

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT
(A Component Unit of the Ketchikan Gateway Borough)

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

Year Ended June 30, 2022

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KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

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Independent Auditor's Report

Members of the School Board
Ketchikan Gateway Borough School District
Ketchikan, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ketchikan Gateway Borough School District (the District), a component unit of the Ketchikan Gateway Borough, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 Ketchikan Gateway Borough School District, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ketchikan Gateway Borough School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including and currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Ketchikan Gateway Borough School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ketchikan Gateway Borough School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Revenues, Expenditures and Changes in Fund Balance – Original and Final – Budget and Actual: School Operating Fund, Student Transportation Special Revenue Fund, Food Service Special Revenue Fund and CRRSA Act ESSER III Special Revenue Fund; the Schedules of the District's Proportionate Share of the Net Pension and OPEB Liabilities (Assets) and Contributions for the Public Employees' Retirement System and Teachers' Retirement System; and Notes to Required Supplementary Information on pages 43-46, 47-54, and 55-57, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ketchikan Gateway Borough School District's basic financial statements. The information listed in the table of contents as "Supplementary Information", which includes the Major Governmental Funds: Schedule of Revenues, Expenditures and Changes in Fund Balance; Other Governmental Funds: Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit); Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual; Schedule of Changes in Account Balances; 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; Notes to Schedule of Expenditures of Federal Awards; Schedule of State Financial Assistance, as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*; and Notes to Schedule of State Financial Assistance, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The "Supplementary Information," as listed above, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the "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 November 14, 2022, on our consideration of the Ketchikan Gateway Borough School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ketchikan Gateway Borough School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ketchikan Gateway Borough School District's internal control over financial reporting and compliance.



Anchorage, Alaska
November 14, 2022

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Statement of Net Position

June 30, 2022

	<u>Governmental Activities</u>
<u>Assets and Deferred Outflows of Resources</u>	
Current assets:	
Cash and investments	\$ 2,512,377
Accounts receivable	1,634,066
Receivable from trust fund	77,886
Inventory	30,791
Total current assets	<u>4,255,120</u>
Long-term assets:	
Capital assets, not being depreciated	354,483
Depreciable capital assets, net of accumulated depreciation	269,102
Net OPEB assets	<u>21,713,242</u>
Total long-term assets	<u>22,336,827</u>
Deferred outflows of resources - Pension and OPEB deferrals	<u>4,371,914</u>
Total assets and deferred outflows of resources	<u><u>30,963,861</u></u>
<u>Liabilities and Deferred Inflows of Resources</u>	
Current liabilities:	
Accounts payable	628,579
Accrued payroll liabilities	267,569
Payable to Ketchikan Gateway Borough	591,835
Unearned revenue	55,116
Total current liabilities	<u>1,543,099</u>
Long-term liabilities:	
Accrued leave	475,861
Self insurance payable	2,882,583
Net pension and OPEB liabilities	<u>19,561,034</u>
Total long-term liabilities	<u>22,919,478</u>
Deferred inflows of resources - Pension and OPEB deferrals	<u>24,166,199</u>
Total liabilities and deferred inflows of resources	<u>48,628,776</u>
<u>Net Position</u>	
Net investment in capital assets	623,585
Restricted - scholarships	7,000
Unrestricted	<u>(18,295,500)</u>
Total net position	<u>(17,664,915)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 30,963,861</u>

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

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 16,138,872	-	313,115	-	(15,825,757)
Special education instruction	6,388,053	-	254,599	-	(6,133,454)
Special education support services - students	456,793	-	(68,109)	-	(524,902)
Support services - students	1,778,777	-	679,234	-	(1,099,543)
Support services - instruction	2,797,932	-	474,817	-	(2,323,115)
School administration	1,092,798	-	(251,494)	-	(1,344,292)
School administration support services	920,794	-	(10,161)	-	(930,955)
District administration	408,315	-	(32,080)	-	(440,395)
District administration support services	991,546	-	380,095	-	(611,451)
Operation and maintenance of plant	5,366,042	763	13,124	243,274	(5,108,881)
Student activities	681,566	-	62,565	-	(619,001)
Student transportation - to and from school	1,850,070	-	1,585,905	-	(264,165)
Student transportation - school activities	52,256	-	44,787	-	(7,469)
Community services	38,063	31,651	-	-	(6,412)
Food services	1,413,442	13,916	1,851,728	-	452,202
Total Governmental Activities	\$ 40,375,319	46,330	5,298,125	243,274	(34,787,590)
General revenues and transfers:					
Borough appropriations				\$ 10,781,028	
Grants not restricted to specific programs				26,123,512	
E-rate				97,630	
Other				62,054	
Capital assets transferred to the Borough				(2,627,969)	
Total general revenues and transfers				34,436,255	
Change in net position				(351,335)	
Net position, beginning of year				(17,313,580)	
Net position, end of year				\$ (17,664,915)	

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

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2022

	School Operating Fund	Special Revenue Funds			Other Governmental Funds	Total Governmental Funds
		Student Transportation	Food Service	CRRSA Act ESSER III		
<u>Assets</u>						
Cash and investments	\$ 2,512,377	-	-	-	-	2,512,377
Accounts receivable	-	-	27,396	683,893	922,777	1,634,066
Receivable from trust fund	77,886	-	-	-	-	77,886
Due from other funds	1,606,845	902,144	738,993	-	194,036	3,442,018
Inventory	-	-	30,791	-	-	30,791
Total assets	<u>4,197,108</u>	<u>902,144</u>	<u>797,180</u>	<u>683,893</u>	<u>1,116,813</u>	<u>7,697,138</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	230,936	319,596	10,703	3,135	64,209	628,579
Accrued payroll liabilities	267,569	-	-	-	-	267,569
Due to other funds	1,835,173	-	-	680,758	926,087	3,442,018
Due to Ketchikan Gateway Borough	591,835	-	-	-	-	591,835
Unearned revenue	-	-	-	-	55,116	55,116
Total liabilities	<u>2,925,513</u>	<u>319,596</u>	<u>10,703</u>	<u>683,893</u>	<u>1,045,412</u>	<u>4,985,117</u>
Fund balances:						
Nonspendable	-	-	30,791	-	-	30,791
Restricted	-	-	-	-	7,000	7,000
Committed	-	-	755,686	-	-	755,686
Assigned	-	582,548	-	-	74,838	657,386
Unassigned	1,271,595	-	-	-	(10,437)	1,261,158
Total fund balances	<u>1,271,595</u>	<u>582,548</u>	<u>786,477</u>	<u>-</u>	<u>71,401</u>	<u>2,712,021</u>
Total liabilities and fund balances	\$ <u>4,197,108</u>	<u>902,144</u>	<u>797,180</u>	<u>683,893</u>	<u>1,116,813</u>	<u>7,697,138</u>

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

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position

Year Ended June 30, 2022

Total fund balances of governmental funds		\$	2,712,021
Total net assets reported for governmental activities in the Statement of Net Position is different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation, consist of:			
Works of art	\$	354,483	
Improvements other than buildings		11,970	
Equipment		2,645,748	
Total capital assets		<u>3,012,201</u>	
Accumulated depreciation		<u>(2,388,616)</u>	
Total capital assets, net			623,585
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities.			
Long-term liabilities reported in these statements consist of:			
Accrued leave		(475,861)	
Self insurance liability		<u>(2,882,583)</u>	(3,358,444)
Proportionate share of the net OPEB assets:			
PERS		7,807,280	
TRS		<u>13,905,962</u>	21,713,242
Proportionate share of the collective net pension and liabilities:			
PERS		(10,731,563)	
TRS		<u>(8,829,471)</u>	(19,561,034)
Deferred inflows and outflows of resources are the result 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		1,781,139	
TRS		<u>2,590,775</u>	4,371,914
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources.			
PERS		(8,534,363)	
TRS		<u>(15,631,836)</u>	<u>(24,166,199)</u>
Net position of governmental activities		\$	<u>(17,664,915)</u>

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

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

June 30, 2022

	School Operating Fund	Special Revenue Funds			Other Governmental Funds	Total Governmental Funds
		Student Transportation	Food Service	CRRSA Act ESSER III		
Revenues:						
Local sources:						
Charges for services	\$ -	-	13,916	-	32,414	46,330
Other	159,684	-	-	-	243,274	402,958
Intergovernmental:						
Ketchikan Gateway Borough	10,781,028	-	-	-	-	10,781,028
State of Alaska	29,706,410	1,630,692	-	-	40,077	31,377,179
Federal sources	-	-	1,756,772	4,064,292	2,129,797	7,950,861
Total revenues	<u>40,647,122</u>	<u>1,630,692</u>	<u>1,770,688</u>	<u>4,064,292</u>	<u>2,445,562</u>	<u>50,558,356</u>
Expenditures:						
Current:						
Instruction	19,140,979	-	-	2,418,725	687,722	22,247,426
Special education instruction	7,196,333	-	-	144,236	714,716	8,055,285
Special education support services - students	640,759	-	-	7,272	7,979	656,010
Support services - students	1,398,608	-	-	692,922	162,562	2,254,092
Support services - instruction	2,647,540	-	-	243,631	423,010	3,314,181
School administration	1,706,027	-	-	20,608	-	1,726,635
School administration support services	1,005,309	-	-	5,704	4,971	1,015,984
District administration	493,588	-	-	4,513	-	498,101
District administration support services	728,504	-	-	367,135	62,859	1,158,498
Operations and maintenance of plant	5,300,116	-	-	66,129	50,386	5,416,631
Student activities	669,900	-	-	90,228	8,100	768,228
Student transportation - to and from school	-	1,850,382	-	-	-	1,850,382
Student transportation - school activities	-	52,256	-	-	-	52,256
Community services	-	-	-	-	38,063	38,063
Food services	-	-	1,312,862	3,189	91,767	1,407,818
Construction and facilities acquisition	85	-	-	-	218,530	218,615
Total expenditures	<u>40,927,748</u>	<u>1,902,638</u>	<u>1,312,862</u>	<u>4,064,292</u>	<u>2,470,665</u>	<u>50,678,205</u>
Excess (deficiency) of revenues over expenditures	(280,626)	(271,946)	457,826	-	(25,103)	(119,849)
Fund balances, beginning of year	<u>1,552,221</u>	<u>854,494</u>	<u>328,651</u>	<u>-</u>	<u>96,504</u>	<u>2,831,870</u>
Fund balances, end of year	\$ <u><u>1,271,595</u></u>	<u><u>582,548</u></u>	<u><u>786,477</u></u>	<u><u>-</u></u>	<u><u>71,401</u></u>	<u><u>2,712,021</u></u>

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

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Reconciliation of Changes in Fund Balances of
Governmental Funds to Statement of Activities

Year Ended June 30, 2022

Net change in fund balances - total governmental funds		\$	(119,849)
The change in net position reported for governmental activities in the Statement of Activities is different because:			
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These are the amounts reported for capital outlay and depreciation.			
Capital outlay	\$	61,539	
Depreciation expense		<u>(80,195)</u>	(18,656)
Governmental funds only report the revenue from the sale of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each sale or disposal. This is the net effect of transactions involving capital assets:			
Cost of assets disposed		(14,845)	
Accumulated depreciation on assets disposed		<u>1,237</u>	(13,608)
Capital assets transferred to the Ketchikan Gateway Borough			(2,627,969)
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		8,213,359	
TRS		<u>16,995,133</u>	25,208,492
Changes in deferred inflow and outflow of resources are the results of timing differences in the actuarial report and adjustments to reflect employer and non-employer contributions based on the measurement date of the liabilities.			
PERS		(7,622,061)	
TRS		<u>(14,643,373)</u>	(22,265,434)
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. These are the net changes in long-term liability balances.			
Change in accrued annual leave		(6,099)	
Change in self insurance liability		<u>(508,212)</u>	<u>(514,311)</u>
Change in net position of governmental activities		\$	<u><u>(351,335)</u></u>

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

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2022

<u>Assets</u>	<u>Private Purpose Trust Fund</u>	<u>Student Activities Custodial Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ 223,475	932,170	1,155,645
Accounts receivable	14,590	-	14,590
Total assets	<u>238,065</u>	<u>932,170</u>	<u>1,170,235</u>
<u>Liabilities and Net Position</u>			
Liabilities:			
Payable to School District	<u>77,886</u>	<u>-</u>	<u>77,886</u>
Fiduciary net position:			
Held for student groups	-	301,155	301,155
Held for student groups for high school accounts	-	631,015	631,015
Held for student groups for scholarships	160,179	-	160,179
Total net position	<u>160,179</u>	<u>932,170</u>	<u>1,092,349</u>
Total liabilities and net position	<u>\$ 238,065</u>	<u>932,170</u>	<u>1,170,235</u>

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

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

Year Ended June 30, 2022

	Private Purpose Trust Fund	Student Activities Custodial Fund	Total
Additions:			
Earnings on investments	\$ 5,801	-	5,801
Contributions	-	1,207,896	1,207,896
Donations	8,099	-	8,099
Total additions	<u>13,900</u>	<u>1,207,896</u>	<u>1,221,796</u>
Deductions -			
Other expenses	<u>400</u>	<u>937,151</u>	<u>937,551</u>
Change in net position	13,500	270,745	284,245
Net position, beginning of year	<u>146,679</u>	<u>661,425</u>	<u>808,104</u>
Net position, end of year	<u>\$ 160,179</u>	<u>932,170</u>	<u>1,092,349</u>

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

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Ketchikan Gateway Borough School District (the District) operates under the statutes of the State of Alaska applicable to borough school districts. The Board of Education is composed of seven members elected at large to three year terms.

The accounting and financial reporting policies are regulated by the State of Alaska Department of Education and Early Development in accordance with generally accepted accounting principles for state and local governments.

The Ketchikan Gateway Borough School District is a component unit of the Ketchikan Gateway Borough because the Borough has accountability for all significant fiscal matters. The Borough is responsible for approving the School District's expenditure authority in total and appropriating Borough funds for school district operations. It is responsible for general obligation bonds issued for school construction. The Ketchikan Gateway Borough School District provides elementary and secondary education services to Borough residents.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the School District. For the most part, the effect of inter-fund activity has been removed from these statements. The District engages only in governmental activities, which are normally supported by intergovernmental revenues. It does not engage in business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, or services provided by a given function; and 2) grants that are restricted to meeting the operational requirements of a particular function. Intergovernmental revenues and other items not properly included among program revenues are reported instead as general revenues. The District does not currently negotiate or employ an indirect rate to allocate charges to grants.

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

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*, as are the fiduciary fund financial statements. 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.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due.

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

The *School Operating Fund* is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operations except those required to be accounted for in other funds.

The *Student Transportation Special Revenue Fund* accounts for the District's pupil transportation related grant funding and expenditures.

The *Food Service Special Revenue Fund* accounts for the District's food service related grant funding and expenditures.

The *CRRSA Act ESSER III Special Revenue Fund* accounts for the District's elementary and secondary school emergency relief funding for costs incurred and charged to this COVID-19 related grant.

Additionally, the District reports the following fiduciary fund types:

The *Private-Purpose Trust Fund* is used to account for the resources legally held in trust for student scholarships. All earnings from the investment in the endowment may be used for scholarships. The endowment must be preserved as capital.

Student Activities Custodial Fund is used to account for resources where the District's role is purely custodial. Accordingly, all assets reported in a custodial fund are held by the District on behalf of the student groups. The District is custodian of funds raised by student groups.

The other funds of the District are considered nonmajor and are as follows:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

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.

Estimates

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

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Intergovernmental Revenue

State of Alaska Public School Funding (Foundation) and pupil transportation revenues, federal impact aid, and federal aid for the school lunch program are susceptible to accrual and are recorded in the year to which they relate. State of Alaska and Federal government cost reimbursable grants and contracts are recorded to the extent of allowable expenditures in the period which the expenditures were incurred.

Revenues from the Ketchikan Gateway Borough are recorded as intergovernmental revenues and are susceptible to accrual and are recorded in the year of the Borough appropriation.

Local Revenue

Interest earned is recorded in the School Operating Fund unless otherwise specified by the awarding source. Rental income from District owned property is recorded in the period to which it relates. Both interest and rental income is susceptible to accrual.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position / 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.

State statutes authorize the Borough to establish a central cash treasury at the Borough. Interest earnings of central cash treasury investments accrue to the Ketchikan Gateway Borough, except for the capital project funds, which by law, accrue to those funds. The District maintains some cash in its own checking accounts to facilitate payments in a timely manner. Agency funds are maintained by the District rather than deposited into the central cash treasury.

2. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of fund financial statements and are eliminated in the preparation of the government-wide financial statements.

Receivables are comprised of amounts due from the federal government, State of Alaska, and other local sources.

No receivables are deemed uncollectible and no allowance for uncollectible accounts has been established.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

3. Inventory

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

4. Capital Assets

Capital assets, which include equipment and improvements to property, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Land, buildings, infrastructure assets, and construction-in-progress are reported by the Ketchikan Gateway Borough since they hold the title to the land and buildings, and engage the architects, engineers, and contractors to construct new facilities.

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

Equipment and improvements to property of the School District are depreciated using the straight line method over the following estimated useful lives:

Assets:	<u>Years</u>
Office equipment	7-30
Computer equipment	3-7
Vehicles	7
Furniture	10-30
Other equipment	5-15

Works of art are not depreciated if the art work is removable from the building. Artwork that has become part of the building such as ceramic walls is depreciated over 70 years.

5. Deferred Inflows and Deferred Outflows of Resources

Deferred inflows of resources are the acquisition of fund balance / net position by the District that are applicable to a future reporting period. Deferred outflows of resources are the consumption of fund balance / net position by the District that are applicable to a future reporting period.

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. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused annual leave (vacation) and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All annual leave pay is accrued when earned in the government-wide financial statements.

8. Long-Term Obligations

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

9. 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 expenses, 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.

10. Fund Balance

The governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Restricted fund balance 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 can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the School Board-the government'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.

Assigned fund balance reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The School Board has the authority to assign amounts to be used for specific purposes in the School Operating Fund.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the School Operating Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance is the residual classification for the School Operating 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. Net Position

Government wide net position is divided into three components:

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

12. 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, except for the District's investments. The carrying amount of the District's investments are determined based on quoted market prices.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted by the School Board for all revenues, expenditures and interfund transfers of all special revenue funds. Budgets are prepared and presented on the modified accrual basis of accounting. All special revenue fund budgets are also submitted to the Ketchikan Gateway Borough Assembly so that they may review and approve the total expenditure authority. Special revenue fund budgets are revised to agree with the actual grant budget as set by the granting agency. Project budgets are adopted for the various capital project funds based on the lives of the construction projects. The Superintendent may approve budget revisions of up to ten percent of each line item provided the total program budget does not change.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Excess of Expenditures over Appropriations

The following Special Revenue Funds had expenditures in excess of appropriations:

Funds	Excess
REAP – RLIS Special Qualified Agencies	\$ 9,213
Through the Cultural Lens	\$ 14,423

Excess expenditures in the funds were financed by available revenue and fund balance.

III. Cash and Investments

The District maintains a central treasury that is available for use by all the funds. Each fund's portion of the central treasury is displayed on the balance sheet as "Due to/from other funds."

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District bank accounts are insured by the Federal Deposit Insurance Company (FDIC) to a maximum balance of \$250,000 deposited per financial institution, without regard to the number of accounts. Bank balances, deposited with Wells Fargo Bank, N.A., were covered by federal depository insurance and insured by a tri-party agreement between BNY Mellon, Wells Fargo, and Ketchikan Gateway Borough School District. The agreement provides insurance for cash deposited with Wells Fargo Bank only, and it does not insure cash deposited with other financial institutions. As of June 30, 2022 all of the District's cash balances were fully insured.

IV. Accounts Receivable

Receivables as of the year ended June 30, 2022, for the District's individual major funds and nonmajor funds are as follows:

	School Operating Fund	Food Service Special Revenue Fund	CRRSA Act ESSER III Special Revenue Fund	Other Governmental Funds	Total
Grants	\$ -	27,396	683,893	922,777	1,634,066
Trust Fund	77,886	-	-	-	77,886
Total	\$ 77,886	27,396	683,893	922,777	1,711,952

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

V. Capital Assets

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

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets not being depreciated:				
Works of art	\$ 354,483	-	-	354,483
Capital assets being depreciated:				
Improvements other than buildings	11,970	-	-	11,970
Equipment	2,599,054	61,539	(14,845)	2,645,748
Total capital assets being depreciated	2,611,024	61,539	(14,845)	2,657,718
Accumulated depreciation:				
Improvements other than buildings	(11,970)	-	-	(11,970)
Equipment	(2,297,688)	(80,195)	1,237	(2,376,646)
Total accumulated depreciation	(2,309,658)	(80,195)	1,237	(2,388,616)
Net depreciable capital assets	301,366	(18,656)	(13,608)	269,102
Total capital assets	\$ 655,849	(18,656)	(13,608)	623,585

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

Instruction	\$ 14,083
Support services – instruction	36,348
Operations and maintenance of plant	22,300
Student activities	6,286
Food services	1,178
Total depreciation expense	\$ 80,195

VI. Assets to be Contributed

The following is a summary of changes in assets to be contributed to the Ketchikan Gateway Borough for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Construction in progress	\$ 2,627,969	-	2,627,969	-

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

VII. Interfund Receivables, 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, 2022, were as follows:

Receivable Fund	Payable Fund	Amount
School Operating Fund	CRRSA Act ESSER III	\$ 680,758
School Operating Fund	Other Governmental Funds	926,087
Student Transportation Special Revenue Fund	School Operating Fund	902,144
Food Service Special Revenue Fund	School Operating Fund	738,993
Other Governmental Funds	School Operating Fund	194,036
		\$ 3,442,018

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.

VIII. Employee Retirement Systems and Plans

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

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

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

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

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Plan Name	Type of Plan
Defined Benefit Pension Plan (DB)	Cost-sharing, Defined Benefit Pension
Defined Contribution Pension Plan (DC)	Defined Contribution Pension
Defined Benefit Other Postemployment Benefits (OPEB):	
Occupational Death and Disability Plan	Defined Benefit OPEB
Alaska Retiree Healthcare Trust Plan	Defined Benefit OPEB
Retiree Medical Plan	Defined Benefit OPEB
Defined Contribution Other Postemployment Benefits (DC):	
Healthcare Reimbursement Arrangement Plan	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, 2022 the employer contribution rate 0.31% for PERS and 0.08% for TRS.

Membership in the plan consisted of the following at June 30, 2021 (latest available report):

Membership	PERS	TRS
Active plan members	24,481	6,009
Participating employers	151	57

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2021 (latest available information) employer contributions were 7.44% for PERS and 4.53% for TRS of annual payroll. Membership in the plan consisted of the following at June 30, 2021 (latest report available):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	36,704	13,225
Inactive plan members entitled to but not yet receiving benefits	5,112	741
Inactive plan members not entitled to benefits	10,366	1,678
Active plan members	10,066	3,492
Total plan membership	<u>62,248</u>	<u>19,136</u>

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Retiree Medical Plan (RMP)

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended June 30, 2022 employer contributions were 1.07% for PERS and .093% for TRS. Membership in the plan consists of the following at June 30, 2021 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	67	20
Inactive plan members entitled to but not yet receiving benefits	2,082	832
Inactive plan members not entitled to benefits	16,249	2,848
Active plan members	24,481	6,009
Total plan membership	42,879	9,709

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, 2021 (latest available report):

Membership	PERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	113	29
Inactive plan members entitled to but not yet receiving benefits	2,082	832
Inactive plan members not entitled to benefits	16,249	2,848
Active plan members	24,481	6,009
Total plan membership	42,925	9,718

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, 2021 (latest available report) for the DB Pension Plan for PERS and TRS is 29.77% and 29.80%, for the ARHCT plan is 30.00% and 29.95%, for the ODD Plan is 29.55% and 29.46%, and for the RMP is 29.54% and 29.41%, respectively.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Domestic Equity	6.63%
Global Equity (non-U.S.)	5.41%
Aggregate bonds	0.76%
Opportunistic	4.39%
Real Assets	3.16%
Private Equity	9.29%
Cash Equivalents	0.13%

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 2.18% as of June 30, 2021.

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.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

Employer Contribution rates for PERS and TRS for the year ended June 30, 2022 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	15.54%	21.27%	8.11%
OPEB	6.46%	8.84%	0%
Total PERS contribution rates	<u>22.00%</u>	<u>30.11%</u>	<u>8.11%</u>
TRS:			
Pension	6.06%	15.36%	19.29%
OPEB	6.50%	16.49%	0%
Total TRS contribution rates	<u>12.56%</u>	<u>31.85%</u>	<u>19.29%</u>

Termination Costs: If the District decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular District function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The District must pay to have a termination study completed. The purpose of the study is to calculate the District's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The District must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS or TRS Administrator. For fiscal year 2021 the past service rate for PERS is 18.31%.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2021 (latest available) were determined by an actuarial valuation as of June 30, 2019 which was rolled forward to the measurement date June 30, 2021. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017:

Investment return / discount rate	7.38% per year (geometric), compounded annually, net of expenses
Salary scale	Inflation – 2.5% per year Productivity – 0.25% per year
Payroll growth	2.75% per year (inflation + productivity)
Total inflation	Total inflation as measured by the Consumer Price Index for urban and clerical workers from Anchorage is assumed to increase 2.5% annually.
PERS Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, 100% (male and female) of RP-2014 healthy annuitant table with MP-2017 generational improvement.
TRS Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, RP-2014 white-collar employee table with MP-2017 generational improvement.
PERS Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 91% of male and 96% of female rates of RP-2014 health annuitant table with MP-2017 generational improvement.
TRS Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 93% of male and 90% of female rates of RP-2014 white-collar healthy annuitant table with MP-2017 generational improvement.
Total turnover	Based upon the 2013-2017 actual withdrawal experience.
PERS Disability	Incidence rates based on 2013-2017 actual experience. Post-disability mortality in accordance with the RP-2014 disability table with MP-2017 generational improvement. Disabilities are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for others.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

TRS Disability	Incidence rates based on 2013-2017 actual experience. Disabilities are assumed to be occupational 15% of the time. Post-disability mortality in accordance with the RP-2014 disabled table with MP-2017 generational improvement.
Retirement	Retirement rates based upon the 2013-2017 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date.
PERS Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. For others, 75% of male members and 70% of female members are assumed to be married. For peace officers/firefighters, 85% of male members and 60% female members are assumed to be married.
TRS Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. 85% of male members and 75% of female members are assumed to be married at termination from active service.
Healthcare cost trend rates (ARHCT Plan and RMP)	Pre-65 medical: 6.5% 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: 7.5% grading down to 4.5%.

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

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

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

Currently there are 150 employers participating in PERS defined benefit plan and 151 participating in PERS defined contribution and OPEB plans.

The DB Plan's membership consisted of the following at June 30, 2021 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	36,704
Inactive plan members entitled to but not receiving benefits	5,112
Inactive members not entitled to benefits	10,366
Active plan members	<u>10,066</u>
Total DB plan membership	<u>62,248</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.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

Employer contributions for the year ended June 30, 2022, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 834,168	184,451	1,018,619

Public Employees Retirement Plans

For the year ended June 30, 2022 the State of Alaska contributed \$620,255 (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, 2021 to a total of (\$340,501), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2022, the District reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the District. The amount recognized by the District as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the District were as follows:

Defined Benefit:		<u>Pension</u>
District's proportionate share of the net pension liability	\$	10,731,563
State's proportionate share of the net pension liability		<u>1,451,704</u>
Total	\$	<u>12,183,267</u>
		<u>OPEB</u>
District's proportionate share of the ARHCT OPEB (asset)	\$	(7,532,413)
State's proportionate share of the ARHCT OPEB (asset)		<u>(987,374)</u>
Total	\$	<u>(8,519,787)</u>
District's proportionate share of the ODD OPEB (asset)	\$	<u>(160,077)</u>
District's proportionate share of the RMP OPEB (asset)	\$	<u>(114,790)</u>
Total District's share of net pension and OPEB liabilities and assets	\$	<u>2,924,283</u>

The net pension and OPEB liabilities and assets were measured as of June 30, 2021, 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 FY2023 through FY2039, as determined by projections based on the June 30, 2021 valuation.

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

	<u>June 30, 2021</u> Measurement	<u>June 30, 2020</u> Measurement	<u>Change</u>
Pension	0.2925%	0.2055%	0.0870%
OPEB:			
ARHCT	0.2936%	0.2055%	0.0881%
ODD	0.3632%	0.3301%	0.0331%
RMP	0.4277%	0.4120%	0.0157%

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2021, the District recognized pension and OPEB expense of \$3,213,950 and (\$3,126,781), respectively, for the year ended June 30, 2022. At June 30, 2022, 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	\$ -	(47,544)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(4,231,964)
Changes in proportion and differences between District contributions and proportionate share of contributions	705,720	-
District contributions subsequent to the measurement date	834,168	-
Total	\$ <u>1,539,888</u>	<u>(4,279,508)</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(79,102)
Changes of assumptions	-	(284,652)
Net difference between projected and actual earnings on OPEB plan investments	-	(3,524,766)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(108,089)
District contributions subsequent to the measurement date	101,252	-
Total	\$ <u>101,252</u>	<u>(3,996,609)</u>

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(43,722)
Changes of assumptions	-	(1,216)
Net difference between projected and actual earnings on OPEB plan investments	-	(25,669)
Changes in proportion and differences between District contributions and proportionate share of contributions	8,422	(10,256)
District contributions subsequent to the measurement date	<u>18,690</u>	<u>-</u>
Total	<u>\$ 27,112</u>	<u>(80,863)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,535	(5,458)
Changes of assumptions	35,679	(68,219)
Net difference between projected and actual earnings on OPEB plan investments	-	(102,695)
Changes in proportion and differences between District contributions and proportionate share of contributions	4,164	(1,011)
District contributions subsequent to the measurement date	<u>64,509</u>	<u>-</u>
Total	<u>\$ 112,887</u>	<u>(177,383)</u>

\$834,168 and \$184,451 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, 2022, 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
2022	\$ (325,276)	(1,297,586)	(13,787)	(27,750)
2023	(969,377)	(811,742)	(13,771)	(27,798)
2024	(1,048,598)	(871,641)	(14,040)	(28,835)
2025	(1,230,537)	(1,015,640)	(14,897)	(32,106)
2026	-	-	(7,156)	(3,578)
Thereafter	-	-	(8,790)	(8,938)
Total	<u>\$ (3,573,788)</u>	<u>(3,996,609)</u>	<u>(72,441)</u>	<u>(129,005)</u>

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2022, the District recognized \$3,196,482 and (\$206,181) 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	\$ 15,894,940	10,731,563	6,393,664
Net OPEB ARHCT (asset)	\$ (4,926,085)	(7,532,413)	(9,696,774)
Net OPEB ODD (asset)	\$ (153,282)	(160,077)	(165,489)
Net OPEB RMP liability (asset)	\$ 74,920	(114,790)	(258,078)

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 (asset)	\$ (9,950,139)	(7,532,413)	(4,614,847)
Net OPEB ODD (asset)	N/A	(160,077)	N/A
Net OPEB RMP liability (asset)	(278,588)	(114,790)	108,396

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): 1.07% 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.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Members become vested in employers' contributions as follows:

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

The School District contributed \$648,147 for the year ended June 30, 2022, which included forfeitures of \$30,287 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/drbr/trs>.

The DB Plan's membership consisted of the following at June 30, 2021 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	13,225
Inactive plan members entitled to but not receiving benefits	741
Inactive plan members not entitled to benefits	1,678
Active plan members	<u>3,492</u>
Total DB plan membership	<u>19,136</u>

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

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

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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, 2022, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	<u>561,390</u>	<u>534,939</u>	<u>1,096,329</u>

Teachers Retirement Plans

For the year ended June 30, 2022 the State of Alaska contributed \$2,962,643 (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 (\$3,983,004), 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, 2022, 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:	<u>Pension</u>
District's proportionate share of the net pension liability	\$ 8,829,471
State's proportionate share of the net pension liability	<u>7,492,457</u>
Total	<u>\$ 16,321,928</u>
	<u>OPEB</u>
District's proportionate share of the ARHCT OPEB (asset)	\$ (13,394,141)
State's proportionate share of the ARHCT OPEB (asset)	<u>(10,437,127)</u>
Total	<u>\$ (23,831,268)</u>
District's proportionate share of the ODD OPEB (asset)	<u>\$ (119,353)</u>
District's proportionate share of the RMP OPEB (asset)	<u>\$ (392,468)</u>
Total District's share of net pension and OPEB liabilities and assets	<u>\$ (5,076,491)</u>

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The net pension and OPEB liabilities and assets were measured as of June 30, 2021, 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, 2021 valuation.

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

	June 30, 2021 Measurement	June 30, 2020 Measurement	Change
Pension	1.1093 %	0.7271%	0.3822%
OPEB:			
ARHCT	1.1520%	0.7253%	0.4267%
ODD	1.9582%	1.9000%	0.0582%
RMP	1.9545%	1.9059%	0.0486%

Based on the measurement date of June 30, 2021, the District recognized pension expense of \$2,280,146 and OPEB expense of (\$7,489,178), respectively, for the year ended June 30, 2022. At June 30, 2022, 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	\$ -	(84,885)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(9,115,518)
Changes in proportion and differences between District contributions and proportionate share of contributions	1,390,800	-
District contribution subsequent to the measurement date	561,390	-
Total	<u>\$ 1,952,190</u>	<u>(9,200,403)</u>

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(94,016)
Changes of assumptions	-	(386,693)
Net difference between projected and actual earnings on pension plan investments	-	(5,237,009)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(351,772)
District contribution subsequent to the measurement date	442,125	-
Total	\$ <u>442,125</u>	<u>(6,069,490)</u>

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(14,000)
Changes of assumptions	-	(66)
Net difference between projected and actual earnings on pension plan investments	-	(15,290)
Changes in proportion and differences between District contributions and proportionate share of contributions	909	(9,606)
District contribution subsequent to the measurement date	8,159	-
Total	\$ <u>9,068</u>	<u>(38,962)</u>

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 75,314	(12,708)
Changes of assumptions	26,659	(145,186)
Net difference between projected and actual earnings on pension plan investments	-	(154,337)
Changes in proportion and differences between District contributions and proportionate share of contributions	764	(10,750)
District contribution subsequent to the measurement date	84,655	-
Total	<u>\$ 187,392</u>	<u>(322,981)</u>

\$561,390 and \$534,939 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, 2022 (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
2022	\$ (808,143)	(2,058,656)	(6,865)	(46,494)
2023	(2,078,854)	(1,206,465)	(6,834)	(46,561)
2024	(2,259,583)	(1,295,480)	(7,021)	(48,359)
2025	(2,663,023)	(1,508,889)	(7,570)	(53,703)
2026	-	-	(3,250)	(10,195)
Thereafter	-	-	(6,513)	(14,932)
Total	<u>\$ (7,809,603)</u>	<u>(6,069,490)</u>	<u>(38,053)</u>	<u>(220,244)</u>

For the year ended June 30, 2022, the District recognized \$4,369,920 and (\$583,705) of pension and OPEB amortization of the deferred outflows and inflows of resources, respectively.

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

	1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability	\$ 17,850,834	8,829,471	1,231,376
Net OPEB ARHCT (asset)	\$ (9,650,886)	(13,394,141)	(16,491,168)
Net OPEB ODD (asset)	\$ (119,647)	(119,353)	(119,216)
Net OPEB RMP (asset)	\$ (144,928)	(392,468)	(577,619)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB ARHCT (asset)	\$ <u>(16,839,304)</u>	<u>(13,394,141)</u>	<u>(9,219,541)</u>
Net OPEB ODD (asset)	\$ <u>N/A</u>	<u>(119,353)</u>	<u>N/A</u>
Net OPEB RMP (asset)	\$ <u>(602,578)</u>	<u>(392,468)</u>	<u>(103,726)</u>

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

Plan Description and Funding Requirements. School Districts and Public Employers in the State of Alaska have a defined contribution retirement plan for new hires first enrolled on or after July 1, 2006. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. State statutes require the employer to contribute 7% of employees' eligible compensation. Additionally, employers are required to contribute to other post-employment benefits (DB): 0.83% 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%

The School District contributed \$1,004,127 for the year ended June 30, 2022, which included forfeitures of \$0 which has been applied against contributions.

IX. Accrued Leave

A schedule of the District's change in accrued leave is as follows:

	<u>Beginning</u>		<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Balance</u>	<u>One Year</u>
Accrued leave	\$ <u>469,762</u>	<u>360,332</u>	<u>(354,233)</u>	<u>475,861</u>

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

X. Fund Balances

	School Operating Fund	Student Transportation Special Revenue Fund	Food Service Special Revenue Fund	Other Governmental Funds	Total
Nonspendable – inventory	\$ -	-	30,791	-	30,791
Restricted – scholarships	-	-	-	7,000	7,000
Committed – food services	-	-	755,686	-	755,686
Assigned:					
Student transportation	-	582,548	-	-	582,548
Community services	-	-	-	74,838	74,838
Total assigned	-	582,548	786,477	81,838	1,450,863
Unassigned	1,271,595	-	-	(10,437)	1,261,158
Total fund balances	\$ 1,271,595	582,548	786,477	71,401	2,712,021

XI. Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The School District participates with the Ketchikan Gateway Borough, in purchasing commercial policies to cover most of these risks. Insurance coverage includes general liability, property and casualty coverage, Worker's Compensation at statutory amounts, and marine coverage, as applicable.

XII. Self-Insurance Payable

The School District participates with the Ketchikan Gateway Borough in a partially self-funded health plan to cover its employees' health care coverage (including dental and vision) effective September 1, 1996. It purchases stop loss insurance at \$150,000 per covered individual and in an aggregate amount based on employee coverage. It also purchases life and accidental death and dismemberment insurance for eligible employees.

Both the School District and Borough participate in the internal service fund established to record transactions involving the partially self-funded health plan. The Borough and the School District contribute to the Borough's internal service fund and the payments from the fund are used to pay administration and employee health care claims.

The Ketchikan Gateway Borough provides an accounting of the internal service fund balances for the Borough and School District on a quarterly basis. The Plan is based on actuarially determined monthly fixed costs and actual claims up to the stop loss of \$150,000 per person. The difference between the liability recorded and actual incurred but unrecorded claims may be material.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the Borough's insurance coverage during the past two years. Changes in the District's self-insurance liability for the previous two years were:

Fiscal Year		Beginning Balance	Claims Paid	Claims Expenditures	Ending Balance
2021	\$	(1,314,744)	7,061,574	(8,121,201)	(2,374,371)
2022		(2,374,371)	7,289,498	(7,797,710)	(2,882,583)

XIII. Contingencies

A. General

The District, in the normal course of its activities, is involved in various claims and pending litigation. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the District's future financial position or results of operations.

B. Grants

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 State of Alaska and the District treat the on-behalf funding, created by AS 39.35.280 and AS 14.25.085, as a special funding situation under which the State bears a responsibility to pay an unfunded pension liability. AS 39.35.255 established the uniform contribution rate for PERS employers at 22%, with the State of Alaska contributing the difference between the total PERS actuarial required contributions and the amount employers contribute at 22% of covered payroll. AS 14.25.070 established the TRS employer contributions rate at 12.56%, with the State of Alaska contributing the difference between total TRS actuarial required contribution and the amount employers contribute at 12.56% of covered payroll.

The School District does not agree with how the District's proportionate share of the State of Alaska net pension and OPEB liabilities and assets for TRS and PERS are calculated and reserves the right to dispute these allocations at a later date.

C. Alternative Retirement Plan

Ketchikan Gateway Borough School District participates in a 403(b) plan through American Fidelity Assurance Company 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 regulations limits. The District does not contribute to the plan in any form.

XIV. Subsequent Accounting Pronouncements

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

- GASB 94 *Public-Private and Public-Public Partnerships and Availability Payments Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 96 *Subscription-Based Information Technology Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 99 *Omnibus 2022*. Multiple effective dates.
- GASB 100 *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. Effective for fiscal years beginning after June 15, 2023. Multiple effective dates.
- GASB 101 *Compensated Absences*. Effective for fiscal years beginning after December 15, 2023.

Statements 94 and 99 are not expected to have any significant impact on the financial statements of the District.

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.

GASB Statement No. 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

GASB Statement No. 101 unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

**REQUIRED SUPPLEMENTARY
INFORMATION**

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Local sources:				
E-rate revenue	\$ 150,000	150,000	97,630	(52,370)
Other local revenues	60,000	60,000	62,054	2,054
Intergovernmental:				
Borough appropriations	10,781,028	10,781,037	10,781,028	(9)
State of Alaska	29,905,055	29,905,055	29,706,410	(198,645)
Total revenues	<u>40,896,083</u>	<u>40,896,092</u>	<u>40,647,122</u>	<u>(248,970)</u>
Expenditures:				
Current:				
Instruction	20,789,025	19,950,095	19,140,979	809,116
Special education instruction	7,456,298	7,715,874	7,196,333	519,541
Special education support services - students	757,888	798,773	640,759	158,014
Support services - students	1,245,093	1,485,644	1,398,608	87,036
Support services - instruction	2,194,085	2,389,385	2,647,540	(258,155)
School administration	1,651,456	1,778,471	1,706,027	72,444
School administration support services	910,017	941,929	1,005,309	(63,380)
District administration	412,371	471,306	493,588	(22,282)
District administration support services	739,872	744,797	728,504	16,293
Operations and maintenance of plant	4,714,708	4,754,381	5,300,116	(545,735)
Student activities	684,253	601,652	669,900	(68,248)
Construction and facilities acquisition	-	-	85	(85)
Total expenditures	<u>41,555,066</u>	<u>41,632,307</u>	<u>40,927,748</u>	<u>704,559</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(658,983)</u>	<u>(736,215)</u>	(280,626)	<u>455,589</u>
Fund balance, beginning of year			<u>1,552,221</u>	
Fund balance, end of year			\$ <u><u>1,271,595</u></u>	

See accompanying notes to required supplementary information

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Student Transportation Special Revenue Fund

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

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ 1,621,137	1,621,137	1,630,692	9,555
Expenditures:				
Current:				
Student transportation - to and from school	1,815,233	1,815,233	1,850,382	(35,149)
Student transportation - school activities	-	-	52,256	(52,256)
Total expenditures	<u>1,815,233</u>	<u>1,815,233</u>	<u>1,902,638</u>	<u>(87,405)</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(194,096)</u>	<u>(194,096)</u>	(271,946)	<u>(77,850)</u>
Fund balance, beginning of year			<u>854,494</u>	
Fund balance, end of year			\$ <u><u>582,548</u></u>	

See accompanying notes to required supplementary information

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Food Service Special Revenue Fund

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

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Local sources - charges for services	\$ -	-	13,916	13,916
Intergovernmental - federal sources passed through the State of Alaska	<u>1,249,496</u>	<u>1,249,496</u>	<u>1,756,772</u>	<u>507,276</u>
Total revenues	<u>1,249,496</u>	<u>1,249,496</u>	<u>1,770,688</u>	<u>521,192</u>
Expenditures:				
Current -				
Food services	<u>1,249,496</u>	<u>1,249,496</u>	<u>1,312,862</u>	<u>(63,366)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>-</u>	457,826	<u>457,826</u>
Fund balance, beginning of year			<u>328,651</u>	
Fund balance, end of year			\$ <u>786,477</u>	

See accompanying notes to required supplementary information

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

CRRSA Act ESSER III Special Revenue Fund

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

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 4,392,537	4,392,537	4,064,292	(328,245)
Expenditures:				
Current:				
Instruction	2,282,022	2,282,022	2,418,725	(136,703)
Special education instruction	156,497	156,497	144,236	12,261
Special education support services - students	-	-	7,272	(7,272)
Support services - students	967,556	967,556	692,922	274,634
Support services - instruction	317,169	317,169	243,631	73,538
School administration	56,529	56,529	20,608	35,921
School administration support services	-	-	5,704	(5,704)
District administration	8,872	8,872	4,513	4,359
District administration support services	369,854	369,854	367,135	2,719
Operations and maintenance of plant	107,952	107,952	66,129	41,823
Student activities	82,838	82,838	90,228	(7,390)
Food services	43,248	43,248	3,189	40,059
Total expenditures	<u>4,392,537</u>	<u>4,392,537</u>	<u>4,064,292</u>	<u>328,245</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>	

See accompanying notes to required supplementary information

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2022

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	0.1184%	\$ 521,103	\$ 1,979,532	\$ 2,500,635	\$ 7,101,041	7.34%	62.37%
2016	0.2819%	\$ 13,672,195	\$ 1,540,305	\$ 15,212,500	\$ 7,532,191	181.52%	63.96%
2017	0.2392%	\$ 13,367,381	\$ 543,235	\$ 13,910,616	\$ 7,401,222	180.61%	59.55%
2018	0.1973%	\$ 10,199,359	\$ 1,236,083	\$ 11,435,442	\$ 8,306,607	122.79%	63.37%
2019	0.2379%	\$ 11,823,442	\$ 1,139,268	\$ 12,962,710	\$ 7,484,877	157.96%	65.19%
2020	0.2289%	\$ 12,531,737	\$ 4,975,203	\$ 17,506,940	\$ 6,860,595	182.66%	63.42%
2021	0.2055%	\$ 12,128,844	\$ 5,021,112	\$ 17,149,956	\$ 7,420,577	163.45%	61.61%
2022	0.2925%	\$ 10,731,563	\$ 1,451,704	\$ 12,183,267	\$ 7,956,720	134.87%	74.46%

See accompanying notes to Required Supplementary Information.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2022

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.1973%	\$ 1,666,878	\$ 622,371	\$ 2,289,249	\$ 8,306,607	20.07%	89.68%
2019	0.2379%	\$ 2,441,598	\$ 709,374	\$ 3,150,972	\$ 7,484,877	32.62%	88.12%
2020	0.2289%	\$ 339,575	\$ 135,106	\$ 474,681	\$ 6,860,595	4.95%	98.13%
2021	0.2055%	\$ (930,442)	\$ (386,046)	\$ (1,316,488)	\$ 7,420,577	-12.54%	106.15%
2022	0.2936%	\$ (7,532,413)	\$ (987,374)	\$ (8,519,787)	\$ 7,956,720	-94.67%	135.54%
Occupational Death and Disability (ODD):							
2018	0.4071%	\$ (57,768)	\$ -	\$ (57,768)	\$ 8,306,607	-0.70%	212.97%
2019	0.4188%	\$ (81,344)	\$ -	\$ (81,344)	\$ 7,484,877	-1.09%	270.62%
2020	0.3195%	\$ (77,452)	\$ -	\$ (77,452)	\$ 6,860,595	-1.13%	297.43%
2021	0.3301%	\$ (89,982)	\$ -	\$ (89,982)	\$ 7,420,577	-1.21%	283.80%
2022	0.3632%	\$ (160,077)	\$ -	\$ (160,077)	\$ 7,956,720	-2.01%	374.22%
Retiree Medical Plan (RMP):							
2018	0.4071%	\$ 21,232	\$ -	\$ 21,232	\$ 2,121,627	1.00%	93.98%
2019	0.4188%	\$ 53,295	\$ -	\$ 53,295	\$ 2,077,059	2.57%	88.71%
2020	0.4018%	\$ 96,135	\$ -	\$ 96,135	\$ 2,171,886	4.43%	83.17%
2021	0.4120%	\$ 29,222	\$ -	\$ 29,222	\$ 2,673,650	1.09%	92.23%
2022	0.4277%	\$ (114,790)	\$ -	\$ (114,790)	\$ 3,141,391	-3.65%	115.10%

See accompanying notes to Required Supplementary Information.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (Pensions)

Public Employees' Retirement System (PERS)

June 30, 2022

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	\$ 500,171	\$ (500,171)	\$ -	\$ 7,532,191	6.64%
2016	\$ 480,572	\$ (480,572)	\$ -	\$ 7,401,222	6.49%
2017	\$ 606,527	\$ (606,527)	\$ -	\$ 8,306,607	7.30%
2018	\$ 720,936	\$ (720,936)	\$ -	\$ 7,484,877	9.63%
2019	\$ 710,558	\$ (709,857)	\$ 701	\$ 6,860,595	10.36%
2020	\$ 678,292	\$ (685,411)	\$ (7,119)	\$ 7,420,577	9.14%
2021	\$ 838,588	\$ (835,362)	\$ 3,226	\$ 7,956,720	10.54%
2022	\$ 843,061	\$ (834,168)	\$ 8,893	\$ 7,576,209	11.13%

See accompanying notes to Required Supplementary Information.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2022

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 205,461	\$ (205,461)	\$ -	\$ 7,484,877	2.75%
2019	\$ 261,459	\$ (261,459)	\$ -	\$ 6,860,595	3.81%
2020	\$ 270,948	\$ (270,948)	\$ -	\$ 7,420,577	3.65%
2021	\$ 125,268	\$ (125,268)	\$ -	\$ 7,956,720	1.57%
2022	\$ 101,252	\$ (101,252)	\$ -	\$ 7,576,209	1.34%
Occupational Death and Disability (ODD):					
2018	\$ 7,584	\$ (7,584)	\$ -	\$ 7,484,877	0.10%
2019	\$ 13,043	\$ (13,043)	\$ -	\$ 6,860,595	0.19%
2020	\$ 14,475	\$ (14,475)	\$ -	\$ 7,420,577	0.20%
2021	\$ 19,373	\$ (19,373)	\$ -	\$ 7,956,720	0.24%
2022	\$ 18,690	\$ (18,690)	\$ -	\$ 7,576,209	0.25%
Retiree Medical Plan (RMP):					
2018	\$ 48,824	\$ (48,824)	\$ -	\$ 2,077,059	2.35%
2019	\$ 47,157	\$ (47,157)	\$ -	\$ 2,171,886	2.17%
2020	\$ 73,490	\$ (73,490)	\$ -	\$ 2,673,650	2.75%
2021	\$ 79,369	\$ (79,369)	\$ -	\$ 3,141,391	2.53%
2022	\$ 64,509	\$ (64,509)	\$ -	\$ 2,946,123	2.19%

See accompanying notes to Required Supplementary Information.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2022

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	0.2765%	\$ 8,293,841	\$ 45,806,560	\$ 54,100,401	\$ 14,515,648	57.14%	55.70%
2016	0.6964%	\$ 12,956,384	\$ 20,711,908	\$ 33,668,292	\$ 14,590,180	88.80%	73.82%
2017	0.8392%	\$ 19,162,001	\$ 20,777,041	\$ 39,939,042	\$ 14,309,906	133.91%	68.40%
2018	0.6870%	\$ 13,921,993	\$ 24,299,087	\$ 38,221,080	\$ 14,928,199	93.26%	72.39%
2019	0.7666%	\$ 14,675,887	\$ 21,818,277	\$ 36,494,164	\$ 15,120,167	97.06%	74.09%
2020	0.7487%	\$ 13,989,467	\$ 20,742,703	\$ 34,732,170	\$ 15,916,019	87.90%	74.68%
2021	0.7271%	\$ 14,783,217	\$ 25,652,293	\$ 40,435,510	\$ 16,128,917	91.66%	72.81%
2022	1.1093%	\$ 8,829,471	\$ 7,492,457	\$ 16,321,928	\$ 16,600,207	53.19%	89.43%

See accompanying notes to Required Supplementary Information.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2022

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.6846%	\$ 1,259,123	\$ 2,209,601	\$ 3,468,724	\$ 14,928,199	8.43%	93.75%
2019	0.7651%	\$ 2,378,929	\$ 3,550,083	\$ 5,929,012	\$ 15,120,167	15.73%	90.23%
2020	0.7471%	\$ (1,141,682)	\$ (1,698,959)	\$ (2,840,641)	\$ 15,916,019	-7.17%	105.50%
2021	0.7253%	\$ (2,594,762)	\$ (4,521,105)	\$ (7,115,867)	\$ 16,128,917	-16.09%	113.78%
2022	1.1520%	\$ (13,394,141)	\$ (10,437,127)	\$ (23,831,268)	\$ 16,600,207	-80.69%	145.41%
Occupational Death and Disability (ODD):							
2018	1.5822%	\$ (51,708)	\$ -	\$ (51,708)	\$ 14,928,199	-0.35%	1342.59%
2019	1.6828%	\$ (58,999)	\$ -	\$ (58,999)	\$ 15,120,167	-0.39%	1304.81%
2020	1.7362%	\$ (69,811)	\$ -	\$ (69,811)	\$ 15,916,019	-0.44%	1409.77%
2021	1.9000%	\$ (81,794)	\$ -	\$ (81,794)	\$ 16,128,917	-0.51%	931.08%
2022	1.9582%	\$ (119,353)	\$ -	\$ (119,353)	\$ 16,600,207	-0.72%	1254.36%
Retiree Medical Plan (RMP):							
2018	1.5822%	\$ (74,998)	\$ -	\$ (74,998)	\$ 5,359,414	-1.40%	118.16%
2019	1.6828%	\$ (53,816)	\$ -	\$ (53,816)	\$ 4,956,139	-1.09%	109.56%
2020	1.8152%	\$ (69,630)	\$ -	\$ (69,630)	\$ 5,577,627	-1.25%	110.03%
2021	1.9059%	\$ (188,019)	\$ -	\$ (188,019)	\$ 6,156,075	-3.05%	125.59%
2022	1.9545%	\$ (392,468)	\$ -	\$ (392,468)	\$ 7,009,865	-5.60%	142.54%

See accompanying notes to Required Supplementary Information.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (Pensions)

Teachers' Retirement System (TRS)

June 30, 2022

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	\$ 714,605	\$ (714,605)	\$ -	\$ 14,590,180	4.90%
2016	\$ 646,878	\$ (646,878)	\$ -	\$ 14,309,906	4.52%
2017	\$ 728,835	\$ (728,835)	\$ -	\$ 14,928,199	4.88%
2018	\$ 761,237	\$ (761,237)	\$ -	\$ 15,120,167	5.03%
2019	\$ 830,839	\$ (826,781)	\$ 4,058	\$ 15,916,019	5.22%
2020	\$ 742,124	\$ (742,663)	\$ (539)	\$ 16,128,917	4.60%
2021	\$ 578,804	\$ (586,064)	\$ (7,260)	\$ 16,600,207	3.49%
2022	\$ 597,243	\$ (561,390)	\$ 35,853	\$ 16,723,376	3.57%

See accompanying notes to Required Supplementary Information.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2022

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 377,001	\$ (377,001)	\$ -	\$ 15,120,167	2.49%
2019	\$ 410,305	\$ (410,305)	\$ -	\$ 15,916,019	2.58%
2020	\$ 418,655	\$ (418,655)	\$ -	\$ 16,128,917	2.60%
2021	\$ 528,980	\$ (528,980)	\$ -	\$ 16,600,207	3.19%
2022	\$ 442,125	\$ (442,125)	\$ -	\$ 16,723,376	2.64%
Occupational Death and Disability (ODD):					
2018	\$ -	\$ -	\$ -	\$ 15,120,167	0.00%
2019	\$ 5,419	\$ (5,419)	\$ -	\$ 15,916,019	0.03%
2020	\$ 6,242	\$ (6,242)	\$ -	\$ 16,128,917	0.04%
2021	\$ 7,089	\$ (7,089)	\$ -	\$ 16,600,207	0.04%
2022	\$ 8,159	\$ (8,159)	\$ -	\$ 16,723,376	0.05%
Retiree Medical Plan (RMP):					
2018	\$ 5,042	\$ (5,042)	\$ -	\$ 4,956,139	0.10%
2019	\$ 55,997	\$ (55,997)	\$ -	\$ 5,577,627	1.00%
2020	\$ 85,029	\$ (85,029)	\$ -	\$ 6,156,075	1.38%
2021	\$ 82,414	\$ (82,414)	\$ -	\$ 7,009,865	1.18%
2022	\$ 84,655	\$ (84,655)	\$ -	\$ 7,994,642	1.06%

See accompanying notes to Required Supplementary Information.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Required Supplementary Information

June 30, 2022

I. Budgets and Budgetary Accounting

Budgetary Information

Annual budgets are adopted by the School Board for all revenues, expenditures and interfund transfers of the School Operating Fund and all special revenue funds. Budgets are prepared and presented on the modified accrual basis of accounting. Pursuant to Alaska Statutes, the adopted School Operating Fund budget is submitted to the Ketchikan Gateway Borough Assembly for review and approval. All special revenue fund budgets are also submitted to the Ketchikan Gateway Borough Assembly so that they may review and approve the total expenditure authority. Upon their review, the Borough Mayor provides a letter to the District stating the amount of local appropriations the District will receive from the Borough in its School Operating Fund. The approved School Operating Fund budget is then 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 retains line item authority once the annual local appropriation to the School Operating Fund is set by the Borough Assembly. Special revenue fund budgets are revised to agree with the actual grant budget as set by the granting agency. The Superintendent may approve budget revisions of up to ten percent of each line item provided the total program budget does not change.

Excess of Expenditures over Appropriations

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

	<u>Excess</u>
Support services – instruction	\$ 258,155
School administration support services	63,380
District administration	22,282
Operations and maintenance of plant	545,735
Student activities	68,248
Construction and facilities acquisition	85

The following functions in the Student Transportation Special Revenue Fund had expenditures in excess of appropriations:

	<u>Excess</u>
Student transportation – to and from school	\$ 35,149
Student transportation – school activities	52,256

The following function in the Food Service Special Revenue Fund had expenditures in excess of appropriations:

	<u>Excess</u>
Food services	\$ 63,366

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

The following functions in the CRRSA Act ESSER III Special Revenue Fund had expenditures in excess of appropriations:

	<u>Excess</u>
Instruction	\$ 136,703
Special education support services – students	7,272
School administration support services	5,704
Student activities	7,390

Excess expenditures were financed by available revenues or fund balances.

II. 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, 2020 to June 30, 2021:

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

Changes in Assumptions Since the Prior Valuation – June 30, 2020 to June 30, 2021:

- Pension - Healthcare claim costs are updated annually. Retired member contributions were updated to reflect the 5% decrease from CY20 to CY21. The amounts included in the normal cost for administrative expenses were changed from \$7,223,000 to \$7,625,000 for pension, and from \$4,934,000 to \$5,531,000 for healthcare (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.
- OPEB ODD and RMP- Healthcare claim costs are updated annually. The amounts included in the normal cost for administrative expenses were changed from \$1,000 to \$16,000 for occupational death and disability, and from \$20,000 to \$24,000 for retiree medical (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.

Changes in Benefit Provisions Since the Prior Valuation – June 30, 2020 to June 30, 2021:

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, 2020 which was rolled forward to June 30, 2021. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

III. 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, 2020 to June 30, 2021:

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

Changes in Assumptions Since the Prior Valuation – June 30, 2020 to June 30, 2021:

- Pension - Healthcare claim costs are updated annually. The amounts included in the normal cost for administrative expenses were changed from \$3,003,000 to \$3,217,000 for pension, and from \$1,362,000 to \$1,604,000 for healthcare (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.
- OPEB ODD and RMP- Healthcare claim costs are updated annually. The amounts included in the normal cost for administrative expenses were changed from \$0 to \$5,000 for occupational death and disability, and from \$8,000 to \$22,000 for retiree medical (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.

Changes in Benefit Provisions Since the Prior Valuation – June 30, 2020 to June 30, 2021:

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, 2020 which was rolled forward to June 30, 2021. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

SUPPLEMENTARY INFORMATION

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
E-rate revenue	\$ 150,000	97,630	(52,370)
Other local revenues	60,000	62,054	2,054
Total local sources	<u>210,000</u>	<u>159,684</u>	<u>(50,316)</u>
Intergovernmental:			
Borough direct appropriation	10,507,947	10,507,938	(9)
Borough in-kind services appropriation	273,090	273,090	-
Total borough appropriations	<u>10,781,037</u>	<u>10,781,028</u>	<u>(9)</u>
State of Alaska:			
Foundation program	26,038,231	26,030,308	(7,923)
Quality schools	-	84,180	84,180
On-behalf TRS	3,238,075	2,962,643	(275,432)
On-behalf PERS	618,915	620,255	1,340
Other State revenues	9,834	9,024	(810)
Total State of Alaska	<u>29,905,055</u>	<u>29,706,410</u>	<u>(198,645)</u>
Total revenues	<u>40,896,092</u>	<u>40,647,122</u>	<u>(248,970)</u>
Expenditures:			
Instruction:			
Certificated salaries	11,248,512	11,288,138	(39,626)
Non-certificated salaries	661,823	587,705	74,118
Employee benefits	6,956,241	6,269,979	686,262
Professional and technical services	750	10,751	(10,001)
Staff travel	4,900	1,136	3,764
Student travel	-	19,135	(19,135)
Utility services	23,100	20,712	2,388
Other purchased services	90,000	113,518	(23,518)
Supplies, materials and media	703,978	809,176	(105,198)
Other	260,791	3,696	257,095
Equipment	-	17,033	(17,033)
Total instruction	<u>19,950,095</u>	<u>19,140,979</u>	<u>809,116</u>

(continued)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

School Operating Fund

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

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Special education instruction:			
Certificated salaries	\$ 1,737,711	1,710,226	27,485
Non-certificated salaries	2,646,187	2,537,056	109,131
Employee benefits	2,982,776	2,426,598	556,178
Professional and technical services	240,000	397,803	(157,803)
Staff travel	2,000	2,159	(159)
Utility services	-	174	(174)
Other purchased services	-	460	(460)
Supplies, materials and media	22,200	26,539	(4,339)
Tuition-students and stipends	70,000	88,136	(18,136)
Other	15,000	7,182	7,818
Total special education instruction	<u>7,715,874</u>	<u>7,196,333</u>	<u>519,541</u>
Special education support services - students:			
Certificated salaries	372,709	327,977	44,732
Non-certificated salaries	143,506	88,296	55,210
Employee benefits	271,158	214,559	56,599
Transportation allowance	7,500	6,000	1,500
Utility services	1,900	2,033	(133)
Supplies, materials and media	2,000	1,894	106
Total special education support services - students	<u>798,773</u>	<u>640,759</u>	<u>158,014</u>
Support services - students:			
Certificated salaries	727,555	611,906	115,649
Non-certificated salaries	200,689	255,034	(54,345)
Employee benefits	511,800	513,121	(1,321)
Professional and technical services	-	195	(195)
Staff travel	2,500	330	2,170
Insurance and bond premiums	-	103	(103)
Supplies, materials and media	38,100	17,653	20,447
Other	5,000	266	4,734
Total support services - students	<u>1,485,644</u>	<u>1,398,608</u>	<u>87,036</u>

(continued)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

School Operating Fund

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

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Support services - instruction:			
Certificated salaries	\$ 581,561	597,625	(16,064)
Non-certificated salaries	711,947	721,012	(9,065)
Employee benefits	638,433	730,742	(92,309)
Professional and technical services	-	10,641	(10,641)
Staff travel	4,500	312	4,188
Utility services	177,400	162,856	14,544
Other purchased services	69,900	222,931	(153,031)
Supplies, materials and media	145,644	169,912	(24,268)
Tuition - students and stipends	15,000	15,000	-
Other	-	734	(734)
Equipment	45,000	15,775	29,225
Total support services - instruction	<u>2,389,385</u>	<u>2,647,540</u>	<u>(258,155)</u>
School administration:			
Certificated salaries	1,128,665	1,148,258	(19,593)
Non-certificated salaries	-	6,000	(6,000)
Employee benefits	643,056	542,497	100,559
Professional and technical services	-	950	(950)
Staff travel	5,750	5,667	83
Other purchased services	-	353	(353)
Supplies, materials and media	-	460	(460)
Other	1,000	1,842	(842)
Total school administration	<u>1,778,471</u>	<u>1,706,027</u>	<u>72,444</u>
School administration support services:			
Non-certificated salaries	474,003	465,064	8,939
Employee benefits	319,869	322,148	(2,279)
Professional and technical services	250	150	100
Utility services	75,489	80,734	(5,245)
Other purchased services	42,818	55,843	(13,025)
Supplies, materials and media	29,500	79,690	(50,190)
Other	-	1,680	(1,680)
Total school administration support services	<u>941,929</u>	<u>1,005,309</u>	<u>(63,380)</u>

(continued)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

School Operating Fund

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

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
District administration:			
Certificated salaries	\$ 150,000	136,960	13,040
Non-certificated salaries	120,160	117,696	2,464
Employee benefits	103,846	123,906	(20,060)
Professional and technical services	40,000	43,113	(3,113)
Staff travel	20,500	13,983	6,517
Utility services	1,800	2,127	(327)
Other purchased services	10,000	12,863	(2,863)
Supplies, materials and media	5,000	16,905	(11,905)
Other	20,000	26,035	(6,035)
Total district administration	<u>471,306</u>	<u>493,588</u>	<u>(22,282)</u>
District administration support services:			
Non-certificated salaries	471,915	464,387	7,528
Employee benefits	233,555	278,685	(45,130)
Professional and technical services	40,000	49,016	(9,016)
Utility services	5,700	2,626	3,074
Other purchased services	74,627	67,097	7,530
Insurance and bond premiums	40,000	37,720	2,280
Supplies, materials and media	22,000	46,911	(24,911)
Other	2,000	9,489	(7,489)
Indirect cost recovery	(145,000)	(227,427)	82,427
Total district administration support services	<u>744,797</u>	<u>728,504</u>	<u>16,293</u>
Operations and maintenance of plant:			
Non-certificated salaries	1,472,416	1,488,913	(16,497)
Employee benefits	856,658	892,006	(35,348)
Professional and technical services	186,000	233,825	(47,825)
Staff travel	2,500	1,503	997
Utility services	358,575	336,004	22,571
Energy	867,200	1,289,139	(421,939)
Other purchased services	290,742	205,278	85,464
Insurance and bond premiums	513,090	523,877	(10,787)
Supplies, materials and media	207,200	329,141	(121,941)
Other	-	430	(430)
Total operations and maintenance of plant	<u>4,754,381</u>	<u>5,300,116</u>	<u>(545,735)</u>

(continued)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

School Operating Fund

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

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Student activities:			
Certificated salaries	\$ 64,800	101,908	(37,108)
Non-certificated salaries	78,500	79,803	(1,303)
Employee benefits	72,060	47,381	24,679
Professional and technical services	5,000	28,453	(23,453)
Staff travel	-	1,808	(1,808)
Student travel	337,992	316,105	21,887
Other purchased services	12,000	28,493	(16,493)
Supplies, materials and media	20,000	52,813	(32,813)
Other	11,300	13,136	(1,836)
Total student activities	<u>601,652</u>	<u>669,900</u>	<u>(68,248)</u>
Construction and facilities acquisition - Professional and technical services	<u>-</u>	<u>85</u>	<u>(85)</u>
Total expenditures	<u>41,632,307</u>	<u>40,927,748</u>	<u>704,559</u>
Excess (deficiency) of revenues over expenditures	\$ <u><u>(736,215)</u></u>	(280,626)	<u><u>455,589</u></u>
Fund balance, beginning of year		<u>1,552,221</u>	
Fund balance, end of year		\$ <u><u>1,271,595</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Student Transportation Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ <u>1,621,137</u>	<u>1,630,692</u>	<u>9,555</u>
Expenditures:			
Student transportation - to and from school:			
Non-certificated salaries	17,250	17,475	(225)
Employee benefits	5,001	7,125	(2,124)
Student travel	792,632	820,195	(27,563)
Other purchased services	900,350	900,350	-
Supplies, materials and media	<u>100,000</u>	<u>105,237</u>	<u>(5,237)</u>
Total student transportation - to and from school	<u>1,815,233</u>	<u>1,850,382</u>	<u>(35,149)</u>
Student transportation - school activities - Staff travel	<u>-</u>	<u>52,256</u>	<u>(52,256)</u>
Total expenditures	<u>1,815,233</u>	<u>1,902,638</u>	<u>(87,405)</u>
Excess (deficiency) of revenues over expenditures	\$ <u><u>(194,096)</u></u>	<u>(271,946)</u>	<u><u>(77,850)</u></u>
Fund balance, beginning of year		<u>854,494</u>	
Fund balance, end of year		\$ <u><u>582,548</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Food Service Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Local sources - charges for services - Food service sales	\$ -	13,916	13,916
Intergovernmental - Federal sources passed through the State of Alaska:			
School breakfast reimbursement	-	406,089	(406,089)
School lunch reimbursement	1,249,496	1,122,856	126,640
Summer lunch reimbursement	-	109,857	(109,857)
USDA commodities	-	56,924	(56,924)
Supply chain assistance	-	55,700	(55,700)
Administrative fee	-	5,346	(5,346)
Total passed through the State of Alaska	<u>1,249,496</u>	<u>1,756,772</u>	<u>507,276</u>
Total revenues	<u>1,249,496</u>	<u>1,770,688</u>	<u>521,192</u>
Expenditures:			
Food services:			
Non-certificated salaries	430,793	313,020	117,773
Employee benefits	165,003	150,303	14,700
Professional and technical services	-	6,749	(6,749)
Staff travel	200	301	(101)
Utility services	500	427	73
Other purchased services	3,000	3,001	(1)
Supplies, materials and media	650,000	838,911	(188,911)
Other	-	150	(150)
Total expenditures	<u>1,249,496</u>	<u>1,312,862</u>	<u>(63,366)</u>
Excess of revenues over expenditures	\$ -	457,826	457,826
Fund balance, beginning of year		<u>328,651</u>	
Fund balance, end of year		<u>\$ 786,477</u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

CRRSA Act ESSER III Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 4,392,537	4,064,292	(328,245)
Expenditures:			
Instruction:			
Certificated salaries	424,032	433,421	(9,389)
Non-certificated salaries	164,291	135,198	29,093
Employee benefits	1,608,029	1,796,194	(188,165)
Other purchased services	-	999	(999)
Supplies, materials and media	85,670	52,913	32,757
Total instruction	<u>2,282,022</u>	<u>2,418,725</u>	<u>(136,703)</u>
Special education instruction:			
Certificated salaries	72,952	77,919	(4,967)
Non-certificated salaries	56,395	26,190	30,205
Employee benefits	27,150	40,127	(12,977)
Total special education instruction	<u>156,497</u>	<u>144,236</u>	<u>12,261</u>
Special education support services - students:			
Certificated salaries	-	5,558	(5,558)
Employee benefits	-	1,714	(1,714)
Total special education support services - students	<u>-</u>	<u>7,272</u>	<u>(7,272)</u>
Support services - students:			
Certificated salaries	-	6,657	(6,657)
Non-certificated salaries	375,381	420,998	(45,617)
Employee benefits	578,219	228,350	349,869
Supplies, materials and media	13,956	36,917	(22,961)
Total support services - students	<u>967,556</u>	<u>692,922</u>	<u>274,634</u>
Support services - instruction:			
Certificated salaries	-	6,106	(6,106)
Non-certificated salaries	38,540	25,956	12,584
Employee benefits	23,705	17,613	6,092
Utility services	16,429	16,358	71
Supplies, materials and media	190,406	177,598	12,808
Equipment	48,089	-	48,089
Total support services - instruction	<u>317,169</u>	<u>243,631</u>	<u>73,538</u>
School administration:			
Certificated salaries	55,759	17,130	38,629
Employee benefits	770	3,478	(2,708)
Total school administration	<u>56,529</u>	<u>20,608</u>	<u>35,921</u>

(continued)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

CRRSA Act ESSER III Special Revenue Fund

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

	Budget	Actual	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
School administration support services:			
Non-certificated salaries	\$ -	3,407	(3,407)
Employee benefits	-	2,297	(2,297)
Total school administration support services	<u>-</u>	<u>5,704</u>	<u>(5,704)</u>
District administration:			
Certificated salaries	-	2,000	(2,000)
Employee benefits	-	544	(544)
Other purchased services	4,495	1,184	3,311
Supplies, materials and media	4,377	785	3,592
Total district administration	<u>8,872</u>	<u>4,513</u>	<u>4,359</u>
District administration support services:			
Certificated salaries	120,673	124,626	(3,953)
Non-certificated salaries	-	3,848	(3,848)
Employee benefits	35,241	36,065	(824)
Other purchased services	38,028	38,028	-
Indirect costs	175,912	164,568	11,344
Total district administration support services	<u>369,854</u>	<u>367,135</u>	<u>2,719</u>
Operations and maintenance of plant:			
Non-certificated salaries	60,694	15,990	44,704
Employee benefits	3,137	6,038	(2,901)
Other purchased services	40,368	40,348	20
Supplies, materials and media	3,753	3,753	-
Total operations and maintenance of plant	<u>107,952</u>	<u>66,129</u>	<u>41,823</u>
Student activities -			
Student travel	<u>82,838</u>	<u>90,228</u>	<u>(7,390)</u>
Food services:			
Non-certificated salaries	42,559	2,500	40,059
Employee benefits	689	689	-
Total food services	<u>43,248</u>	<u>3,189</u>	<u>40,059</u>
Total expenditures	<u>4,392,537</u>	<u>4,064,292</u>	<u>328,245</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2022

	Special Revenue Funds								
	Safeway Innovation Education	Title II-A Parent / Teacher / Principal Training	Educators Rising Alaska	Through the Cultural Lens	Title I-A	Voices on the Land	Alternative Schools	Title VI-B	Preschool Disabled
<u>Assets</u>									
Accounts receivable	\$ -	19,709	-	-	143,153	-	7,670	195,559	24,833
Due from other funds	346	-	1,504	15,577	-	10,000	-	-	-
Total assets	<u>346</u>	<u>19,709</u>	<u>1,504</u>	<u>15,577</u>	<u>143,153</u>	<u>10,000</u>	<u>7,670</u>	<u>195,559</u>	<u>24,833</u>
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Accounts payable	-	-	-	-	1,438	-	-	309	-
Due to other funds	-	19,709	-	-	141,715	-	7,670	195,250	24,833
Unearned revenue	346	-	1,504	15,577	-	10,000	-	-	-
Total liabilities	<u>346</u>	<u>19,709</u>	<u>1,504</u>	<u>15,577</u>	<u>143,153</u>	<u>10,000</u>	<u>7,670</u>	<u>195,559</u>	<u>24,833</u>
Fund balances:									
Restricted	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>346</u>	<u>19,709</u>	<u>1,504</u>	<u>15,577</u>	<u>143,153</u>	<u>10,000</u>	<u>7,670</u>	<u>195,559</u>	<u>24,833</u>

(continued)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, Continued

Assets	Special Revenue Funds							
	Title IV-A	Carl Perkins	Emergency Connectivity	ARPA Library	ARPA Title VI-B	ARPA Homeless II	Screening Testing to Reopen Schools	Indian Education
Accounts receivable	\$ 9,119	15,595	236,143	-	42,490	327	-	31,900
Due from other funds	-	-	-	27,689	-	-	57,315	-
Total assets	9,119	15,595	236,143	27,689	42,490	327	57,315	31,900
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	-	-	-	-	4,875	-	57,315	-
Due to other funds	9,119	15,595	236,143	-	37,615	327	-	31,900
Unearned revenue	-	-	-	27,689	-	-	-	-
Total liabilities	9,119	15,595	236,143	27,689	42,490	327	57,315	31,900
Fund balances:								
Restricted	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-
Total fund balances (deficit)	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 9,119	15,595	236,143	27,689	42,490	327	57,315	31,900

(continued)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds			Capital Project Funds				Total Capital Project Funds	Total Other Governmental Funds
	Public Use of Facilities	Holland America/ Princess Cruise Scholarship	Total Special Revenue Funds	Local CIP	Security System and Camera Upgrade	SMS Drainage	VM Drainage		
<u>Assets</u>									
Accounts receivable	\$ 505	-	727,003	176,883	11,361	2,540	4,990	195,774	922,777
Due from other funds	74,605	7,000	194,036	-	-	-	-	-	194,036
Total assets	<u>75,110</u>	<u>7,000</u>	<u>921,039</u>	<u>176,883</u>	<u>11,361</u>	<u>2,540</u>	<u>4,990</u>	<u>195,774</u>	<u>1,116,813</u>
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Accounts payable	272	-	64,209	-	-	-	-	-	64,209
Due to other funds	-	-	719,876	187,320	11,361	2,540	4,990	206,211	926,087
Unearned revenue	-	-	55,116	-	-	-	-	-	55,116
Total liabilities	<u>272</u>	<u>-</u>	<u>839,201</u>	<u>187,320</u>	<u>11,361</u>	<u>2,540</u>	<u>4,990</u>	<u>206,211</u>	<u>1,045,412</u>
Fund balances:									
Restricted	-	7,000	7,000	-	-	-	-	-	7,000
Assigned	74,838	-	74,838	-	-	-	-	-	74,838
Unassigned (deficit)	-	-	-	(10,437)	-	-	-	(10,437)	(10,437)
Total fund balances (deficit)	<u>74,838</u>	<u>7,000</u>	<u>81,838</u>	<u>(10,437)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,437)</u>	<u>71,401</u>
Total liabilities and fund balances	\$ <u>75,110</u>	<u>7,000</u>	<u>921,039</u>	<u>176,883</u>	<u>11,361</u>	<u>2,540</u>	<u>4,990</u>	<u>195,774</u>	<u>1,116,813</u>

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Other Governmental Funds

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

Year Ended June 30, 2022

	Special Revenue Funds							
	Child Nutrition Admin	Fresh Fruit and Vegetable	Alaska Construction Academy	REAP - RLIS Special Qualified Agencies	Title II-A Parent / Teacher / Principal Training	Through the Cultural Lens	Title I-A	Alternative Schools
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	-	-	11,572	-	-	-	-	24,005
Federal sources:								
Passed through the State of Alaska	614	91,767	-	-	144,601	-	470,516	-
Passed through the Ketchikan Gateway Borough	-	-	-	-	-	-	-	-
Passed through other intermediary agency	-	-	-	-	-	14,423	-	-
Direct	-	-	-	60,099	-	-	-	-
Total revenues	614	91,767	11,572	60,099	144,601	14,423	470,516	24,005
Expenditures:								
Current:								
Instruction	-	-	11,572	39,297	138,746	6,423	425,007	18,062
Special education instruction	-	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	614	-	-	20,802	-	8,000	26,457	-
School administration support services	-	-	-	-	-	-	-	4,971
District administration support services	-	-	-	-	5,855	-	19,052	972
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Food services	-	91,767	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-	-
Total expenditures	614	91,767	11,572	60,099	144,601	14,423	470,516	24,005
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances (deficit), end of year	\$ -	-	-	-	-	-	-	-

(continued)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds							
	Title VI-B	Preschool Disabled	Title IV-A	Carl Perkins	Youth Risk Behavior Survey	Emergency Connectivity	ARPA Library	ARPA Title VI-B
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	-	-	-	-	4,500	-	-	-
Federal sources:								
Passed through the State of Alaska	566,701	25,854	57,584	28,485	-	-	14,311	114,098
Passed through the Ketchikan Gateway Borough	-	-	-	-	-	-	-	-
Passed through other intermediary agency	-	-	-	-	-	-	-	-
Direct	-	-	-	-	-	236,143	-	-
Total revenues	<u>566,701</u>	<u>25,854</u>	<u>57,584</u>	<u>28,485</u>	<u>4,500</u>	<u>236,143</u>	<u>14,311</u>	<u>114,098</u>
Expenditures:								
Current:								
Instruction	100	-	15,795	27,332	-	-	-	-
Special education instruction	535,673	24,807	-	-	-	-	-	109,478
Special education support services - students	7,979	-	-	-	-	-	-	-
Support services - students	-	-	-	-	4,500	-	-	-
Support services - instruction	3	-	39,457	-	-	236,143	14,311	-
School administration support services	-	-	-	-	-	-	-	-
District administration support services	22,946	1,047	2,332	1,153	-	-	-	4,620
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-	-
Total expenditures	<u>566,701</u>	<u>25,854</u>	<u>57,584</u>	<u>28,485</u>	<u>4,500</u>	<u>236,143</u>	<u>14,311</u>	<u>114,098</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances (deficit), end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds						Total Special Revenue Funds
	ARPA Homeless II	Screening Testing to Reopen Schools	COVID Health Equity Grant	Indian Education	Public Use of Facilities	Holland America/ Princess Cruise Scholarship	
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	-	32,414	-	32,414
Other	-	-	-	-	-	-	-
Intergovernmental:							
State of Alaska	-	-	-	-	-	-	40,077
Federal sources:							
Passed through the State of Alaska	327	120,559	-	-	-	-	1,635,417
Passed through the Ketchikan Gateway Borough	-	-	56,346	-	-	-	56,346
Passed through other intermediary agency	-	-	-	-	-	-	14,423
Direct	-	-	-	127,369	-	-	423,611
Total revenues	<u>327</u>	<u>120,559</u>	<u>56,346</u>	<u>127,369</u>	<u>32,414</u>	<u>-</u>	<u>2,202,288</u>
Expenditures:							
Current:							
Instruction	-	-	-	5,388	-	-	687,722
Special education instruction	-	-	-	44,758	-	-	714,716
Special education support services - students	-	-	-	-	-	-	7,979
Support services - students	327	101,389	56,346	-	-	-	162,562
Support services - instruction	-	-	-	77,223	-	-	423,010
School administration support services	-	-	-	-	-	-	4,971
District administration support services	-	4,882	-	-	-	-	62,859
Operations and maintenance of plant	-	14,288	-	-	917	-	15,205
Student activities	-	-	-	-	-	8,100	8,100
Community services	-	-	-	-	38,063	-	38,063
Food services	-	-	-	-	-	-	91,767
Construction and facilities acquisition	-	-	-	-	-	-	-
Total expenditures	<u>327</u>	<u>120,559</u>	<u>56,346</u>	<u>127,369</u>	<u>38,980</u>	<u>8,100</u>	<u>2,216,954</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	(6,566)	(8,100)	(14,666)
Fund balances, beginning of year	-	-	-	-	81,404	15,100	96,504
Fund balances (deficit), end of year	\$ -	-	-	-	<u>74,838</u>	<u>7,000</u>	<u>81,838</u>

(continued)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Other Governmental Funds

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

	Capital Project Funds				Total Capital Project Funds	Total Other Governmental Funds
	Local CIP	Security System and Camera Upgrade	SMS Drainage	VM Drainage		
Revenues:						
Local sources:						
Charges for services	\$ -	-	-	-	-	32,414
Other	224,383	11,361	2,540	4,990	243,274	243,274
Intergovernmental:						
State of Alaska	-	-	-	-	-	40,077
Federal sources:						
Passed through the State of Alaska	-	-	-	-	-	1,635,417
Passed through the Ketchikan Gateway Borough	-	-	-	-	-	56,346
Passed through other intermediary agency	-	-	-	-	-	14,423
Direct	-	-	-	-	-	423,611
Total revenues	<u>224,383</u>	<u>11,361</u>	<u>2,540</u>	<u>4,990</u>	<u>243,274</u>	<u>2,445,562</u>
Expenditures:						
Current:						
Instruction	-	-	-	-	-	687,722
Special education instruction	-	-	-	-	-	714,716
Special education support services - students	-	-	-	-	-	7,979
Support services - students	-	-	-	-	-	162,562
Support services - instruction	-	-	-	-	-	423,010
School administration support services	-	-	-	-	-	4,971
District administration support services	-	-	-	-	-	62,859
Operations and maintenance of plant	23,820	11,361	-	-	35,181	50,386
Student activities	-	-	-	-	-	8,100
Community services	-	-	-	-	-	38,063
Food services	-	-	-	-	-	91,767
Construction and facilities acquisition	211,000	-	2,540	4,990	218,530	218,530
Total expenditures	<u>234,820</u>	<u>11,361</u>	<u>2,540</u>	<u>4,990</u>	<u>253,711</u>	<u>2,470,665</u>
Excess (deficiency) of revenues over expenditures	(10,437)	-	-	-	(10,437)	(25,103)
Fund balances, beginning of year	-	-	-	-	-	96,504
Fund balances (deficit), end of year	\$ <u>(10,437)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,437)</u>	<u>71,401</u>

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Child Nutrition Admin Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ <u>614</u>	<u>614</u>	<u>-</u>
Expenditures - Support services - instruction - Non-certificated salaries	<u>614</u>	<u>614</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Fresh Fruit and Vegetable Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ <u>94,896</u>	<u>91,767</u>	<u>(3,129)</u>
Expenditures - Food services - Supplies, materials and media	<u>94,896</u>	<u>91,767</u>	<u>3,129</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Alaska Construction Academy Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - State of Alaska	\$ <u>30,000</u>	<u>11,572</u>	<u>(18,428)</u>
Expenditures:			
Instruction:			
Certificated salaries	16,669	-	16,669
Employee benefits	2,331	-	2,331
Supplies, materials and media	<u>11,000</u>	<u>11,572</u>	<u>(572)</u>
Total expenditures	<u>30,000</u>	<u>11,572</u>	<u>18,428</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

REAP - RLIS Special Qualified Agencies Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental -			
Direct federal sources	\$ 94,309	60,099	(34,210)
Expenditures:			
Instruction:			
Supplies, materials and media		4,076	
Tuition - students and stipends		35,221	
Total instruction		<u>39,297</u>	
Support services - instruction:			
Professional and technical services		7,000	
Staff travel		13,411	
Supplies, materials and media		391	
Other		-	
Total support services- instruction		<u>20,802</u>	
Total expenditures	-	<u>60,099</u>	-
Excess of revenues over expenditures	\$ <u>94,309</u>	-	<u>(34,210)</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Title II-A Parent/Teacher/Principal Training Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ <u>144,601</u>	<u>144,601</u>	<u>-</u>
Expenditures:			
Instruction:			
Certificated salaries	98,105	98,105	-
Employee benefits	<u>40,641</u>	<u>40,641</u>	-
Total instruction	<u>138,746</u>	<u>138,746</u>	-
District administration support services - Indirect costs	<u>5,855</u>	<u>5,855</u>	-
Total expenditures	<u>144,601</u>	<u>144,601</u>	-
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Through the Cultural Lens Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2022

Revenues - Intergovernmental - Federal sources passed through intermediary agencies	\$ <u>14,423</u>
Expenditures:	
Instruction:	
Certificated salaries	4,200
Employee benefits	587
Other purchased services	<u>1,636</u>
Total instruction	<u>6,423</u>
Support services - instruction - Professional and technical services	<u>8,000</u>
Total expenditures	<u>14,423</u>
Excess of revenues over expenditures	-
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Title I-A Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	\$ <u>606,103</u>	<u>470,516</u>	<u>(135,587)</u>
Expenditures:			
Instruction:			
Certificated salaries	143,438	118,548	24,890
Non-certificated salaries	168,137	131,509	36,628
Employee benefits	99,426	109,409	(9,983)
Supplies, materials and media	90,641	65,541	25,100
Other	422	-	422
Total instruction	<u>502,064</u>	<u>425,007</u>	<u>77,057</u>
Special education instruction - Employee benefits	<u>33</u>	<u>-</u>	<u>33</u>
Support services - instruction:			
Certificated salaries	20,156	20,684	(528)
Employee benefits	39,518	5,773	33,745
Professional and technical services	20,900	-	20,900
Total support services - instruction	<u>80,574</u>	<u>26,457</u>	<u>54,117</u>
District administration support services - Indirect costs	<u>23,432</u>	<u>19,052</u>	<u>4,380</u>
Total expenditures	<u>606,103</u>	<u>470,516</u>	<u>135,587</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Alternative Schools Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ 26,000	24,005	(1,995)
Expenditures:			
Instruction:			
Professional and technical services	400	400	-
Other purchased services	3,200	3,200	-
Supplies, materials and media	11,800	14,462	(2,662)
Total instruction	<u>15,400</u>	<u>18,062</u>	<u>(2,662)</u>
School administration support services - Supplies, materials and media	<u>9,547</u>	<u>4,971</u>	<u>4,576</u>
District administration support services - Indirect costs	<u>1,053</u>	<u>972</u>	<u>81</u>
Total expenditures	<u>26,000</u>	<u>24,005</u>	<u>1,995</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Title VI-B Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 717,838	566,701	(151,137)
Expenditures:			
Instruction -			
Supplies, materials and media	-	100	(100)
Special education instruction:			
Certificated salaries	373,809	269,502	104,307
Non-certificated salaries	50,000	46,807	3,193
Employee benefits	117,156	99,334	17,822
Professional and technical services	32,000	33,986	(1,986)
Staff travel	19,500	9,388	10,112
Utility services	1,250	-	1,250
Other purchased services	1,945	1,945	-
Supplies, materials and media	70,597	72,934	(2,337)
Other	2,515	1,777	738
Total special education instruction	<u>668,772</u>	<u>535,673</u>	<u>133,099</u>
Special education support services - students:			
Certificated salaries	20,000	7,000	13,000
Employee benefits	-	979	(979)
Total special education support services - students	<u>20,000</u>	<u>7,979</u>	<u>12,021</u>
Support services - instruction -			
Staff travel	-	3	(3)
District administration support services -			
Indirect costs	29,066	22,946	6,120
Total expenditures	<u>717,838</u>	<u>566,701</u>	<u>151,137</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Preschool Disabled Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 35,682	25,854	(9,828)
Expenditures:			
Special education instruction - Supplies, materials and media	34,237	24,807	9,430
District administration support services - Indirect costs	1,445	1,047	398
Total expenditures	35,682	25,854	9,828
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Title IV-A Special Revenue Funds

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 139,014	57,584	(81,430)
Expenditures:			
Instruction:			
Professional and technical services	114,580	15,795	98,785
Staff travel	16,000	-	16,000
Supplies, materials and media	2,805	-	2,805
Total instruction	<u>133,385</u>	<u>15,795</u>	<u>117,590</u>
Support services - instruction - Professional and technical services	<u>-</u>	<u>39,457</u>	<u>(39,457)</u>
District administration support services - Indirect costs	<u>5,629</u>	<u>2,332</u>	<u>3,297</u>
Total expenditures	<u>139,014</u>	<u>57,584</u>	<u>81,430</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Carl Perkins Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ 66,109	28,485	(37,624)
Expenditures:			
Instruction:			
Certificated salaries	3,205	3,205	-
Employee benefits	500	449	51
Staff travel	9,599	3,519	6,080
Supplies, materials and media	47,148	20,033	27,115
Other	2,980	126	2,854
Total instruction	<u>63,432</u>	<u>27,332</u>	<u>36,100</u>
District administration support services - Indirect costs	<u>2,677</u>	<u>1,153</u>	<u>1,524</u>
Total expenditures	<u>66,109</u>	<u>28,485</u>	<u>37,624</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Youth Risk Behavior Survey Special Revenue Fund

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

Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - State of Alaska	\$ <u>4,500</u>	<u>4,500</u>	<u>-</u>
Expenditures:			
Support services - students - Supplies, materials and media	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Emergency Connectivity Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Direct federal sources	\$ <u>236,143</u>	<u>236,143</u>	<u>-</u>
Expenditures:			
Support services - instruction - Supplies, materials and media	<u>236,143</u>	<u>236,143</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

ARPA Library Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ <u>42,000</u>	<u>14,311</u>	<u>(27,689)</u>
Expenditures:			
Support services - instruction - Supplies, materials and media	<u>42,000</u>	<u>14,311</u>	<u>27,689</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

ARPA Title VI-B Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ <u>140,705</u>	<u>114,098</u>	<u>(26,607)</u>
Expenditures:			
Special education instruction - Professional and technical services	<u>135,008</u>	<u>109,478</u>	<u>25,530</u>
District administration support services - Indirect costs	<u>5,697</u>	<u>4,620</u>	<u>1,077</u>
Total expenditures	<u>140,705</u>	<u>114,098</u>	<u>26,607</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

ARPA Homeless II Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ <u>11,183</u>	<u>327</u>	<u>(10,856)</u>
Expenditures: Support services - students - Supplies, materials and media	<u>11,183</u>	<u>327</u>	<u>10,856</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Screening Testing to Reopen Schools Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Federal sources passed through the State of Alaska	\$ <u>392,630</u>	<u>120,559</u>	<u>(272,071)</u>
Expenditures -			
Support services - students:			
Non-certificated salaries	89,940	6,052	83,888
Employee benefits	28,781	3,830	24,951
Professional and technical services	200,000	77,039	122,961
Staff travel	1,340	-	1,340
Other purchased services	6,000	-	6,000
Supplies, materials and media	20,000	14,468	5,532
Total support services - students	<u>346,061</u>	<u>101,389</u>	<u>244,672</u>
District administration support services - Indirect costs	<u>16,569</u>	<u>4,882</u>	<u>11,687</u>
Operations and maintenance of plant - Professional and technical services	<u>30,000</u>	<u>14,288</u>	<u>15,712</u>
Total expenditures	<u>392,630</u>	<u>120,559</u>	<u>272,071</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

COVID Health Equity Grant Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Federal sources passed through the Ketchikan Gateway Borough	\$ <u>56,346</u>	<u>56,346</u>	<u>-</u>
Expenditures - Support services - students:			
Non-certificated salaries	35,600	38,142	(2,542)
Employee benefits	18,246	18,157	89
Supplies, materials and media	<u>2,500</u>	<u>47</u>	<u>2,453</u>
Total expenditures	<u>56,346</u>	<u>56,346</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Indian Education Special Revenue Fund

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

Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues - Intergovernmental - Direct federal sources	\$ <u>233,440</u>	<u>127,369</u>	<u>(106,071)</u>
Expenditures:			
Instruction:			
Professional and technical services	15,797	2,025	13,772
Supplies, materials and media	<u>17,469</u>	<u>3,363</u>	<u>14,106</u>
Total instruction	<u>33,266</u>	<u>5,388</u>	<u>27,878</u>
Special education instruction:			
Certificated salaries	86,262	32,159	54,103
Employee benefits	<u>26,871</u>	<u>12,599</u>	<u>14,272</u>
Total special education instruction	<u>113,133</u>	<u>44,758</u>	<u>68,375</u>
Support services - instruction:			
Certificated salaries	62,147	55,321	6,826
Employee benefits	<u>24,894</u>	<u>21,902</u>	<u>2,992</u>
Total support services - instruction	<u>87,041</u>	<u>77,223</u>	<u>9,818</u>
Total expenditures	<u>233,440</u>	<u>127,369</u>	<u>106,071</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Public Use of Facilities Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2022

Revenues -		
Local sources - charges for services	\$	<u>32,414</u>
Expenditures:		
Operations and maintenance of plant -		
Supplies, materials and media		<u>917</u>
Community services:		
Certificated salaries		5,000
Non-certificated salaries		30,769
Employee benefits		<u>2,294</u>
Total community services		<u>38,063</u>
Total expenditures		<u>38,980</u>
Excess (deficiency) of revenues over expenditures		(6,566)
Fund balance, beginning of year		<u>81,404</u>
Fund balance, end of year	\$	<u><u>74,838</u></u>

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT
 Holland America/Princess Cruise Scholarship Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
 in Fund Balance

Year Ended June 30, 2022

Revenues - local sources - Other		\$	-
Expenditures - Student activities - other			8,100
Excess (deficiency) of revenues over expenditures			(8,100)
Fund balance, beginning of year			15,100
Fund balance, end of year		\$	7,000

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Ketchikan High School Student Club Checking Accounts

Schedule of Changes in Account Balances

June 30, 2022

Cash Account	Beginning Balance	Increases	Decreases	Ending Balance
Student club checking accounts:				
3000 ACDC	\$ 2,353	-	1,654	699
9002 ACDC Athletics	-	3,440	4,296	(856)
9000 AD & Administration Travel	(2,762)	3,425	2,334	(1,671)
9005 AD Supplies & Equipment	(2,316)	6,340	4,665	(641)
1025 Adv. Placement Fees	2,369	7,733	7,813	2,289
1020 Alumni Donations	2,176	-	-	2,176
3015 Archery	571	-	571	-
3005 Architecture Design	25	-	25	-
3010 Auto Shop	(3,944)	6,412	8,098	(5,630)
3020 Band & Pep Band	28,538	3,822	17,858	14,502
3030 Baseball	6,718	34,861	32,334	9,245
9010 Baseball Protech	(80)	80	11	(11)
9015 Baseball Reg V Tournament - A	(16,031)	16,031	-	-
9009 Baseball Athletics	(24,718)	37,784	20,348	(7,282)
9020 Basketball Protech	-	150	-	150
9025 Basketball Reg V Tournament-A	-	1,000	-	1,000
3040 Basketball, Boys	(377)	29,879	24,399	5,103
9018 Basketball, Boys Athletics	-	15,065	14,965	100
3050 Basketball, Girls	(2,955)	42,194	41,253	(2,014)
9022 Basketball, Girls Athletics	-	14,022	14,047	(25)
1030 Bomb Threat Reward	1,460	-	1,460	-
3060 Cheerleading	8,450	33,288	31,016	10,722
3080 Choir	1,451	8,865	8,096	2,220
3090 Clarke Cochrane Tournament	15,453	36,854	38,357	13,950
4080 Class 2020	477	-	477	-
4090 Class 2021	(375)	375	-	-
4100 Class 2022	-	15,060	13,553	1,507
4110 Class 2023	254	331	355	230
3100 Class Act Mentor	(1,322)	1,384	62	-
4120 Class of 2024	38	179	-	217
3110 College Fair	6,978	160	75	7,063
1035 Concessions	41,825	1,180	2,343	40,662
3120 Construction	1,882	3,209	932	4,159
1080 Credit Card Recovery Fee	96	3,185	3,000	281
3130 Cross Country	13,639	1,859	2,360	13,138
9032 Cross Country~Athletics	-	22,152	15,792	6,360
3140 Culinary Arts	25,380	2,307	4,361	23,326
3150 Dance	2,260	18,652	16,839	4,073
3160 Debate	971	10,211	8,697	2,485
9042 Debate Athletics	-	15,398	15,703	(305)
3165 Drafting	316	-	316	-
3170 Drama	1,669	19,507	12,082	9,094

(continued)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Ketchikan High School Student Club Checking Accounts

Schedule of Changes in Account Balances, Continued

Cash Account		Beginning Balance	Increases	Decreases	Ending Balance
Student club checking accounts, continued:					
3180	Economics	-	513	513	-
3070	Education Rising	907	-	-	907
3185	Engineering Design	50	-	50	-
5000	English Fees & Fines	894	25	-	919
3190	Entrepreneur	5,842	2,655	-	8,497
3333	Environmental	-	729	512	217
3175	ESports League	(105)	105	-	-
3480	Food Pantry	852	15	867	-
9045	Football Protech	160	-	160	-
5010	French Fees & Fines	2	-	-	2
2000	Miscellaneous	7,875	160	-	8,035
12000	Galley, Jerry Memorial	(8,531)	14,532	1,000	5,001
2100	Gate Revenue	626	21,495	400	21,721
10201	Greg Middag Fund	772	2,201	2,541	432
3460	GSA	509	-	-	509
5020	Health Fees & Fines	412	-	-	412
3210	HOSA	375	-	-	375
5030	Jack Cotant	-	39	-	39
12030	Ketchikan Community Scholarship	(12,480)	32,500	10,000	10,020
12010	Kralis, Don & Lois Memorial	360	-	-	360
5035	Laptops	17,096	1,364	-	18,460
5040	Library	789	173	685	277
5050	Math Fees & Fines	1,690	266	-	1,956
1045	Miscellaneous	11,262	741	2,968	9,035
9050	Music Reg V Festival - A	-	-	1,250	(1,250)
9055	Music SE Honors-A	-	5,527	4,143	1,384
3220	National Art Honor Society	1,799	608	565	1,842
3230	National Honor Society	505	260	518	247
3240	National Oceanic Sciences Bowl	(1,990)	11,994	8,844	1,160
2120	Non Specific Activities Donations	22,821	12,706	4,300	31,227
3250	Office Practice	27	-	27	-
1	Over/Under	254	326	-	580
3260	Pep Club	107	1,701	616	1,192
3270	Photography	655	-	655	-
1050	Planners	229	-	229	-
1055	Postage	4,459	252	1,585	3,126
3280	Production Tech	1,650	626	-	2,276
1060	PSAT Fees	3,737	1,695	1,386	4,046
3290	PTA	853	-	-	853
9065	Reg V Festival Music-H	-	1,871	3,926	(2,055)
9070	Reg V Tournament Baseball - H	(1,110)	1,110	7,090	(7,090)
9075	Reg V Tournament Basketball - H	(1,994)	43,052	41,058	-
9080	Reg V Tournament Cross Country-H	-	586	586	-
9160	Reg V Tournament Softball-A	-	-	1,287	(1,287)
9085	Reg V Tournament Swim-H	-	1,150	1,150	-
9090	Reg V Tournament Track-H	-	-	771	(771)
9095	Reg V Tournament Volleyball - H	-	2,855	2,855	-

(continued)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Ketchikan High School Student Club Checking Accounts

Schedule of Changes in Account Balances, Continued

Cash Account	Beginning Balance	Increases	Decreases	Ending Balance
Student club checking accounts, continued:				
9100 Reg V Tournament Wrestling - H	(1,388)	1,388	-	-
9150 Region V Tournaments	(1,647)	1,647	-	-
3310 Robotics	372	-	372	-
3305 Rotary Interact	15	847	35	827
1090 RYC Wellness Grant	1,035	990	1,916	109
3313 Safeway Grant/Beimler	5,000	-	-	5,000
3315 Salvation Army	265	-	265	-
1085 School Sign	7,702	3,585	11,287	-
5070 Science Fees & Fines	2,548	-	190	2,358
12020 Senior Class Savings	11,982	101	-	12,083
9105 Soccer Protech	(670)	670	-	-
3320 Soccer, Boys	(515)	28,788	27,292	981
3330 Soccer, Girls	11,528	15,770	26,697	601
9103 Soccer,Boys Athletics	(9,466)	21,569	20,155	(8,052)
9104 Soccer,Girls Athletics	(11,427)	19,414	13,729	(5,742)
5080 Social Studies Fees & Fines	1,877	145	173	1,849
3340 Softball	13,437	65,178	48,687	29,928
9110 Softball Protech	30	30	11	49
9108 Softball Athletics	(19,331)	34,232	14,901	-
5090 Spanish Fees and Fines	618	-	-	618
9155 State	(63,072)	177,143	120,845	(6,774)
2130 Student Activities Participation Fees	27,100	43,153	300	69,953
3350 Student Body Association	9,185	-	539	8,646
3360 Sunshine	417	40	481	(24)
9115 Swim Reg V Tournament-A	-	-	300	(300)
9113 Swim~Athletics	-	25,487	25,037	450
3370 Swimming	2,551	2,983	4,191	1,343
9145 Swimming Protech	-	80	580	(500)
3380 Track	2,077	14,452	9,337	7,192
9120 Track Reg V Tournament - A	(3,749)	3,749	-	-
9117 Track Athletics	(14,382)	19,938	11,246	(5,690)
1065 Vending	48,520	1,552	13,864	36,208
3435 Veterans Wall	4,766	-	748	4,018
3390 Visual Arts	24,202	250	100	24,352
3400 Vocational Medical Science	5	1,002	1,034	(27)
3410 Volleyball	10,128	26,543	25,948	10,723
9125 Volleyball Protech	(1)	4,075	3,954	120
9130 Volleyball Reg V Tournament-A	-	-	1	(1)
9123 Volleyball Athletics	(2,391)	16,209	15,884	(2,066)
3420 Welding	(409)	420	-	11
3425 Woodworking	50	-	-	50
3430 Work Study, SPED	134	-	-	134
3440 Wrestling	2,948	28,768	24,764	6,952
9135 Wrestling Protech	(1,670)	6,210	4,640	(100)
9140 Wrestling Reg V Tournament-A	-	450	3,325	(2,875)
9132 Wrestling, Boys Athletics	(10,367)	31,400	15,623	5,410
3445 Wrestling, Girls	1,837	-	5,067	(3,230)
9133 Wrestling,Girls -Athletics	-	1,317	3,652	(2,335)
3450 Yearbook	53,027	26,124	6,897	72,254
Total student club checking accounts	\$ 274,699	1,205,925	937,151	543,473
Scholarship account	\$ 62,978	539	-	63,517
Savings account	\$ 24,015	10	-	24,025

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Schedule of Compliance - AS 14.17.505

Year Ended June 30, 2022

Total fund balance - School Operating Fund	\$ 1,271,595
Less exemptions per 4 AAC 09.160(a):	
None	<u> -</u>
Fund Balance Subject to 10% Limitation	\$ <u>1,271,595</u>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	<u>1,271,595</u>	=	<u>3.11%</u>
Current year expenditures	40,927,748		

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

<u>Grant Title</u>	<u>Grant Number</u>	<u>Assistance Listing Number</u>	<u>Total Grant Award</u>	<u>Federal Share of Expenditures</u>
U.S. Department of Education:				
Direct programs:				
Indian Education	S060A210426	84.060A	\$ 237,419	127,369
REAP - RLIS Special Qualified Agencies FY21	S358C200024	84.358C	46,712	13,690
REAP - RLIS Special Qualified Agencies FY22	S358C210013	84.358C	47,597	46,409
Total ALN 84.358C			<u>94,309</u>	<u>60,099</u>
Passed through the State of Alaska, Department of Education and Early Development:				
Title I-A Basic	IP 22.KGSD.01	84.010	606,103	470,516
Carl Perkins	EK 22.KGSD.01	84.048	66,109	28,485
Special Education Cluster (IDEA) Cluster:				
Title VI-B	SE 22.KGSD.01	84.027	717,838	566,701
Title VI-B IDEA ARPA	SE 22.KGSD.01	84.173X	140,705	114,098
Preschool Disabled Section 619	SE 22.KGSD.01	84.173	35,682	25,854
Total Special Education Cluster (IDEA) Cluster			<u>894,225</u>	<u>706,653</u>
Title IV-A	IP 22.KGSD.01	84.424A	139,014	57,584
COVID-19 ARPA Homeless II	AH 22.KGSB.01	84.425W	11,183	327
COVID-19 CRRSA Act ESSER III	ER 22.KGSD.01	84.425U	4,392,537	4,064,292
Total ALN 84.425			<u>4,403,720</u>	<u>4,064,619</u>
Title II-A Parent/Teacher/Principal Training	IP 22.KGSD.01	84.367	144,601	144,601
Passed through the Sealaska Heritage Center:				
Alaska Native Education Program	S356A190029	84.356A	30,000	14,423
Total U.S. Department of Education			<u>6,615,500</u>	<u>5,674,349</u>
Institute of Museum and Library Services - Passed through the State of Alaska, Department of Education and Early Development - COVID-19 ARPA Easy Grant				
	EASY22-082	45.310	42,000	14,311
Federal Communications Commission - Direct - COVID-19 Emergency Connectivity Fund Program				
	ECF222118441	32.009	236,143	236,143
U.S. Department of Health and Human Services: Passed through the Ketchikan Gateway Borough - COVID-19 Health Equity Grant				
	CO621-570-D	93.323	75,000	56,346
Passed through the State of Alaska, Department of Health and Social Services: COVID-19 -Screening Testing to Reopen and Keep Schools Operating Safely				
	601-308-21027	93.323	392,630	120,559
Total U.S. Department of Health and Human Services			<u>467,630</u>	<u>176,905</u>

(continued)

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards, Continued

<u>Grant Title</u>	<u>Grant Number</u>	<u>Assistance Listing Number</u>	<u>Total Grant Award</u>	<u>Federal Share of Expenditures</u>
U.S. Department of Agriculture:				
Passed through the State of Alaska,				
Department of Education and Early Development:				
Child Nutrition Cluster:				
School Breakfast Program	None	10.553	408,049	408,049
National School Lunch Program	None	10.555	1,120,896	1,120,896
Supply Chain Assistance	None	10.555	55,700	55,700
Commodities	None	10.555	56,924	56,924
Summer Food Service Program	None	10.559	109,857	109,857
Fresh Fruit and Vegetable Program	FF 22.KGSD.01	10.582	25,925	25,925
Fresh Fruit and Vegetable Program	FF 22.KGSD.02	10.582	68,971	65,842
Total Child Nutrition Cluster			<u>1,846,322</u>	<u>1,843,193</u>
COVID-19 CNP P-EBT Administrative Costs	None	10.649	<u>614</u>	<u>614</u>
Food Distribution Administrative Fee Reimbursement	FD 21.KGSD.01	10.560	<u>5,346</u>	<u>5,346</u>
Total U.S. Department of Agriculture			<u>1,852,282</u>	<u>1,849,153</u>
Total Expenditures of Federal Awards			<u>\$ 9,213,555</u>	<u>7,950,861</u>

See accompanying notes to the Schedule.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Ketchikan Gateway Borough School District under programs of the federal government for the year ended June 30, 2022. 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 Ketchikan Gateway Borough School District, it is not intended to and does not present the basic financial statements of Ketchikan Gateway Borough School District.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Subrecipients

The District did not pass through federal funds to Subrecipients.

Note 4. Non-monetary Assistance

Non-monetary assistance is reported in the schedule at fair market value of commodities received and disbursed. For the year ended June 30, 2022 the District received \$56,924 in commodities.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Schedule of State Financial Assistance

Year Ended June 30, 2022

<u>Grant Title</u>	<u>Grant Number</u>	<u>Grant Award</u>	<u>Eligible Expenditures</u>
State of Alaska, Department of Education and Early Development:			
Direct:			
# Foundation	None	\$ 26,030,308	26,030,308
Quality Schools	None	84,180	84,180
Student Transportation	None	1,630,692	1,630,692
Alternative Schools	BH 22.KGSD.01	26,000	24,005
Youth Risk Behavior Survey	None	4,500	4,500
Dividend Raffle	None	9,024	9,024
Total Department of Education and Early Development		<u>27,784,704</u>	<u>27,782,709</u>
State of Alaska, Department of Labor and Workforce Development:			
Direct -			
Alaska Construction Academy	None	<u>30,000</u>	<u>11,572</u>
Total state financial assistance		<u>\$ 27,814,704</u>	<u>27,794,281</u>

See accompanying notes to Schedule.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2022

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Ketchikan Gateway Borough School District under programs of the State of Alaska for the year ended June 30, 2022. 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 Ketchikan Gateway Borough School District, it is not intended to and does not present the basic financial statements of Ketchikan Gateway Borough School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the Ketchikan Gateway Borough 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.

Note 5. Reconciliation of State Expenditures to the Financial Statements

The following programs are reported as Intergovernmental-State of Alaska revenues, however are not subject to compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*:

Total Schedule of State Financial Assistance	\$ 27,794,281
PERS On-Behalf	620,255
TRS On-Behalf	<u>2,962,643</u>
Total State Financial Assistance	\$ <u>31,377,179</u>

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
Ketchikan Gateway Borough School District
Ketchikan, 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 the Ketchikan Gateway Borough School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Ketchikan Gateway Borough School District's basic financial statements, and have issued our report thereon dated November 14, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Anchorage, Alaska
November 14, 2022

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

Independent Auditor's Report

Members of the School Board
Ketchikan Gateway Borough School District
Ketchikan, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ketchikan Gateway Borough School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Ketchikan Gateway Borough School District's major federal programs for the year ended June 30, 2022. Ketchikan Gateway Borough School District's major federal programs are identified in the summary of auditor's results section of the accompanying Federal Schedule of Findings and Questioned costs.

In our opinion, Ketchikan Gateway Borough School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ketchikan Gateway Borough School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Ketchikan Gateway Borough School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Ketchikan Gateway Borough School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ketchikan Gateway Borough School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Ketchikan Gateway Borough School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ketchikan Gateway Borough School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ketchikan Gateway Borough School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Ketchikan Gateway Borough School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Federal Schedule of Findings and Questioned Costs as Finding 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Ketchikan Gateway Borough School District's response to the noncompliance finding identified in our audit described in the accompanying Federal Schedule of Findings and Questioned Costs and Corrective Action Plan. Ketchikan Gateway Borough School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying Federal Schedule of Findings and Questioned Costs as Finding 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Ketchikan Gateway Borough School District's response to the internal control over compliance finding identified in our audit described in the accompanying Federal Schedule of Findings and Questioned Costs and Corrective Action Plan. Ketchikan Gateway Borough School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Members of the School Board
Ketchikan Gateway Borough School District

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

Altman, Rogers & Co.

Anchorage, Alaska
November 14, 2022

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

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 No

Internal control over financial reporting:

Material weakness identified?

Yes No

Significant deficiency identified?

Yes None reported

Noncompliance material to the financial statements noted?

Yes No

Federal Awards

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

Material weakness identified?

Yes No

Significant deficiency identified?

Yes None reported

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

Yes No

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

Unmodified

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

Yes No

Identification of major programs:

Assistance Listing Number(s)

84.010

84.425 W and U

Name of Federal Program or Cluster

Title I-A Basic

COVID-19 Education Stabilization Fund

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

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT
Federal Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

Ketchikan Gateway Borough School District did not have any findings related to the financial statements.

Section III – Federal Award Findings and Questioned Costs

Finding 2022-001

Lack of Internal Controls over Reporting

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

Federal Program: Title I-A Basic

Assistance Listing Number: 84.010

Award Number: IP 22.KGSD.01 (State of Alaska), S010210002 (U.S. Department of Education)

Award Year: 2022

Type of Finding: Significant deficiency in internal control over compliance and noncompliance.

Criteria: The U.S. Department of Education requires the District to submit its average per pupil expenditure (PPE) data to the State of Alaska. This report is to be submitted by December 15 each year.

Condition and Context: The District did not submit its PPE report to the State of Alaska as required. During our request of the PPE report in order to review, the District was unable to provide the report as it has not been submitted as of the date of audit fieldwork.

Cause: Lack of internal control over reporting requirements.

Effect: Failure to follow compliance reporting requirements could result in loss of federal funding.

Questioned Costs: None noted.

Repeat finding: This is not a repeat finding, as such it appears to be an isolated instance.

Recommendation: We recommend that management complies with all reporting requirements to ensure reports are submitted by the deadline.

Management Response: Management agrees with this finding, see Corrective Action Plan.

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

Independent Auditor's Report

Members of the School Board
Ketchikan Gateway Borough School District
Ketchikan, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Ketchikan Gateway Borough School District's compliance with the types of compliance requirements identified as subject to audit in the *State of Alaska Audit Guide* that could have a direct and material effect on each of Ketchikan Gateway Borough School District's major state programs for the year ended June 30, 2022. Ketchikan Gateway Borough School District's major state programs are identified in the accompanying Schedule of State Financial Assistance.

In our opinion, Ketchikan Gateway Borough School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements in the *State of Alaska Audit Guide*. Our responsibilities under those standards and the *State of Alaska Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ketchikan Gateway Borough School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Ketchikan Gateway Borough School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Ketchikan Gateway Borough School District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ketchikan Gateway Borough School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and *State of Alaska Audit Guide* requirements will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Ketchikan Gateway Borough School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ketchikan Gateway Borough School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ketchikan Gateway Borough School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of Ketchikan Gateway Borough School District.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the *State of Alaska Audit Guide* and which is described in the accompanying State Schedule of Findings and Questioned Costs as Finding 2022-002. Our opinion on each major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Ketchikan Gateway Borough School District's response to the noncompliance finding identified in our audit described in the accompanying State Schedule of Findings and Questioned Costs and Corrective Action Plan. Ketchikan Gateway Borough School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying State Schedule of Findings and Questioned Costs as Finding 2022-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Ketchikan Gateway Borough School District's response to the internal control over compliance finding identified in our audit described in the accompanying State Schedule of Findings and Questioned Costs and Corrective Action Plan. Ketchikan Gateway Borough School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Members of the School Board
Ketchikan Gateway Borough School District

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

Altman, Rogers & Co.

Anchorage, Alaska
November 14, 2022

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness identified?

 Yes X No

Significant deficiency identified?

 Yes X None reported

Noncompliance material to the financial statements noted?

 Yes X No

State Awards

Internal control over major programs:

Material weakness identified?

 Yes X No

Significant deficiency identified?

 X Yes None reported

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

Unmodified

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

\$ 833,828

Auditee qualified as low-risk auditee?

 X Yes No

Section II – Financial Statement Findings

Ketchikan Gateway Borough School District did not have any findings related to the financial statements.

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT
State Schedule of Findings and Questioned Costs, Continued

Section III – State Award Findings and Questioned Costs

<u>Finding 2022-002</u>	<u>Lack of Internal Controls over Reporting</u>
State Agency:	Department of Education and Early Development
State Program Name:	Public School Funding (Foundation)
Award Number:	None
Award Year:	2022
Type of Finding:	Significant deficiency in internal control over compliance and noncompliance.
Criteria:	AS 14.17.420(a)(2) states: a District is eligible to receive intensive services funding for each special education student who needs and receives intensive services and is enrolled on the last day of the count period. The definition of “intensive services” as provided in regulation 4 AAC 52.700(c).
Condition/Context:	The District did not document an intensive student appropriately and in compliance with 4 AAC 52.700(c). During our review of proper classification of intensive students, we noted that one of twelve students reviewed lacked an individualized education program (IEP) in place and active prior to the last day of the count period.
Cause:	Lack of internal control over reporting.
Effect:	Failure to follow compliance reporting requirements could result in loss of State funding.
Questioned Costs:	None noted.
Repeat finding:	This is not a repeat finding. The finding appears to be an isolated instance.
Recommendation:	We recommend that management complies with all reporting requirements to ensure accurate reporting and documentation of student classifications and to ensure all intensive students have an IEP in place.
Management Response:	Management agrees with this finding, see Corrective Action Plan.



Ketchikan Gateway Borough School District

Corrective Action Plan

June 30, 2022

Federal Award Findings

Finding 2022-001

Lack of Internal Controls over Reporting

Name of Contact Person: Michael Robbins, Superintendent

Corrective Action Plan: Reporting deadlines will be kept on a central calendar and District Administration will ensure that all contact information is up-to-date, includes multiple individuals within the District who can ensure reports are submitted and confirmed to have been received, including the Superintendent. The Superintendent will clearly delegate the responsibility of completing and submitting reports, and will direct the individual responsible for submission with the task of confirming receipt by the agency after submission. Reporting deadlines will be reviewed with the district leadership team in advance.

Proposed Completion Date: December 1, 2022

State Award Findings

Finding 2022-002

Lack of Internal Controls over Reporting

Name of Contact Person: Michael Robbins, Superintendent

Corrective Action Plan: The Superintendent will delegate an individual in Central Office to conduct monthly checks on required documentation for all SPED caseloads, and will review these updates with Administrators to ensure any deficiencies are corrected in a timely manner.

Proposed Completion Date: December 1, 2022