIIT SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_ Yes X No

Significant deficiency(ies) identified?

X Yes \_\_\_\_ None Reported

Noncompliance material to financial statements noted?

\_\_\_\_ Yes X No

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified

\_\_\_\_ Yes X No

Significant deficiency(ies) identified

\_\_\_\_ Yes X None Reported

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

Unmodified

Dollar threshold used to distinguish a State major program:

\$ 200,000

**Section II – Financial Statement Findings**

See Federal Schedule of Findings and Questioned Costs for findings related to the financial statements.

**Section III – State Award Findings and Questioned Costs**

The Yupiit School District did not have any findings related to State awards.

# Yup'it School District

Box 51190 • Akiachak, AK 99551 • Telephone (907) 825-3600 • FAX (877) 825-2404



## Status of Prior Year Findings

Year Ended June 30, 2021

### Financial Statement Findings

#### Finding 2020-001

#### Internal Control over Accounts Payable

##### **Condition:**

During audit procedures performed over accounts payable in the School Operating Fund, it was determined that accounts payable were overstated in the previous year as a result of manual accounts payable entries that were not reversed.

##### **Status:**

This finding has not been resolved and is repeated as Finding 2021-001.



# Yupiiit School District

Box 51190 • Akiachak, AK 99551 • Telephone (907) 825-3600 • FAX (877) 825-2404



## Corrective Action Plan

June 30, 2021

### **Financial Statement Findings**

#### **Finding 2021-001**

#### **Internal Controls over Accounts Payable**

**Name of Contact Person:** John Stackhouse, Business Manager

**Corrective Action Plan:** Management will review all payments made after the fiscal year end date. Invoices with a date prior to the end of the fiscal year will be booked as accounts payable to ensure matching of expenditures to the correct fiscal period occurs.

**Proposed Completion Date:** July 1, 2021

