

LAKE AND PENINSULA SCHOOL DISTRICT
(A Component Unit of the Lake and Peninsula Borough)

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

Year Ended June 30, 2022

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

LAKE AND PENINSULA SCHOOL DISTRICT
(A Component Unit of the Lake and Peninsula Borough)

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

Year Ended June 30, 2022

LAKE AND PENINSULA SCHOOL DISTRICT

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1-4
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	A-1	5
Statement of Activities	B-1	6
Fund Financial Statements:		
Balance Sheet – Governmental Funds	C-1	7
Reconciliation of Net Position Between the Government-wide Financial Statements and the Fund Financial Statements	C-2	8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	D-1	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-2	10
Health Insurance Internal Service Fund:		
Statement of Net Position	E-1	11
Statement of Revenues, Expenses, and Changes in Net Position	E-2	12
Statement of Cash Flows	E-3	13
Notes to Basic Financial Statements		14-43
Required Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Original and Final Budget and Actual: School Operating Fund	F-1	44
Public Employees' Retirement System:		
Schedule of the District's Proportionate Share of the Net Pension Liability	G-1	45
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)	G-2	46
Schedule of the District's Contributions (Pensions)	G-3	47
Schedule of the District's Contributions (OPEB)	G-4	48
Teachers Retirement System:		
Schedule of the District's Proportionate Share of the Net Pension Liability	G-5	49
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)	G-6	50
Schedule of the District's Contributions (Pensions)	G-7	51
Schedule of the District's Contributions (OPEB)	G-8	52
Notes to the Required Supplementary Information		53-55

LAKE AND PENINSULA SCHOOL DISTRICT

Table of Contents, Continued

	<u>Exhibit</u>	<u>Page</u>
Supplementary Information:		
Major Governmental Funds:		
Schedule of Revenues, Expenditures and Changes		
in Fund Balance – Budget and Actual (where applicable):		
School Operating Fund	H-1	56-59
Capital Projects Fund	H-2	60
Other Governmental Funds:		
Combining Balance Sheet	I-1	61-63
Combining Statement of Revenues,		
Expenditures and Changes in Fund Balances	I-2	64-66
Schedule of Revenues, Expenditures and Changes		
in Fund Balance – Budget and Actual (where applicable) – Nonmajor		
Special Revenue Funds:		
Student Transportation	I-3	67
Port Heiden Artists	I-4	68
Broadband Assistance Grant (BAG)	I-5	69
Comprehensive Literacy	I-6	70
Food Service	I-7	71
Fresh Fruit and Vegetable	I-8	72
Title I-A Basic and Title IV	I-9	73
Title I-C Migrant Education	I-10	74
Migrant Literacy	I-11	75
Title I-A School Improvement	I-12	76
Title II-A	I-13	77
Title VI-B IDEA	I-14	78
Preschool Disabled	I-15	79
ARP ESSER III	I-16	80
Carl Perkins - Secondary	I-17	81
RLIS	I-18	82
Indian Education FY22	I-19	83
CHILD	I-20	84
DHSS Screening	I-21	85
Literacy 365 FY21	I-22	86
Literacy 365 FY22	I-23	87
BBNC Bay Smokehouse	I-24	88
ESSER II	I-25	89
Bristol Bay Welds ACF	I-26	90
Tenesqaaq – BB Career Awareness - ANE	I-27	91
BBNC KOK Cultural Outreach	I-28	92
USDA Distance and Telemedicine – Denali Commission Match	I-29	93
BBNC Native Heritage	I-30	94
CTE New Visions Art	I-31	95
Student, Community, Housing and Scholarship	I-32	96

LAKE AND PENINSULA SCHOOL DISTRICT

Table of Contents, Continued

	<u>Exhibit</u>	<u>Page</u>
Supplementary Information, Continued:		
Schedule of Compliance – AS 14.17.505	K-1	97
Schedule of Expenditures of Federal Awards	L-1	98-99
Notes to the Schedule of Expenditures of Federal Awards		100
Schedule of State Financial Assistance	M-1	101
Notes to the Schedule of State Financial Assistance		102
Compliance Section:		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		103-104
Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance as Required by the <i>Uniform Guidance</i>		105-107
Federal Schedule of Findings and Questioned Costs		108-109
Report on Compliance For Each Major State Program and Report on Internal Control Over Compliance as Required by the <i>State of Alaska Audit Guide and Compliance Supplement for State Single Audits</i>		110-112
State Schedule of Findings and Questioned Costs		113

Independent Auditor's Report

Members of the School Board
Lake and Peninsula School District
King Salmon, 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 Lake and Peninsula School District (the District), a component unit of the Lake and Peninsula 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 accompanying 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 Lake and Peninsula School District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Lake and Peninsula 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 Lake and Peninsula School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any 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 the Lake and Peninsula 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 the Lake and Peninsula 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule, Schedules of the District's Proportionate Share of Net Pension and OPEB Liabilities and Assets and the District's Schedules of Contributions for the Public Employees' Retirement System and Teachers' Retirement System, and Notes to the Required Supplementary Information on pages 44-54 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 State of America require to be presented to supplement the basic financial statement. 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 District's basic financial statements. The information listed in the Table of Contents as "Supplementary Information", which includes: Major Governmental Funds: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (where applicable); School Operating Fund and Capital Projects Fund; Other Governmental Funds: Combining Balance Sheet and Combining Statement of Revenues Expenditures and Changes in Fund Balances; Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue Funds; Schedule of Compliance - AS 14.17.505; the Schedule of Expenditures of Federal Awards and related notes, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the Schedule of State Financial Assistance and related notes, as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. 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 October 26, 2022 on our consideration of Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula School District's internal control over financial reporting and compliance.

Altman, Rogers & Co.

Anchorage, Alaska
October 26, 2022

LAKE AND PENINSULA SCHOOL DISTRICT

Statement of Net Position

June 30, 2022

<u>Assets and Deferred Outflows of Resources</u>	<u>Governmental Activities</u>
Current assets:	
Cash and cash equivalents	\$ 357,157
Short-term investments	340,887
Accounts receivable	862,638
Inventories	215,895
Prepaid items	54,781
Total current assets	<u>1,831,358</u>
Long-term assets:	
Long-term investments	1,345,118
Assets to be contributed to Lake and Peninsula Borough	711,263
Capital assets	2,141,451
Accumulated depreciation	(1,334,369)
Net OPEB assets	5,708,689
Total long-term assets	<u>8,572,152</u>
Deferred outflows of resources - Pension and OPEB deferrals	<u>1,172,764</u>
Total assets and deferred outflows of resources	<u><u>11,576,274</u></u>
<u>Liabilities, Deferred Inflows of Resources and Net Position</u>	
Current liabilities:	
Accounts payable	180,913
Accrued health claims	449,089
Accrued payroll liabilities	779,789
Unearned revenue	26,721
Total current liabilities	<u>1,436,512</u>
Long-term liabilities - Net pension and OPEB liabilities	<u>5,114,178</u>
Deferred inflows of resources - Pension and OPEB deferrals	<u>6,355,879</u>
Total liabilities and deferred inflows of resources	<u><u>12,906,569</u></u>
Net position:	
Net investment in capital assets	807,082
Restricted:	
Assets to be contributed	711,263
Scholarships	224,489
Career and vocational development	210,182
Student, community, housing, scholarship	248,784
Unrestricted	(3,532,095)
Total net position	<u>(1,330,295)</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 11,576,274</u></u>

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

LAKE AND PENINSULA SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2022

	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	\$ 5,191,151	-	460,285	-	(4,730,866)
Special education instruction	704,125	-	(123,418)	-	(827,543)
Special education support services - students	356,348	-	130,758	-	(225,590)
Support services - students	251,587	-	199,341	-	(52,246)
Support services - instruction	4,215,252	-	918,724	-	(3,296,528)
School administration	591,524	-	(135,515)	-	(727,039)
School administration support services	76,728	-	15,164	-	(61,564)
District administration	463,059	-	(79,182)	-	(542,241)
District administration support services	716,425	-	273,767	-	(442,658)
Operations and maintenance of plant	3,230,647	296,661	178,161	243,678	(2,512,147)
Student activities	749,578	-	114,501	-	(635,077)
Student transportation services	132,600	-	127,368	-	(5,232)
Food services	689,679	19,872	309,653	-	(360,154)
Total governmental activities	\$ 17,368,703	316,533	2,389,607	243,678	(14,418,885)
General revenues and transfers:					
Unrestricted Borough appropriation					1,360,065
Unrestricted investment and interest earnings					254
E-rate					2,236,987
Grants not restricted to specific programs					10,049,644
Other local revenue					863,563
Total general revenues and transfers					14,510,513
Change in net position					91,628
Net position, beginning of year					(1,421,923)
Net position, end of year					\$ (1,330,295)

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

LAKE AND PENINSULA SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2022

	School Operating Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 224,239	-	-	224,239
Short-term investments	340,887	-	-	340,887
Long-term investments	1,345,118	-	-	1,345,118
Accounts receivable	223,226	50,000	589,412	862,638
Due from other funds	598,857	100,952	478,357	1,178,166
Inventory	179,492	-	36,403	215,895
Prepays	54,781	-	-	54,781
Total assets	<u>2,966,600</u>	<u>150,952</u>	<u>1,104,172</u>	<u>4,221,724</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	106,366	-	74,547	180,913
Accrued payroll liabilities	779,789	-	-	779,789
Unearned revenue	-	-	26,721	26,721
Due to other funds	579,309	-	598,857	1,178,166
Total liabilities	<u>1,465,464</u>	<u>-</u>	<u>700,125</u>	<u>2,165,589</u>
Fund Balances:				
Non-spendable:				
Inventory	179,492	-	36,403	215,895
Prepays	54,781	-	-	54,781
Restricted:				
Scholarships	224,489	-	-	224,489
Career and vocational education	210,182	-	-	210,182
Student, community, housing, scholarship	-	-	248,784	248,784
Committed:				
Student transportation	-	-	155,263	155,263
Capital grant match and other purposes	-	150,952	-	150,952
Assigned - encumbrances	28,111	-	-	28,111
Unassigned	804,081	-	(36,403)	767,678
Total fund balances	<u>1,501,136</u>	<u>150,952</u>	<u>404,047</u>	<u>2,056,135</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>2,966,600</u>	<u>150,952</u>	<u>1,104,172</u>	<u>4,221,724</u>

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

LAKE AND PENINSULA SCHOOL DISTRICT

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

June 30, 2022

Amount reported as fund balances on the governmental funds balance sheet	\$	2,056,135
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Amounts reported for governmental activities in the statement of net position are different because:

Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources:

PERS	461,364	
TRS	<u>711,400</u>	1,172,764

Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources:

PERS	(2,246,495)	
TRS	<u>(4,109,384)</u>	(6,355,879)

Proportionate share of the collective OPEB assets:

PERS	2,058,344	
TRS	<u>3,650,345</u>	5,708,689

Proportionate share of the collective net pension and OPEB liabilities:

PERS	(2,859,939)	
TRS	<u>(2,254,239)</u>	(5,114,178)

Capital assets used in governmental activities are not financial resources and are not reported in the funds.

807,082

An internal service fund is used by the District to charge the cost of self-insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.

(316,171)

Assets to be contributed are used in governmental activities and are not financial resources and are not reported in the funds.

711,263

Net position of governmental activities

\$ (1,330,295)

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

LAKE AND PENINSULA SCHOOL DISTRICT

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

Year Ended June 30, 2022

	School Operating Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Charges for services	\$ 296,661	-	19,872	316,533
Earnings on investments	254	-	-	254
E-rate revenue	2,236,987	-	-	2,236,987
Other	879,845	-	583,532	1,463,377
Intergovernmental:				
Lake and Peninsula Borough	1,360,065	-	-	1,360,065
State of Alaska	9,847,808	243,678	269,550	10,361,036
Federal sources	1,240,279	-	2,644,839	3,885,118
Total revenues	<u>15,861,899</u>	<u>243,678</u>	<u>3,517,793</u>	<u>19,623,370</u>
Expenditures:				
Current:				
Instruction	5,786,346	-	1,487,835	7,274,181
Special education instruction	1,063,738	-	3,843	1,067,581
Special education support services - students	225,770	-	130,578	356,348
Support services - students	200,673	-	145,226	345,899
Support services - instruction	3,531,088	-	1,003,415	4,534,503
School administration	830,091	-	7,371	837,462
School administration support services	94,481	-	-	94,481
District administration	581,217	-	-	581,217
District administration support services	719,676	-	140,747	860,423
Operation and maintenance of plant	2,876,294	-	1,217	2,877,511
Student activities	629,338	-	157,377	786,715
Student transportation - to and from school	-	-	132,600	132,600
Food services	-	-	689,679	689,679
Construction and facilities acquisition	-	412,700	-	412,700
Total expenditures	<u>16,538,712</u>	<u>412,700</u>	<u>3,899,888</u>	<u>20,851,300</u>
Excess (deficiency) of revenues over expenditures	<u>(676,813)</u>	<u>(169,022)</u>	<u>(382,095)</u>	<u>(1,227,930)</u>
Other financing sources (uses):				
Transfers in	-	-	368,003	368,003
Transfers out	(368,003)	-	-	(368,003)
Total other financing sources (uses)	<u>(368,003)</u>	<u>-</u>	<u>368,003</u>	<u>-</u>
Net change in fund balances	(1,044,816)	(169,022)	(14,092)	(1,227,930)
Fund balances, beginning of year	<u>2,545,952</u>	<u>319,974</u>	<u>418,139</u>	<u>3,284,065</u>
Fund balances, end of year	<u>\$ 1,501,136</u>	<u>150,952</u>	<u>404,047</u>	<u>2,056,135</u>

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

LAKE AND PENINSULA SCHOOL DISTRICT

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

Year Ended June 30, 2022

Net change in fund balance - total governmental funds	\$	(1,227,930)
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Amounts reported for *governmental activities* in the statement of activities are different because:

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

Change in the unfunded net pension and OPEB assets and liabilities:			
PERS	\$	2,608,648	
TRS		<u>4,210,324</u>	6,818,972

Changes in deferred inflows and outflows of resources are the result 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	(2,093,260)	
TRS	<u>(3,624,655)</u>	(5,717,915)

Revenues in the Statement of Activities that represent notes receivable amounts that do not provide current financial resources are unavailable in the fund financial statements but recognized in the Statement of Activities. This amount represents the change in the revenue shown as unavailable in the fund financial statements

(16,282)

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

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

Capital outlay	447,694	
Depreciation expense	<u>(166,037)</u>	281,657

An internal service fund is used by management to charge the cost of health insurance to individual funds. The net income (loss) of this activity is reported in the governmental activity.

(46,874)

Change in net position of governmental activities	\$	<u><u>91,628</u></u>
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The notes to the financial statements are an integral part of this statement.

LAKE AND PENINSULA SCHOOL DISTRICT

Health Insurance Internal Service Fund

Statement of Net Position

June 30, 2022

Assets

Cash and cash equivalents	\$ <u>132,918</u>
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Liabilities and Net Position

Liabilities -	
Health claims payable	<u>449,089</u>

Net position - unrestricted	<u>(316,171)</u>
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Total liabilities and net position	\$ <u>132,918</u>
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The notes to the financial statements are an integral part of this statement.

LAKE AND PENINSULA SCHOOL DISTRICT

Health Insurance Internal Service Fund

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2022

Operating revenues - local sources - Interfund insurance charges	\$ 3,940,844
Operating expenses - Insurance claims and administration	<u>3,987,718</u>
Change in net position	(46,874)
Net position, beginning of year	<u>(269,297)</u>
Net position, end of year	<u><u>\$ (316,171)</u></u>

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

LAKE AND PENINSULA SCHOOL DISTRICT

Health Insurance Internal Service Fund

Statement of Cash Flows

Year Ended June 30, 2022

Cash flows provided (used) by operating activities:	
Receipts for interfund services provided	\$ 3,940,844
Payments for insurance claims and administration	<u>(4,003,897)</u>
Net cash flows provided (used) by operating activities	<u>(63,053)</u>
Cash and cash equivalents, beginning of year	<u>195,971</u>
Cash and cash equivalents, end of year	\$ <u><u>132,918</u></u>
Reconciliation of income from operations to net cash provided (used) by operating activities:	
Operating income	(46,874)
Changes in assets and liabilities that provided (used) cash:	
Decrease in claims payable	<u>(16,179)</u>
Net cash flows provided by operating activities	\$ <u><u>(63,053)</u></u>

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

On July 1, 1976, the Legislature of the State of Alaska established the District. At that time, assets were turned over to the District by the State of Alaska through direct transfer and use permits.

Pursuant to Alaska Statutes, Title 29.43.030, the Borough has the responsibility of establishing, maintaining and operating a system of public schools. The Borough's charter delegates the administrative responsibility for these functions to the elected School Board of the District.

The accompanying financial statements include all the activities of Lake and Peninsula School District. The District is a component unit and integral part of the reporting entity, which is Lake and Peninsula Borough. The School Board has the authority to establish its own budgets, hire all personnel, and manage its financial operations subject to the limitations established by State law and Borough charter. There were no entities, which are a component unit of the District, which have been included or excluded, in the accompanying financial report at June 30, 2022.

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 interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The School District does not presently have any business-type activities.

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

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.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Separate financial statements are provided for governmental funds, proprietary 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. The only proprietary fund reported by the District is an internal service fund.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Charges for services are recognized as revenues when earned.

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. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The District reports the following major governmental funds:

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

The *Capital Projects Fund* accounts for the revenues and expenditures of local, state and federally funded acquisitions of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Additionally, the District reports the following governmental fund types:

The *Special Revenue Funds* account for revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Proprietary Fund

Internal Service Fund. The Health Insurance Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies, of the District or to other governments. The District's internal service fund accounts for the District's self-insured health insurance program.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Internal Service Fund are District departments for services provided. Operating expenses for the Internal Service Fund include the costs of services and administrative expense. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Amounts reported as program revenues include 1) operating grants and contributions, and 2) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

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

Intergovernmental Revenue

State of Alaska foundation and pupil transportation, and federal aid for the school lunch program are susceptible to accrual and are recorded in the year to which they relate. Federal Impact Aid receipts are recorded as revenues in the year the monies are received. State of Alaska and Federal government cost reimbursable grants and contracts are recorded to the extent of allowable expenditures in the period in which the expenditures were incurred.

Revenues from the Lake and Peninsula Borough are recorded as Borough appropriations in the School Operating Fund as prescribed by the Uniform Chart of Accounts for School Districts. Revenues are susceptible to accrual and recorded in the year of the Borough appropriation. In the Capital Projects Fund, revenue from the Lake and Peninsula Borough is recorded as local revenue.

Local Revenue

Interest earned is recorded in the School Operating Fund unless otherwise specified by the funding source. Rental income from District leased property is recorded in the period to which it relates. Both interest and rental income are susceptible to accrual. Proceeds from the sale of lunches and other miscellaneous revenues are recognized in the year received.

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/OPEB, and pension/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.

Estimates

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Indirect Costs

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

D. Assets, Liabilities and Equity

1. *Cash and Investments*

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

2. *Receivables and Payables*

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

3. *Inventories and Prepaids*

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 expenditure 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 portion of fund balance classified as non-spendable in the fund financial statements, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Payments made to vendors for services that are applicable to future accounting periods are recorded as prepaids. The prepaid assets do not reflect current available resources and, thus, an equivalent portion of fund balance is classified as non-spendable in the fund financial statements.

4. *Capital Assets*

Capital assets, which include vehicles and equipment, are reported in the governmental activities column 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.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The Borough owns all land, school buildings and improvement that are provided to the School District. The School District collects rent for teacher housing units owned by the Borough and pays these rental fees to the Borough. The buildings are operated and maintained by the School District; however, ownership resides with the Borough. Contributed assets are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

General equipment and furniture 3 – 20 years

5. *Assets to be Contributed*

Assets to be contributed represent construction in progress, that when completed, will be transferred to the Lake and Peninsula Borough.

6. *Unearned Revenue*

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

7. *Compensated Absences*

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay over 12 months. No liability is reported for unpaid accumulated sick leave because there is no provision for payment or use of sick leave upon termination. Vacation pay is accrued when incurred and reported as a fund liability because all leave is expected to be liquidated with expendable available financial resources.

8. *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 to be contributed to the Lake and Peninsula Borough and assets that are restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantor (both federal and state), and by other contributors.
- Unrestricted – all other net position is reported in this category.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

9. Fund Balance

In the fund financial statements fund balance components include five classifications as follows:

Non-spendable fund balance – amounts that cannot be spent because they are in a nonspendable form (such as inventory and prepaids) or legally or contractually required to be maintained intact (such as the corpus of an endowment fund).

Restricted fund balance – amounts constrained by external parties, or legislation (such as grantors or higher levels of government).

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint. The highest level of authority is the School District Board, and they commit fund balance through Board restrictions.

Assigned fund balance – amounts that are intended for a particular purpose. Intent can be expressed by the governing body or by the Superintendent or designee.

Unassigned – amounts available for any purpose; these amounts are reported only in the School Operating Fund, unless non-spendable resources create a negative unassigned fund balance in the Special Revenue Funds.

The five categories of fund balance place varying strength of spending constraints on available resources in a descending order as listed. Non-spendable fund balance is the most restrictive classification and unassigned fund balance is the least restrictive.

The order of spending, regarding the restricted and unrestricted fund balance when an expenditure is incurred for which both restricted and unrestricted fund balance is available, should first reduce restricted fund balance and then unrestricted fund balance. The order of spending regarding unrestricted fund balance is that committed amounts should be reduced first, followed by the assigned amounts, and then the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the School Operating Fund and Special Revenue Funds. Encumbrances outstanding at year-end are reported in assigned fund balances since they do not constitute expenditures or liabilities. The amount of encumbrances, if significant, are disclosed in the Notes to the Basic Financial Statements.

10. Fair Value of Financial Instruments

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

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for most governmental funds except the Capital Projects Fund, which adopts project-length budgets. All annual appropriations lapse at fiscal yearend. Unexpended balances of grants from the state and federal governments for the Special Revenue Funds lapse at June 30 with the exception of those funds established to account for federal grants which lapse on September 30.

School Operating Fund

Annual budgets for operations are adopted by the School Board for all operating revenues, expenditures, and interfund transfers. The adopted School Operating Fund budget is submitted to Lake and Peninsula Borough Assembly for approval of the local appropriations, then to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.

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

The annual budget for the Food Service Special Revenue Fund follows the same guidelines as the School Operating Fund as noted in the preceding paragraph.

Special Revenue Funds

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

Capital Projects Fund

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

LAKE AND PENINSULA SCHOOL DISTRICT
Notes to Basic Financial Statements, Continued

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The District maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is reported on the balance sheet or Statement of Net Position as "Cash and cash equivalents" or amounts "due to/from other funds."

The District bank accounts are insured by the Federal Depository Insurance Corporation (FDIC) to a maximum of \$250,000 per financial institution. Any amount in excess of FDIC limits is to be collateralized with securities held by the District's agent in the District's name.

All deposits are carried at cost plus accrued interest. Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits will not be returned to the District. At June 30, 2022, the District had \$378,918 of uninsured cash. The District does not have in place an investment policy limiting custodial credit risk.

As of June 30, 2022, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity (in years)</u>		
		<u>Less than 1 year</u>	<u>1-5</u>	<u>6-10</u>
Fixed income	\$ <u>1,686,005</u>	<u>340,887</u>	<u>1,345,118</u>	<u>-</u>

Interest Rate Risk – The District has a policy to manage exposure to fair market value losses arising from increasing interest rates by limiting maturities of investments.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2022:

<u>Investments by fair value level</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income	\$ <u>1,686,005</u>	<u>1,686,005</u>	<u>-</u>	<u>-</u>

B. Accounts Receivable

Accounts receivable as of year-end for the District's individual major funds and other governmental funds are as follows:

	<u>School Operating Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:				
Grants	\$ -	50,000	589,412	639,412
Local sources	<u>223,226</u>	<u>-</u>	<u>-</u>	<u>223,226</u>
Total	\$ <u>223,226</u>	<u>50,000</u>	<u>589,412</u>	<u>862,638</u>

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

C. Capital Assets

Lake and Peninsula 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 equipment and vehicles.

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

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets being depreciated:				
Equipment	\$ 897,729	34,995	-	932,724
Vehicles	1,434,719	-	225,992	1,208,727
Total capital assets being depreciated	2,332,448	34,995	225,992	2,141,451
Less accumulated depreciation for:				
Equipment	854,951	24,601	-	879,554
Vehicles	539,371	141,436	225,992	454,815
Total accumulated depreciation	1,394,322	166,037	225,992	1,334,369
Total net capital assets	\$ 938,126	(131,042)	-	807,082

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

Governmental activities:	
Instruction	\$ 5,844
District administration support services	11,737
Operation and maintenance of plant	148,456
Total depreciation expense	\$ 166,037

D. Assets to be Contributed

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

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Construction in progress	\$ 298,562	412,701	-	711,263

Deletions of assets to be contributed consist of capital assets transferred to the Borough for reporting purposes.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

E. Interfund Receivables, Payables and Transfers

Interfund receivables and payables are shown as "Due From Other Funds" and "Due To Other Funds" in each of the individual funds. These balances at June 30, 2022 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School Operating Fund	Other Governmental Fund	\$ 598,857
Capital Project Fund	General	100,952
Other Governmental Funds	School Operating Fund	478,357
		<u>\$ 1,178,166</u>

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

<u>Transfers Out</u>	<u>Transfer In</u>	<u>Amount</u>
School Operating Fund	Other governmental Funds	\$ <u>368,003</u>

The School Operating Fund transferred \$368,003 to the Food Service Special Revenue Fund to cover current year expenditures in excess of revenues.

IV. OTHER INFORMATION

A. Risk Management

The District faces a considerable number of risks of loss, (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability, i.e., errors and omissions, (d) environmental damages, (e) workers compensation, and (f) medical/dental/vision costs for employees. The District participates in the Alaska Public Entity Insurance (APEI), which covers property and contents, torts, general and auto liability, school leader errors and omissions, and workers compensation. APEI is a public entity risk pool, which reinsures risk above certain levels, thereby relieving the members of the need for additional assessments. The Associations bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. The Association made no supplemental assessments during the year ended June 30, 2022. Coverage limits and the deductibles on commercial policies have stayed relatively constant for the last several years. There were no outstanding claims or liabilities at the end of the current period.

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

B. Employee Retirement Systems and Plans

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 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	62,248	19,136

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Investments

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

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

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return, net of investment expense, for the year ended June 30, 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.

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%

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.38%, which represents a decrease of 0.00% 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.

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.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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%.

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.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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.

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.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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
\$	<u>265,745</u>	<u>73,027</u>	<u>388,772</u>

Public Employees Retirement Plans

For the year ended June 30, 2022 the State of Alaska contributed \$150,128 (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 \$(91,546), 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 were associated with the District were as follows:

Defined Benefit:		Pension
District's proportionate share of the net pension liability	\$	<u>2,859,939</u>
State's proportionate share of the net pension liability		<u>387,604</u>
Total	\$	<u>3,247,543</u>
		OPEB
District's proportionate share of the ARHCT OPEB (asset)	\$	<u>(2,007,052)</u>
State's proportionate share of the ARHCT OPEB (asset)		<u>(265,453)</u>
Total	\$	<u>(2,272,505)</u>
District's proportionate share of the ODD OPEB (asset)	\$	<u>(29,840)</u>
District's proportionate share of the RMP OPEB (asset)	\$	<u>(21,452)</u>
Total District's share of net pension and OPEB liabilities and assets	\$	<u>801,595</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.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

	June 30, 2020 Measurement	June 30, 2021 Measurement	Change
Pension	0.0629%	0.0780%	0.0151%
OPEB:			
ARHCT	0.0628%	0.0782%	0.0154%
ODD	0.0776%	0.0677%	(0.0099%)
RMP	0.0959%	0.0799%	(0.0160%)

Based on the measurement date of June 30, 2021, the District recognized pension and OPEB expense of \$523,923 and (\$808,885), 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	\$ -	(12,670)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(1,127,810)
Changes in proportion and differences between District contributions and proportionate share of contributions	107,934	-
District contributions subsequent to the measurement date	265,745	-
Total	<u>\$ 373,679</u>	<u>(1,140,480)</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(21,077)
Changes of assumptions	-	(75,847)
Net difference between projected and actual earnings on OPEB plan investments	-	(939,193)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(18,843)
District contributions subsequent to the measurement date	54,574	-
Total	<u>\$ 54,574</u>	<u>(1,054,960)</u>

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(8,150)
Changes of assumptions	-	(227)
Net difference between projected and actual earnings on OPEB plan investments	-	(4,785)
Changes in proportion and differences between District contributions and proportionate share of contributions	5,302	(1,444)
District contributions subsequent to the measurement date	4,145	-
Total	\$ 9,447	(14,606)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,594	(1,020)
Changes of assumptions	6,668	(12,749)
Net difference between projected and actual earnings on OPEB plan investments	-	(19,192)
Changes in proportion and differences between District contributions and proportionate share of contributions	1,094	(3,488)
District contributions subsequent to the measurement date	14,308	-
Total	\$ 23,664	(36,449)

\$265,745 and \$73,027 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	\$ (166,825)	(335,790)	(1,887)	(5,657)
2023	(258,337)	(216,293)	(1,882)	(5,666)
2024	(279,449)	(232,254)	(1,932)	(5,860)
2025	(327,935)	(270,623)	(2,092)	(6,472)
2026	-	-	(621)	(1,147)
Thereafter	-	-	(890)	(2,290)
Total	\$ (1,032,545)	(1,054,960)	(9,304)	(27,092)

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2022, the District recognized \$519,267 and (\$27,036) 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	\$ 4,235,968	2,859,939	1,703,898
Net OPEB ARHCT (asset)	\$ (1,312,582)	(2,007,052)	(2,583,757)
Net OPEB ODD (asset)	\$ (28,573)	(29,840)	(30,849)
Net OPEB RMP liability (asset)	\$ 14,001	(21,452)	(48,230)

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)	\$ (2,651,268)	(2,007,052)	(1,229,651)
Net OPEB ODD (asset)	N/A	(29,840)	N/A
Net OPEB RMP liability (asset)	(52,063)	(21,452)	20,257

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.

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%

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The School District contributed \$140,209 for the year ended June 30, 2022, which included forfeitures of \$7,143 which have been applied against contributions.

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

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

The DB Plan's membership consisted of the following at June 30, 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.

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.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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>136,437</u>	<u>103,207</u>	<u>239,644</u>

Teachers Retirement Plans

For the year ended June 30, 2022 the State of Alaska contributed \$888,315 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date to a total of (\$1,017,158), 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:

	Pension
Defined Benefit:	
District's proportionate share of the net pension liability	\$ 2,254,239
State's proportionate share of the net pension liability	<u>1,912,095</u>
Total	<u>\$ 4,166,334</u>
	OPEB
District's proportionate share of the ARHCT OPEB (asset)	\$ (3,418,082)
State's proportionate share of the ARHCT OPEB (asset)	<u>(2,665,949)</u>
Total	<u>\$ (6,084,031)</u>
District's proportionate share of the ODD OPEB (asset)	<u>\$ (52,884)</u>
District's proportionate share of the RMP OPEB (asset)	<u>\$ (179,379)</u>
Total District's share of net pension and OPEB liabilities and assets	<u>\$ (1,396,106)</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 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.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

	June 30, 2020 Measurement	June 30, 2021 Measurement	Change
Pension	0.1735%	0.2832%	0.10976%
OPEB:			
ARHCT	0.1728%	0.2940%	0.12122%
ODD	0.6940%	0.8677%	0.17371%
RMP	0.6511%	0.8933%	0.24220%

Based on the measurement date of June 30, 2021, the District recognized pension and OPEB expense of \$614,658 and (\$1,977,634), 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	\$ -	(21,672)
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(2,327,269)
Changes in proportion and differences between District contributions and proportionate share of contributions	408,919	-
District contribution subsequent to the measurement date	136,437	-
Total	\$ <u>545,356</u>	<u>(2,348,941)</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(23,992)
Changes of assumptions	-	(98,681)
Net difference between projected and actual earnings on pension plan investments	-	(1,336,444)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(118,490)
District contribution subsequent to the measurement date	66,065	-
Total	\$ <u>66,065</u>	<u>(1,577,607)</u>

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(6,203)
Changes of assumptions	-	(29)
Net difference between projected and actual earnings on pension plan investments	-	(6,775)
Changes in proportion and differences between District contributions and proportionate share of contributions	7,381	(11,333)
District contribution subsequent to the measurement date	3,265	-
Total	\$ 10,646	(24,340)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 34,422	(5,808)
Changes of assumptions	12,185	(66,358)
Net difference between projected and actual earnings on pension plan investments	-	(70,540)
Changes in proportion and differences between District contributions and proportionate share of contributions	8,849	(15,790)
District contribution subsequent to the measurement date	33,877	-
Total	\$ 89,333	(158,496)

\$136,437 and \$103,207 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	\$	(152,490)	(554,072)	(2,781)	(21,149)
2023		(530,749)	(307,881)	(2,766)	(21,180)
2024		(576,891)	(330,597)	(2,849)	(22,002)
2025		(679,892)	(385,057)	(3,092)	(24,444)
2026		-	-	(1,178)	(4,559)
Thereafter		-	-	(4,293)	(9,706)
Total	\$	(1,940,022)	(1,577,607)	(16,959)	(103,040)

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2022, the District recognized \$1,148,093 and (\$214,497) 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	\$ 4,557,470	2,254,239	314,381
Net OPEB ARHCT (asset)	\$ (2,462,832)	(3,418,082)	(4,208,419)
Net OPEB ODD (asset)	\$ (53,015)	(52,884)	(52,824)
Net OPEB RMP (asset)	\$ (66,240)	(179,379)	(264,003)

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

	1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	\$ (4,297,261)	(3,418,082)	(2,352,756)
Net OPEB ODD (asset)	\$ N/A	(52,884)	N/A
Net OPEB RMP (asset)	\$ (275,411)	(179,379)	(47,409)

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%

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The School District contributed \$404,946 for the year ended June 30, 2022, which included forfeitures of \$4,050 which has been applied against contributions.

C. Alternative Retirement Plan

Lake and Peninsula School District participates in a 457 plan through Lincoln Financial Group, 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 457 plan immediately upon employment. Employees may make voluntary elective deferrals to the 457 plan up to the Internal Revenue Service regulation limits. The district does not contribute to the plan in any form.

D. Encumbrances

The District's encumbrances are classified as assigned fund balance in the School Operating Fund. The District had encumbrances of \$28,111 as of June 30, 2022.

E. Health Insurance Internal Service Fund

The Health Insurance Internal Service Fund was organized in 2014. Health insurance activity was previously recorded in the School Operating Fund since 1997 when the self-insured plan was created. The Lake and Peninsula School District and the Lake and Peninsula Borough have entered into a joint arrangement for self-insuring for health insurance. The program's general objectives are to formulate, develop and administer a program of health insurance and to obtain lower costs for that coverage. The School and Borough also purchase commercial insurance to provide coverage for claims in excess of \$60,000. This amount increased to \$75,000 beginning January 1, 2017, per employee, per year.

The various funds of the School and Borough make payments to the Internal Service Fund based on estimates of the amounts needed to pay claims. The School District accrues a liability for claims incurred but not reported at year end.

Changes in the claims payable are as follows:

Claims payable, June 30, 2020	\$	559,091
2021 claims and changes in estimates		2,625,568
2021 claims paid		<u>(2,719,391)</u>
Claims payable, June 30, 2021		<u>465,268</u>
Claims payable, June 30, 2021	\$	465,268
2022 claims and changes in estimates		3,074,003
2022 claims paid		<u>(3,090,182)</u>
Claims payable, June 30, 2022	\$	<u>449,089</u>

F. Contingent Liabilities

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

G. 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.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

LAKE AND PENINSULA SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues:				
Local sources:				
Charges for services	\$ -	-	296,661	296,661
Earnings on investments	20,000	10,000	254	(9,746)
E-rate revenue	2,268,192	2,268,192	2,236,987	(31,205)
Other	579,455	946,000	879,845	(66,155)
Intergovernmental:				
Borough appropriation	1,360,065	1,360,065	1,360,065	-
State of Alaska	10,008,593	9,810,796	9,847,808	37,012
Federal sources	1,200,019	1,240,279	1,240,279	-
Total revenues	<u>15,436,324</u>	<u>15,635,332</u>	<u>15,861,899</u>	<u>226,567</u>
Expenditures:				
Current:				
Instruction	5,644,475	5,343,707	5,786,346	(442,639)
Special education instruction	1,448,529	1,276,321	1,063,738	212,583
Special education support services - students	163,685	229,658	225,770	3,888
Support services - students	96,779	217,678	200,673	17,005
Support services - instruction	3,281,197	3,366,283	3,531,088	(164,805)
School administration	818,993	868,566	830,091	38,475
School administration support services	86,840	75,227	94,481	(19,254)
District administration	572,103	696,380	581,217	115,163
District administration support services	715,840	659,551	719,676	(60,125)
Operations and maintenance of plant	2,601,683	2,732,316	2,876,294	(143,978)
Student activities	403,859	622,852	629,338	(6,486)
Total expenditures	<u>15,833,983</u>	<u>16,088,539</u>	<u>16,538,712</u>	<u>(450,173)</u>
Excess (deficiency) of revenues over expenditures	<u>(397,659)</u>	<u>(453,207)</u>	<u>(676,813)</u>	<u>(223,606)</u>
Other financing sources (uses) -				
Transfers out	<u>(340,000)</u>	<u>(340,000)</u>	<u>(368,003)</u>	<u>(28,003)</u>
Net change in fund balance	<u>\$ (737,659)</u>	<u>(793,207)</u>	<u>(1,044,816)</u>	<u>(251,609)</u>
Fund balance, beginning of year			<u>2,545,952</u>	
Fund balance, end of year			<u>\$ 1,501,136</u>	

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

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of the 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	0.0426%	\$ 1,988,311	\$ 1,979,532	\$ 3,967,843	\$ 1,975,177	101%	62.37%
2016	0.1850%	\$ 5,749,290	\$ 1,540,305	\$ 7,289,595	\$ 2,279,236	252%	63.96%
2017	0.0769%	\$ 4,397,251	\$ 543,235	\$ 4,940,486	\$ 2,421,546	182%	59.55%
2018	0.0643%	\$ 3,322,033	\$ 1,236,083	\$ 4,558,116	\$ 2,464,319	135%	63.37%
2019	0.7650%	\$ 3,799,306	\$ 1,101,537	\$ 4,900,843	\$ 1,902,827	200%	65.19%
2020	0.0639%	\$ 3,499,991	\$ 1,387,887	\$ 4,887,878	\$ 2,111,755	166%	63.42%
2021	0.0629%	\$ 3,709,152	\$ 1,533,966	\$ 5,243,118	\$ 2,128,988	174%	61.61%
2022	0.0780%	\$ 2,859,939	\$ 387,604	\$ 3,247,543	\$ 1,810,191	158%	74.46%

See accompanying notes to Required Supplementary Information.

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of the 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	0.0760%	\$ 642,394	\$ 239,732	\$ 882,126	\$ 2,464,319	26.07%	89.68%
2019	0.0766%	\$ 785,806	\$ 228,239	\$ 1,014,045	\$ 1,902,827	41.30%	88.12%
2020	0.0639%	\$ 94,753	\$ 37,599	\$ 132,352	\$ 2,111,755	4.49%	98.13%
2021	0.0628%	\$ (284,575)	\$ (118,149)	\$ (402,724)	\$ 2,128,988	-13.37%	106.15%
2022	0.0782%	\$ (2,007,052)	\$ (265,453)	\$ (2,272,505)	\$ 2,128,988	-94.27%	135.54%
Occupational Death and Disability (ODD):							
2018	0.1303%	\$ (18,489)	\$ -	\$ (18,489)	\$ 2,464,319	-0.75%	212.97%
2019	0.0994%	\$ (19,303)	\$ -	\$ (19,303)	\$ 1,902,827	-1.01%	270.62%
2020	0.0693%	\$ (16,821)	\$ -	\$ (16,821)	\$ 2,111,755	-0.80%	297.43%
2021	0.0776%	\$ (21,139)	\$ -	\$ (21,139)	\$ 2,128,988	-0.99%	283.80%
2022	0.0677%	\$ (29,840)	\$ -	\$ (29,840)	\$ 2,128,988	-1.40%	374.22%
Retiree Medical Plan (RMP):							
2018	0.1303%	\$ 6,795	\$ -	\$ 6,795	\$ 616,628	1.10%	93.98%
2019	0.0994%	\$ 12,647	\$ -	\$ 12,647	\$ 708,505	1.79%	88.71%
2020	0.0873%	\$ 20,882	\$ -	\$ 20,882	\$ 693,409	3.01%	83.17%
2021	0.0959%	\$ 6,805	\$ -	\$ 6,805	\$ 580,727	1.17%	92.23%
2022	0.0799%	\$ (21,452)	\$ -	\$ (21,452)	\$ 580,727	-3.69%	115.10%

See accompanying notes to Required Supplementary Information.

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of the 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	\$ 157,251	\$ (157,251)	\$ -	\$ 2,279,236	6.90%
2016	\$ 174,505	\$ (174,505)	\$ -	\$ 2,421,546	7.21%
2017	\$ 183,851	\$ (183,851)	\$ -	\$ 2,464,319	7.46%
2018	\$ 264,070	\$ (264,070)	\$ -	\$ 1,902,827	13.88%
2019	\$ 220,264	\$ (218,099)	\$ 2,165	\$ 2,111,755	10.43%
2020	\$ 230,570	\$ (230,030)	\$ 540	\$ 2,128,988	10.83%
2021	\$ 211,192	\$ (210,340)	\$ 852	\$ 1,810,191	11.67%
2022	\$ 264,538	\$ (265,745)	\$ (1,207)	\$ 2,177,186	12.15%

See accompanying notes to Required Supplementary Information.

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of the 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	\$ 65,499	\$ (65,499)	\$ -	\$ 1,902,827	3.44%
2019	\$ 84,083	\$ (84,083)	\$ -	\$ 2,111,755	3.98%
2020	\$ 90,551	\$ (90,551)	\$ -	\$ 2,128,988	4.25%
2021	\$ 43,965	\$ (43,965)	\$ -	\$ 1,810,191	2.43%
2022	\$ 54,574	\$ (54,574)	\$ -	\$ 2,177,186	2.51%
Occupational Death and Disability (ODD):					
2018	\$ 1,801	\$ (1,801)	\$ -	\$ 1,902,827	0.09%
2019	\$ 2,936	\$ (2,936)	\$ -	\$ 2,111,755	0.14%
2020	\$ 3,297	\$ (3,297)	\$ -	\$ 2,128,988	0.15%
2021	\$ 3,744	\$ (3,744)	\$ -	\$ 1,810,191	0.21%
2022	\$ 4,145	\$ (4,145)	\$ -	\$ 2,177,186	0.19%
Retiree Medical Plan (RMP):					
2018	\$ 11,586	\$ (11,586)	\$ -	\$ 708,505	1.64%
2019	\$ 10,617	\$ (10,617)	\$ -	\$ 693,409	1.53%
2020	\$ 16,739	\$ (16,739)	\$ -	\$ 580,727	2.88%
2021	\$ 15,377	\$ (15,377)	\$ -	\$ 567,341	2.71%
2022	\$ 14,308	\$ (14,308)	\$ -	\$ 637,314	2.25%

See accompanying notes to Required Supplementary Information.

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of the 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	0.0531%	\$ 1,591,717	\$ 11,804,622	\$ 13,396,339	\$ 3,535,278	45.02%	55.70%
2016	0.1664%	\$ 3,096,477	\$ 4,946,597	\$ 8,043,074	\$ 3,631,429	85.27%	73.82%
2017	0.2167%	\$ 4,947,165	\$ 5,877,918	\$ 10,824,783	\$ 3,802,144	130.12%	68.40%
2018	0.1635%	\$ 3,313,813	\$ 5,786,624	\$ 9,100,437	\$ 4,000,314	82.84%	72.39%
2019	0.2023%	\$ 3,872,868	\$ 5,756,788	\$ 9,629,656	\$ 4,191,871	92.39%	74.09%
2020	0.2032%	\$ 3,796,378	\$ 5,635,691	\$ 9,432,069	\$ 3,303,877	114.91%	74.68%
2021	0.1735%	\$ 3,526,353	\$ 6,121,133	\$ 9,647,486	\$ 4,150,191	84.97%	72.81%
2022	0.2832%	\$ 2,254,239	\$ 1,912,095	\$ 4,166,334	\$ 5,190,016	43.43%	89.43%

See accompanying notes to Required Supplementary Information.

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of the 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	0.1632%	\$ 300,203	\$ 526,582	\$ 826,785	\$ 4,000,314	7.50%	93.75%
2019	0.2018%	\$ 627,429	\$ 936,432	\$ 1,563,861	\$ 4,191,871	14.97%	90.23%
2020	0.2032%	\$ (310,581)	\$ (462,137)	\$ (772,718)	\$ 3,303,877	-9.40%	105.50%
2021	0.1728%	\$ (618,027)	\$ (1,079,170)	\$ (1,697,197)	\$ 4,150,191	-14.89%	113.78%
2022	0.2940%	\$ (3,418,082)	\$ (2,665,949)	\$ (6,084,031)	\$ 5,190,016	-65.86%	145.41%
Occupational Death and Disability (ODD):							
2018	0.7638%	\$ (24,962)	\$ -	\$ (24,962)	\$ 4,000,314	-0.62%	1342.59%
2019	0.8161%	\$ (28,612)	\$ -	\$ (28,612)	\$ 4,191,871	-0.68%	1304.81%
2020	0.5394%	\$ (21,687)	\$ -	\$ (21,687)	\$ 3,303,877	-0.66%	1409.77%
2021	0.6940%	\$ (29,875)	\$ -	\$ (29,875)	\$ 4,150,191	-0.72%	931.08%
2022	0.8677%	\$ (52,884)	\$ -	\$ (52,884)	\$ 5,190,016	-1.02%	1254.36%
Retiree Medical Plan (RMP):							
2018	0.7638%	\$ (36,206)	\$ -	\$ (36,206)	\$ 1,147,033	-3.16%	118.16%
2019	0.8161%	\$ (26,098)	\$ -	\$ (26,098)	\$ 891,314	-2.93%	109.56%
2020	0.5390%	\$ (20,675)	\$ -	\$ (20,675)	\$ 2,436,226	-0.85%	110.03%
2021	0.6511%	\$ (64,233)	\$ -	\$ (64,233)	\$ 2,202,273	-2.92%	125.59%
2022	0.8933%	\$ (179,379)	\$ -	\$ (179,379)	\$ 2,905,924	-6.17%	142.54%

See accompanying notes to Required Supplementary Information.

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of the 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	\$ 94,680	\$ (94,680)	\$ -	\$ 3,631,429	2.61%
2016	\$ 77,483	\$ (77,483)	\$ -	\$ 3,802,144	2.04%
2017	\$ 108,448	\$ (108,448)	\$ -	\$ 4,000,314	2.71%
2018	\$ 132,977	\$ (132,977)	\$ -	\$ 4,191,871	3.17%
2019	\$ 87,748	\$ (46,896)	\$ 40,852	\$ 3,303,877	2.66%
2020	\$ 130,555	\$ (137,886)	\$ (7,331)	\$ 4,150,191	3.15%
2021	\$ 154,153	\$ (159,522)	\$ (5,369)	\$ 5,190,016	2.97%
2022	\$ 133,352	\$ (136,437)	\$ (3,085)	\$ 5,132,102	2.60%

See accompanying notes to Required Supplementary Information.

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of the 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	\$ 65,856	\$ (65,856)	\$ -	\$ 4,191,871	1.57%
2019	\$ 43,771	\$ (43,771)	\$ -	\$ 3,303,877	1.32%
2020	\$ 72,851	\$ (72,851)	\$ -	\$ 4,150,191	1.76%
2021	\$ 86,552	\$ (86,552)	\$ -	\$ 5,190,016	1.67%
2022	\$ 66,065	\$ (66,065)	\$ -	\$ 5,132,102	1.29%
Occupational Death and Disability (ODD):					
2018	\$ -	\$ -	\$ -	\$ 4,191,871	0.00%
2019	\$ 1,612	\$ (1,612)	\$ -	\$ 3,303,877	0.05%
2020	\$ 2,320	\$ (2,320)	\$ -	\$ 4,150,191	0.06%
2021	\$ 3,141	\$ (3,141)	\$ -	\$ 5,190,016	0.06%
2022	\$ 3,265	\$ (3,265)	\$ -	\$ 5,132,102	0.06%
Retiree Medical Plan (RMP):					
2018	\$ 26,693	\$ (26,693)	\$ -	\$ 1,148,460	2.32%
2019	\$ 16,627	\$ (16,627)	\$ -	\$ 2,436,226	0.68%
2020	\$ 31,602	\$ (31,602)	\$ -	\$ 2,202,273	1.43%
2021	\$ 37,677	\$ (37,677)	\$ -	\$ 2,905,924	1.30%
2022	\$ 33,877	\$ (33,877)	\$ -	\$ 3,224,092	1.05%

See accompanying notes to Required Supplementary Information.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Required Supplementary Information

June 30, 2022

1. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for most governmental funds except the Capital Projects Fund, which adopts project-length budgets. All annual appropriations lapse at fiscal yearend. Unexpended balances of grants from the state and federal governments for the Special Revenue Funds lapse at June 30 with the exception of those funds established to account for federal grants which lapse on September 30.

School Operating Fund

Annual budgets for operations are adopted by the School Board for all operating revenues, expenditures, and interfund transfers. The adopted School Operating Fund budget is submitted to Lake and Peninsula Borough Assembly for approval of the local appropriations, then to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.

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

2. Excess of Expenditures over Appropriations

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

	Amounts in Excess <u>of Appropriations</u>
Instruction	\$ 442,639
Support services – instruction	164,805
School administration support services	19,254
District administration support services	60,125
Operations and maintenance of plant	143,978
Student activities	6,486

Excess expenditures were covered through available fund balance.

3. 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.

4. 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

LAKE AND PENINSULA SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Charges for services	\$ -	296,661	296,661
Earnings on investments	10,000	254	(9,746)
E-rate revenue	2,268,192	2,236,987	(31,205)
Other	946,000	879,845	(66,155)
Total local sources	3,224,192	3,413,747	189,555
Intergovernmental:			
Borough - direct appropriation	1,360,065	1,360,065	-
State of Alaska:	-	-	-
Foundation and Quality Schools	8,772,542	8,806,695	34,153
On-behalf TRS	878,187	888,315	10,128
On-behalf PERS	157,397	150,128	(7,269)
Other state revenues	2,670	2,670	-
Total state sources	9,810,796	9,847,808	37,012
Federal sources			
Impact Aid - direct	1,240,279	1,240,279	-
Total revenues	15,635,332	15,861,899	226,567
Expenditures:			
Current:			
Instruction:			
Salaries:			
Certificated	2,494,154	2,498,668	(4,514)
Non-certificated	81,200	307,768	(226,568)
Employee benefits	1,863,911	1,718,548	145,363
Housing allowance	257,590	463,048	(205,458)
Transportation allowance	38,000	41,070	(3,070)
Professional and technical services	38,000	47,100	(9,100)
Staff travel	227,000	269,715	(42,715)
Utility services	1,100	1,393	(293)
Other purchased services	15,800	33,880	(18,080)
Supplies, materials and media	306,438	384,642	(78,204)
Other	20,514	20,514	-
Total instruction	5,343,707	5,786,346	(442,639)
Special education instruction:			
Salaries:			
Certificated	410,000	361,631	48,369
Non-certificated	200,000	185,890	14,110
Employee benefits	499,275	414,592	84,683
Housing allowance	61,260	-	61,260
Professional and technical services	88,486	83,173	5,313
Staff travel	13,000	13,255	(255)
Utility services	100	98	2
Supplies, materials and media	4,200	5,099	(899)
Total special education instruction	1,276,321	1,063,738	212,583

(continued)

LAKE AND PENINSULA SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Special education support services - students:			
Salaries:			
Certificated	\$ 40,962	41,337	(375)
Employee benefits	14,551	14,559	(8)
Professional and technical services	150,000	152,116	(2,116)
Staff travel	18,000	11,869	6,131
Utility services	145	210	(65)
Supplies, materials and media	6,000	5,679	321
Total special education support services - students	229,658	225,770	3,888
Support services - students:			
Salaries:			
Certificated	101,412	101,637	(225)
Employee benefits	107,346	98,750	8,596
Housing allowance	8,420	-	8,420
Staff travel	500	286	214
Total support services - students	217,678	200,673	17,005
Support services - instruction:			
Support services - instruction:			
Salaries:			
Certificated	278,000	268,354	9,646
Non-certificated	65,000	58,203	6,797
Employee benefits	263,634	250,673	12,961
Professional and technical services	-	1,100	(1,100)
Staff travel	62,000	84,136	(22,136)
Utility services	1,400	1,686	(286)
Other purchased services	4,000	3,399	601
Supplies, materials and media	13,500	19,369	(5,869)
Other	2,625	2,625	-
Total support services - instruction	690,159	689,545	614
Instructional-related technology			
Salaries:			
Certificated	38,143	38,143	-
Non-certificated	141,000	139,420	1,580
Employee benefits	163,090	147,583	15,507
Transportation allowance	2,500	2,577	(77)
Professional and technical services	5,000	4,680	320
Staff travel	16,000	20,221	(4,221)
Utility services	2,223,391	2,397,661	(174,270)
Other purchased services	7,000	6,675	325
Supplies, materials and media	80,000	84,583	(4,583)
Total instructional-related technology	2,676,124	2,841,543	(165,419)
Total support services - instruction	3,366,283	3,531,088	(164,805)

(continued)

LAKE AND PENINSULA SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
School administration:			
Salaries:			
Certificated	\$ 490,000	488,245	1,755
Employee benefits	295,316	275,992	19,324
Housing allowance	23,800	-	23,800
Transportation allowance	3,400	6,313	(2,913)
Staff travel	52,000	56,222	(4,222)
Utility services	50	16	34
Supplies, materials and media	1,000	462	538
Other	3,000	2,841	159
Total school administration	868,566	830,091	38,475
School administration support services:			
Salaries:			
Non-certificated	42,400	44,527	(2,127)
Employee benefits	30,277	47,149	(16,872)
Utility services	2,500	2,775	(275)
Supplies, materials and media	50	30	20
Total school administration support services	75,227	94,481	(19,254)
District administration:			
Salaries:			
Certificated	158,000	158,658	(658)
Non-certificated	21,000	22,275	(1,275)
Employee benefits	371,880	252,020	119,860
Professional and technical services	22,000	22,510	(510)
Staff travel	90,000	93,045	(3,045)
Utility services	3,000	1,695	1,305
Other purchased services	200	440	(240)
Supplies, materials and media	20,000	20,320	(320)
Other	10,300	10,254	46
Total district administration	696,380	581,217	115,163
District administration support services:			
Salaries:			
Non-certificated	348,510	383,142	(34,632)
Employee benefits	237,105	213,480	23,625
Professional and technical services	30,010	30,010	-
Staff travel	1,488	4,210	(2,722)
Utility services	22	254	(232)
Other purchased services	77,035	77,205	(170)
Supplies, materials and media	35,851	39,438	(3,587)
Other	29,530	112,684	(83,154)
Indirect cost recovery	(100,000)	(140,747)	40,747
Total district administration support services	659,551	719,676	(60,125)

(continued)

LAKE AND PENINSULA SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Operation and maintenance of plant:			
Salaries:			
Certificated	\$ 4,296	4,296	-
Non-certificated	705,000	779,761	(74,761)
Employee benefits	435,568	399,682	35,886
Transportation allowance	3,000	2,539	461
Professional and technical services	58,900	58,307	593
Staff travel	120,000	122,031	(2,031)
Utility services	863,210	1,039,710	(176,500)
Other purchased services	290,000	206,908	83,092
Supplies, materials and media	243,342	254,416	(11,074)
Other	9,000	8,644	356
Total operation and maintenance of plant	<u>2,732,316</u>	<u>2,876,294</u>	<u>(143,978)</u>
Student activities:			
Salaries:			
Certificated	102,000	100,479	1,521
Non-certificated	38,000	38,194	(194)
Employee benefits	61,502	57,182	4,320
Professional and technical services	1,200	1,200	-
Staff travel	405,000	413,542	(8,542)
Student travel	-	3,545	(3,545)
Other purchased services	3,750	3,750	-
Supplies, materials and media	7,400	7,501	(101)
Other	4,000	3,945	55
Total student activities	<u>622,852</u>	<u>629,338</u>	<u>(6,486)</u>
Total expenditures	<u>16,088,539</u>	<u>16,538,712</u>	<u>(450,173)</u>
Excess of revenues over expenditures	<u>(453,207)</u>	<u>(676,813)</u>	<u>(223,606)</u>
Other financing (uses):			
Transfers out:			
Food Service Special Revenue Fund	<u>(340,000)</u>	<u>(368,003)</u>	<u>(28,003)</u>
Net change in fund balance	\$ <u>(793,207)</u>	<u>(1,044,816)</u>	<u>(251,609)</u>
Fund balance, beginning of year		<u>2,545,952</u>	
Fund balance, end of year		\$ <u><u>1,501,136</u></u>	

LAKE AND PENINSULA SCHOOL DISTRICT

Capital Projects Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance

Year Ended June 30, 2022

Revenues:

Intergovernmental:

State sources - Alaska Housing Finance Corporation \$ 243,678

Expenditures:

Construction and facilities acquisition -

Igiugig Teacher Housing 412,700

Excess (deficiency) of revenues over expenditures (169,022)

Fund balance, beginning of year 319,974Fund balance, end of year \$ 150,952

LAKE AND PENINSULA SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2022

	Special Revenue Funds							
	Student Transportation	Broadband Assistance Grant	Comprehensive Literacy	Food Service	Title I-A Basic and Title IV	Title I-C Migrant Education	Migrant Literacy	Title I-A School Improvement
<u>Assets</u>								
Accounts receivable:								
Local	\$ -	-	-	-	-	-	-	-
Federal sources passed through the State of Alaska	-	-	28,395	-	67,827	62,381	2,508	2,317
Due from School Operating Fund	155,263	13,790	-	-	-	-	-	-
Inventory	-	-	-	36,403	-	-	-	-
Total assets	<u>155,263</u>	<u>13,790</u>	<u>28,395</u>	<u>36,403</u>	<u>67,827</u>	<u>62,381</u>	<u>2,508</u>	<u>2,317</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	-	13,790	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Due to School Operating Fund	-	-	28,395	36,403	67,827	62,381	2,508	2,317
Total liabilities	<u>-</u>	<u>13,790</u>	<u>28,395</u>	<u>36,403</u>	<u>67,827</u>	<u>62,381</u>	<u>2,508</u>	<u>2,317</u>
Fund balances:								
Non-spendable:								
Inventory	-	-	-	36,403	-	-	-	-
Restricted:								
Student, community, housing, scholarship	-	-	-	-	-	-	-	-
Committed:								
Student transportation	155,263	-	-	-	-	-	-	-
Unassigned	-	-	-	(36,403)	-	-	-	-
Total fund balances	<u>155,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>155,263</u>	<u>13,790</u>	<u>28,395</u>	<u>36,403</u>	<u>67,827</u>	<u>62,381</u>	<u>2,508</u>	<u>2,317</u>

(continued)

LAKE AND PENINSULA SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

	Special Revenue Funds							
	Title II-A	Title VI-B IDEA	ARP ESSER III	Carl Perkins - Secondary	CHILD	Literacy 365 FY22	Bay Smokehouse	ESSER II
<u>Assets</u>								
Accounts receivable:								
Local	\$ -	-	-	-	-	-	-	-
Federal sources passed through the State of Alaska	67,746	15,400	65,681	15,130	27,921	27,263	-	104,443
Due from School Operating Fund	-	-	-	-	-	-	1,010	-
Inventory	-	-	-	-	-	-	-	-
Total assets	<u>67,746</u>	<u>15,400</u>	<u>65,681</u>	<u>15,130</u>	<u>27,921</u>	<u>27,263</u>	<u>1,010</u>	<u>104,443</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	-	-	-	-	3,842	23,116	1,010	-
Unearned revenue	-	-	-	-	-	-	-	-
Due to School Operating Fund	<u>67,746</u>	<u>15,400</u>	<u>65,681</u>	<u>15,130</u>	<u>24,079</u>	<u>4,147</u>	<u>-</u>	<u>104,443</u>
Total liabilities	<u>67,746</u>	<u>15,400</u>	<u>65,681</u>	<u>15,130</u>	<u>27,921</u>	<u>27,263</u>	<u>1,010</u>	<u>104,443</u>
Fund balances:								
Non-spendable:								
Inventory	-	-	-	-	-	-	-	-
Restricted:								
Student, community, housing, scholarship	-	-	-	-	-	-	-	-
Committed:								
Student transportation	-	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>67,746</u>	<u>15,400</u>	<u>65,681</u>	<u>15,130</u>	<u>27,921</u>	<u>27,263</u>	<u>1,010</u>	<u>104,443</u>

(continued)

LAKE AND PENINSULA SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

	Special Revenue Funds								
	Igiugig Sewing, String Stories and Dogsleds	Bristol Bay Welds ACF	BBNC KOK Cultural Outreach	USDA Distance Learning and Telemedicine Denali Commission Match	Tenesqaaq BB Career Awareness ANE	BBNC Native Heritage	CTE New Visions Art	Student Activities	Total Special Revenue Funds
<u>Assets</u>									
Accounts receivable:									
Local	\$ -	-	-	-	76,946	-	-	-	76,946
Federal sources passed through the State of Alaska	-	-	-	15,454	-	-	10,000		512,466
Due from School Operating Fund	5,000	32,789	3,704	-	-	18,017	-	248,784	478,357
Inventory	-	-	-	-	-	-	-		36,403
Total assets	<u>5,000</u>	<u>32,789</u>	<u>3,704</u>	<u>15,454</u>	<u>76,946</u>	<u>18,017</u>	<u>10,000</u>	<u>248,784</u>	<u>1,104,172</u>
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Accounts payable	-	32,789	-	-	-	-	-	-	74,547
Unearned revenue	5,000	-	3,704	-	-	18,017	-	-	26,721
Due to School Operating Fund	-	-	-	15,454	76,946	-	10,000	-	598,857
Total liabilities	<u>5,000</u>	<u>32,789</u>	<u>3,704</u>	<u>15,454</u>	<u>76,946</u>	<u>18,017</u>	<u>10,000</u>	<u>-</u>	<u>700,125</u>
Fund balances:									
Non-spendable:									
Inventory	-	-	-	-	-	-	-	-	36,403
Restricted:									
Student, community, housing, scholarship								248,784	248,784
Committed:									-
Student transportation	-	-	-	-	-	-	-	-	155,263
Unassigned	-	-	-	-	-	-	-	-	(36,403)
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,784</u>	<u>404,047</u>
Total liabilities and fund balances	\$ <u>5,000</u>	<u>32,789</u>	<u>3,704</u>	<u>15,454</u>	<u>76,946</u>	<u>18,017</u>	<u>10,000</u>	<u>248,784</u>	<u>1,104,172</u>

LAKE AND PENINSULA SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Year Ended June 30, 2022

	Special Revenue Funds									
	Student Transportation	Port Heiden Artists	Broadband Assistance Grant	Comprehensive Literacy	Food Service	Fresh Fruit and Vegetable	Title I-A Basic and Title IV	Title I-C Migrant Education	Migrant Literacy	Title I-A School Improvement
Revenues:										
Local sources:										
Charges for services	\$ -	-	-	-	19,872	-	-	-	-	-
Other	-	2,834	-	-	-	-	-	-	-	-
Intergovernmental:										
State of Alaska	127,094	-	137,706	-	-	-	-	-	-	-
Federal sources:										
Direct	-	-	-	-	-	-	-	-	-	-
Passed through the State of Alaska	-	-	-	206,174	288,530	21,123	160,185	127,877	2,508	30,421
Passed through other intermediary agencies	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>127,094</u>	<u>2,834</u>	<u>137,706</u>	<u>206,174</u>	<u>308,402</u>	<u>21,123</u>	<u>160,185</u>	<u>127,877</u>	<u>2,508</u>	<u>30,421</u>
Expenditures:										
Current:										
Instruction	-	2,834	-	81	-	-	99,326	118,998	2,358	24,485
Special education instruction	-	-	-	-	-	-	-	-	-	3,843
Special education support services - students	-	-	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-	-	-
Support services - instruction	-	-	137,706	193,769	-	-	51,280	1,232	-	-
School administration	-	-	-	-	-	-	-	-	-	-
District administration support services	-	-	-	12,324	-	-	9,579	7,647	150	1,819
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	132,326	-	-	-	-	-	-	-	-	274
Food services	-	-	-	-	668,556	21,123	-	-	-	-
Total expenditures	<u>132,326</u>	<u>2,834</u>	<u>137,706</u>	<u>206,174</u>	<u>668,556</u>	<u>21,123</u>	<u>160,185</u>	<u>127,877</u>	<u>2,508</u>	<u>30,421</u>
Excess (deficiency) of revenues over expenditures	(5,232)	-	-	-	(360,154)	-	-	-	-	-
Other financing sources:										
Transfers in	-	-	-	-	368,003	-	-	-	-	-
Net change in fund balances	(5,232)	-	-	-	7,849	-	-	-	-	-
Fund balances, beginning of year	160,495	-	-	-	(7,849)	-	-	-	-	-
Fund balances, end of year	<u>\$ 155,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

LAKE AND PENINSULA SCHOOL DISTRICT

Other Governmental Funds

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

Special Revenue Funds										
	Title II-A	Title VI-B IDEA	Preschool Disabled	ARP ESSER III	Carl Perkins - Secondary	RLIS	Indian Education FY22	CHILD	DHSS Screening	Literacy 365 FY21
Revenues:										
Local sources:										
Charges for services	\$ -	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Intergovernmental:										
State of Alaska	-	-	-	-	-	-	-	-	-	-
Federal sources:										
Direct	-	-	-	-	-	14,506	100,921	-	-	128,291
Passed through the State of Alaska	67,746	129,654	9,229	117,404	29,954	-	-	-	123,021	-
Passed through other intermediary agencies	-	-	-	-	-	-	-	458,400	-	-
Total revenues	67,746	129,654	9,229	117,404	29,954	14,506	100,921	458,400	123,021	128,291
Expenditures:										
Current:										
Instruction	-	-	-	1,217	28,528	-	94,886	353,690	-	24,847
Special education instruction	-	-	-	-	-	-	-	-	-	-
Special education support services - students	-	121,901	8,677	-	-	-	-	-	-	-
Support services - students	-	-	-	53,581	-	-	-	-	75,560	-
Support services - instruction	63,695	-	-	45,781	-	14,506	-	104,710	40,104	95,773
School administration	-	-	-	7,371	-	-	-	-	-	-
District administration support services	4,051	7,753	552	8,237	1,426	-	6,035	-	7,357	7,671
Operations and maintenance of plant	-	-	-	1,217	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-
Total expenditures	67,746	129,654	9,229	117,404	29,954	14,506	100,921	458,400	123,021	128,291
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-
Other financing sources:										
Transfers in	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balances, end of year	\$ -	-	-	-	-	-	-	-	-	-

(continued)

LAKE AND PENINSULA SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds										Total Special Revenue Funds
	Literacy 365 FY22	BBNC Bay Smokehouse	ESSER II	Bristol Bay Welds ACF	Tenesqaaq- BB Career Awareness - ANE	BBNC KOK Cultural Outreach	USDA Distance Learning and and Telemedicine Denali Commission Match	BBNC Native Heritage	CTE New Visions Art	Student, Community, Housing, and Scholarship Activities	
Revenues:											
Local sources:											
Charges for services	\$ -	-	-	-	-	-	-	-	-	-	19,872
Other	-	5,000	-	50,000	381,751	1,296	-	1,983	-	140,668	583,532
Intergovernmental:											
State of Alaska	-	-	-	-	-	-	-	-	4,750	-	269,550
Federal sources:											
Direct	485,957	-	-	-	-	-	15,454	-	-	-	745,129
Passed through the State of Alaska	-	-	122,234	-	-	-	-	-	5,250	-	1,441,310
Passed through other intermediary agencies	-	-	-	-	-	-	-	-	-	-	458,400
Total revenues	<u>485,957</u>	<u>5,000</u>	<u>122,234</u>	<u>50,000</u>	<u>381,751</u>	<u>1,296</u>	<u>15,454</u>	<u>1,983</u>	<u>10,000</u>	<u>140,668</u>	<u>3,517,793</u>
Expenditures:											
Current:											
Instruction	209,382	4,681	91,113	42,975	359,701	1,296	15,454	1,983	10,000	-	1,487,835
Special education instruction	-	-	-	-	-	-	-	-	-	-	3,843
Special education support services - students	-	-	-	-	-	-	-	-	-	-	130,578
Support services - students	250	-	15,835	-	-	-	-	-	-	-	145,226
Support services - instruction	246,882	-	7,977	-	-	-	-	-	-	-	1,003,415
School administration	-	-	-	-	-	-	-	-	-	-	7,371
District administration support services	29,443	319	7,309	7,025	22,050	-	-	-	-	-	140,747
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-	-	1,217
Student activities	-	-	-	-	-	-	-	-	-	157,377	157,377
Student transportation - to and from school	-	-	-	-	-	-	-	-	-	-	132,600
Food services	-	-	-	-	-	-	-	-	-	-	689,679
Total expenditures	<u>485,957</u>	<u>5,000</u>	<u>122,234</u>	<u>50,000</u>	<u>381,751</u>	<u>1,296</u>	<u>15,454</u>	<u>1,983</u>	<u>10,000</u>	<u>157,377</u>	<u>3,899,888</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	(16,709)	(382,095)
Other financing sources:											
Transfers in	-	-	-	-	-	-	-	-	-	-	368,003
Net change in fund balances	-	-	-	-	-	-	-	-	-	(16,709)	(14,092)
Fund balances, beginning of year	-	-	-	-	-	-	-	-	-	265,493	418,139
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,784</u>	<u>404,047</u>

LAKE AND PENINSULA SCHOOL DISTRICT

Student Transportation Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ 127,094	127,094	-
Expenditures:			
Current:			
Student transportation - to and from school:			
Non-certificated salaries	19,245	20,334	(1,089)
Employee benefits	9,217	9,558	(341)
Other purchased services	98,282	101,804	(3,522)
Supplies, materials and media	350	630	(280)
Total expenditures	127,094	132,326	(5,232)
Excess (deficiency) of revenues over expenditures	\$ -	(5,232)	(5,232)
Fund balance, beginning of year		160,495	
Fund balance, end of year		\$ 155,263	

LAKE AND PENINSULA SCHOOL DISTRICT

Port Heiden Artists Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 2,834	2,834	-
Expenditures:			
Current:			
Instruction:			
Professional and technical services	2,592	2,592	-
Supplies, materials and media	242	242	-
Total expenditures	2,834	2,834	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Broadband Assistance Grant (BAG) Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ 139,843	137,706	(2,137)
Expenditures:			
Current:			
Support services - instruction -			
Utility services	139,843	137,706	2,137
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Comprehensive Literacy Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 321,757	206,174	(115,583)
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	5,650	-	5,650
Supplies, materials and media	-	81	(81)
Total instruction	5,650	81	5,569
Support services - instruction:			
Certificated salaries	70,500	76,773	(6,273)
Non-certificated salaries	-	5,202	(5,202)
Employee benefits	35,000	34,447	553
Professional and technical services	44,590	44,860	(270)
Staff travel	137,677	24,445	113,232
Supplies, materials and media	9,100	8,042	1,058
Total support services - instruction	296,867	193,769	103,098
District administration support services - Indirect costs	19,240	12,324	6,916
Total expenditures	321,757	206,174	115,583
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Food Service Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources - charges for services	\$ 19,922	19,872	(50)
Intergovernmental - Federal Department of Agriculture passed through the State of Alaska	300,871	288,530	(12,341)
Total revenues	<u>320,793</u>	<u>308,402</u>	<u>(12,391)</u>
Expenditures:			
Current:			
Food services:			
Non-certificated salaries	183,020	185,927	(2,907)
Employee benefits	169,932	171,650	(1,718)
Professional and technical services	4,715	4,715	-
Staff travel	3,828	3,828	-
Supplies, materials and media	299,298	302,436	(3,138)
Total expenditures	<u>660,793</u>	<u>668,556</u>	<u>(7,763)</u>
Excess (deficiency) of revenues over expenditures	(340,000)	(360,154)	(20,154)
Other financing sources - transfers in: School Operating Fund	<u>340,000</u>	<u>368,003</u>	<u>28,003</u>
Net change in fund balance	\$ <u>-</u>	7,849	<u>7,849</u>
Fund balance, beginning of year		<u>(7,849)</u>	
Fund balance, end of year		\$ <u>-</u>	

LAKE AND PENINSULA SCHOOL DISTRICT

Fresh Fruit and Vegetable Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental - Federal Department of Agriculture passed through the State of Alaska	\$ 21,284	21,123	(161)
Expenditures:			
Current:			
Food services - Supplies, materials and media	21,284	21,123	161
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Title I-A Basic and Title IV Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 175,181	160,185	(14,996)
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	75,117	78,843	(3,726)
Employee benefits	17,794	19,362	(1,568)
Supplies, materials and media	12,899	1,121	11,778
Total instruction	105,810	99,326	6,484
Support services - instruction:			
Certificated salaries	30,923	31,603	(680)
Employee benefits	26,473	18,177	8,296
Professional and technical services	300	300	-
Supplies, materials and media	1,200	1,200	-
Total support services - instruction	58,896	51,280	7,616
District administration support services - Indirect costs	10,475	9,579	896
Total expenditures	175,181	160,185	14,996
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Title I-C Migrant Education Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 232,309	127,877	(104,432)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	39,083	32,671	6,412
Non-certificated salaries	71,716	59,943	11,773
Employee benefits	19,933	14,044	5,889
Transportation allowance	12,077	12,077	-
Supplies, materials and media	68,941	263	68,678
Total instruction	211,750	118,998	92,752
Support services - students - Supplies, materials and media	5,548	-	5,548
Support services - instruction:			
Other purchased services	1,120	1,120	-
Supplies, materials and media	-	112	(112)
Total support services - instruction	1,120	1,232	(112)
District administration support services - Indirect costs	13,891	7,647	6,244
Total expenditures	232,309	127,877	104,432
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Migrant Literacy Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 4,662	2,508	(2,154)
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	4,383	2,358	2,025
District administration support services -			
Indirect costs	279	150	129
Total expenditures	4,662	2,508	2,154
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Title I-A School Improvement Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 50,000	30,421	(19,579)
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	2,295	1,039	1,256
Employee benefits	279	279	-
Professional and technical services	11,769	11,769	-
Staff travel	3,231	2,658	573
Utility services	1,800	-	1,800
Supplies, materials, and media	17,331	8,740	8,591
Total instruction	36,705	24,485	12,220
Special education instruction:			
Certificated salaries	8,090	3,090	5,000
Employee benefits	2,215	753	1,462
Total special education instruction	10,305	3,843	6,462
District administration support services - Indirect costs	2,990	1,819	1,171
Student transportation - to and from school:			
Non-certificated salaries	-	253	(253)
Employee benefits	-	21	(21)
Total student transportation - to and from school	-	274	(274)
Total expenditures	50,000	30,421	19,579
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Title II-A Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 67,746	67,746	-
Expenditures:			
Current:			
Support services - instruction:			
Certificated salaries	34,700	34,700	-
Employee benefits	9,877	9,540	337
Professional and technical services	599	599	-
Staff travel	18,519	18,856	(337)
Total support services - instruction	63,695	63,695	-
District administration support services - Indirect costs	4,051	4,051	-
Total expenditures	67,746	67,746	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Title VI-B IDEA Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 140,367	129,654	(10,713)
Expenditures:			
Current:			
Special education support services - students:			
Professional and technical services	103,475	103,475	-
Staff travel	22,705	18,426	4,279
Equipment	6,175	-	6,175
Total special education support services - students	132,355	121,901	10,454
District administration support services - Indirect costs	8,012	7,753	259
Total expenditures	140,367	129,654	10,713
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Preschool Disabled Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 9,229	9,229	-
Expenditures:			
Current:			
Special education support services - students:			
Certificated salaries	6,083	6,083	-
Employee benefits	2,594	2,594	-
Total special education support services - students	8,677	8,677	-
District administration support services - Indirect costs	552	552	-
Total expenditures	9,229	9,229	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

ARP ESSER III Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 197,668	117,404	(80,264)
Expenditures:			
Current:			
Instruction -			
Employee benefits	1,200	1,217	(17)
Support services - students:			
Certificated salaries	79,699	47,250	32,449
Employee benefits	28,099	3,883	24,216
Professional and technical services	1,050	1,050	-
Supplies, materials and media	12,500	1,398	11,102
Total support services - students	121,348	53,581	67,767
Support services - instruction:			
Certificated salaries	31,000	28,500	2,500
Employee benefits	22,700	17,281	5,419
Total support services - instruction	53,700	45,781	7,919
School administration -			
Employee benefits	7,200	7,371	(171)
District administration support services:			
Employee benefits	1,200	1,217	(17)
Indirect costs	11,820	7,020	4,800
Total district administration support services	13,020	8,237	4,783
Operations and maintenance of plant -			
Employee benefits	1,200	1,217	(17)
Total expenditures	197,668	117,404	80,264
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Carl Perkins - Secondary Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 29,954	29,954	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	9,970	9,970	-
Employee benefits	4,316	4,316	-
Professional and technical services	3,225	3,225	-
Staff travel	11,017	11,017	-
Total instruction	28,528	28,528	-
District administration support services - Indirect costs	1,426	1,426	-
Total expenditures	29,954	29,954	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

RLIS Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources - direct	\$ 14,506	14,506	-
Expenditures:			
Current:			
Support services - instruction - Staff travel	14,506	14,506	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Indian Education FY22 Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources - direct	\$ 100,921	100,921	-
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	26,328	26,328	-
Employee benefits	43,751	43,751	-
Staff travel	2,249	17,626	(15,377)
Student travel	15,377	-	15,377
Supplies, materials and media	7,181	7,181	-
Total instruction	94,886	94,886	-
District administration support services - Indirect costs	6,035	6,035	-
Total expenditures	100,921	100,921	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

CHILD Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental:			
federal education sources - other	\$ 505,363	458,400	(46,963)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	50,400	43,283	7,117
Non-certificated salaries	184,140	113,135	71,005
Employee benefits	93,816	135,227	(41,411)
Utility services	-	267	(267)
Supplies, materials and media	44,225	61,778	(17,553)
Other expenses	3,700	-	3,700
Total instruction	376,281	353,690	22,591
Support services - instruction:			
Certificated salaries	61,750	62,353	(603)
Employee benefits	24,700	30,880	(6,180)
Staff travel	42,507	9,656	32,851
Supplies, materials and media	-	1,821	(1,821)
Other expenses	125	-	125
Total support services - instruction	129,082	104,710	24,372
Total expenditures	505,363	458,400	46,963
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

DHSS Screening Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal sources passed through the State of Alaska	\$ 123,021	123,021	-
Expenditures:			
Current:			
Support services - students:			
Certificated salaries	19,800	-	19,800
Non-certificated salaries	51,491	43,291	8,200
Employee benefits	25,794	13,690	12,104
Professional and technical services	293	293	-
Supplies, materials and media	18,286	18,286	-
Total support services - students	115,664	75,560	40,104
Support services - instruction:			
Certificated salaries	-	19,800	(19,800)
Non-certificated salaries	-	8,200	(8,200)
Employee benefits	-	12,104	(12,104)
Total support services - instruction	-	40,104	(40,104)
District administration support services - Indirect costs	7,357	7,357	-
Total expenditures	123,021	123,021	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Literacy 365 FY21 Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources - direct	\$ 128,291	128,291	-
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	24,847	24,847	-
Support services - instruction:			
Certificated salaries	61,203	61,203	-
Non-certificated salaries	15,000	15,000	-
Employee benefits	19,486	19,486	-
Staff travel	84	84	-
Total support services - students	95,773	95,773	-
District administration support services - Indirect costs	7,671	7,671	-
Total expenditures	128,291	128,291	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Literacy 365 FY22 Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources - direct	\$ 615,164	485,957	(129,207)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	1,000	1,000	-
Non-certificated salaries	-	1,250	(1,250)
Employee benefits	-	352	(352)
Utility services	1,000	780	220
Supplies, materials and media	206,000	206,000	-
Total instruction	208,000	209,382	(1,382)
Support services - students - Other	-	250	(250)
Support services - instruction:			
Certificated salaries	98,503	75,956	22,547
Non-certificated salaries	30,000	22,500	7,500
Employee benefits	49,301	18,906	30,395
Professional and technical services	33,050	33,950	(900)
Staff travel	112,726	83,449	29,277
Supplies, materials and media	44,460	12,121	32,339
Total support services - instruction	368,040	246,882	121,158
District administration support services - Indirect costs	39,124	29,443	9,681
Total expenditures	615,164	485,957	129,207
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

BBNC Bay Smokehouse Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 5,000	5,000	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	400	-	400
Other purchased services	-	1,010	(1,010)
Supplies, materials and media	4,000	3,671	329
Total instruction	4,400	4,681	(281)
District administration support services - Indirect costs	600	319	281
Total expenditures	5,000	5,000	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

ESSER II Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - federal education sources passed through the State of Alaska	\$ 124,582	122,234	(2,348)
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	89,632	91,113	(1,481)
Support services - students -			
Staff travel	20,000	15,835	4,165
Support services - instruction -			
Professional and technical services	7,500	7,977	(477)
District administration support services -			
Indirect costs	7,450	7,309	141
Total expenditures	124,582	122,234	2,348
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Bristol Bay Welds ACF Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 50,000	50,000	-
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	42,975	42,975	-
District administration support services -			
Indirect costs	7,025	7,025	-
Total expenditures	50,000	50,000	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Tenesqaaq - BB Career Awareness - ANE Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 537,529	381,751	(155,778)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	119,621	81,234	38,387
Non-certificated salaries	195,000	125,316	69,684
Employee benefits	125,850	108,588	17,262
Professional and technical services	30,000	22,500	7,500
Staff travel	24,320	14,191	10,129
Supplies, materials and media	4,200	7,872	(3,672)
Equipment	7,500	-	7,500
Total instruction	506,491	359,701	146,790
District administration support services - Indirect costs	31,038	22,050	8,988
Total expenditures	537,529	381,751	155,778
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

BBNC KOK Cultural Outreach Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 5,000	1,296	(3,704)
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	5,000	1,296	3,704
Excess (deficiency) of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

USDA Distance and Telemedicine - Denali Commission Match Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources - direct	\$ 50,000	15,454	(34,546)
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	50,000	15,454	34,546
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

BBNC Native Heritage Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 20,000	1,983	(18,017)
Expenditures:			
Current:			
Instruction:			
Supplies, materials and media	10,000	1,983	8,017
Tuition - students and stipends	10,000	-	10,000
Total expenditures	20,000	1,983	18,017
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

CTE New Visions Art Special Revenue Fund

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

Year Ended June 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental - federal sources passed through State of Alaska	\$ 5,250	5,250	-
Local sources - other	4,750	4,750	-
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Supplies, materials and media	5,000	9,500	(4,500)
Tuition - students and stipends	5,000	500	4,500
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

LAKE AND PENINSULA SCHOOL DISTRICT

Student, Community, Housing and Scholarship Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Other Governmental Funds

Year Ended June 30, 2022

	Actual Amounts
	<u> </u>
Revenues - local sources - other	\$ <u>140,668</u>
Expenditures:	
Current:	
Student activities:	
Non-certificated salaries	1,480
Employee benefits	250
Staff travel	49,354
Other purchased services	800
Supplies, materials and media	86,593
Other expenses	<u>18,900</u>
Total student activities	<u>157,377</u>
Excess (deficiency) of revenues over expenditures	\$ (16,709)
Fund balance, beginning of year	<u>265,493</u>
Fund balance, end of year	<u><u>248,784</u></u>

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of Compliance - AS 14.17.505

June 30, 2022

Total fund balance - School Operating Fund	\$	1,501,136
less exemptions per 4 AAC 09.160(a)		
Encumbrances		28,111
Inventory		179,492
Prepaid items		54,781
Federal impact aid received		<u>1,238,752</u>
Fund Balance Subject to 10% Limitation	\$	<u><u>-</u></u>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	\$	<u>-</u>	=	<u>0.00%</u>
Current year expenditures		16,538,712		

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year June 30, 2021

<u>Grant Title</u>	<u>Assistance Listing Number</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>Federal Expenditures</u>
U.S. Department of Education:				
Direct sources:				
Impact Aid 2022	84.041	11-AK-2022-2807	\$ 1,240,279	1,240,279
Indian Education	84.060A	S060A170784	100,921	100,921
REAP-RLIS Special Qualified Agencies	84.358C	S358C200005	6,477	6,477
REAP-RLIS Special Qualified Agencies	84.358C	S358C210016	8,029	8,029
Total ALN 84.358C			<u>14,506</u>	<u>14,506</u>
Literacy 365	84.215G	S215G190056-21	485,366	485,957
Literacy 365	84.215G	S215G190056-20	593,981	128,291
Total ALN 84.215G			<u>1,079,347</u>	<u>614,248</u>
Total U.S. Department of Education Direct Programs			<u>2,435,053</u>	<u>1,969,954</u>
Passed through the State of Alaska:				
Title I-A, Basic	84.010	IP22.LPSD.01	155,732	140,736
Title I-C Student Improvement	84.010A	SI 21 LPSD 03	50,000	30,421
Total ALN 84.010			<u>205,732</u>	<u>171,157</u>
Title I-C, Migrant Education	84.011	IP22.LPSD.01	168,442	127,877
Migrant Literacy	84.011	MB22.LPSD.01	4,662	2,508
Total ALN 84.011			<u>173,104</u>	<u>130,385</u>
Title II-A, Class Size Reduction	84.367	IP22.LPSD.01	67,746	67,746
Title IV	84.424a	IP22.LPSD.01	19,449	19,449
Carl Perkins Secondary	84.048	EK22.LPSD.01	29,954	29,954
Special Education Cluster:				
Title VI-B, IDEA	84.027	SE 22.LPSD.01	116,818	116,818
Preschool Disabled, IDEA, Part B	84.173	SE 22.LPSD.01	7,037	7,037
Title VI-B IDEA ARP	84.173X	SE 22.LPSD.01	23,549	12,836
Preschool Disabled, IDEA, Part B ARP	84.173X	SE 22.LPSD.01	2,192	2,192
Total Special Education Cluster			<u>149,596</u>	<u>138,883</u>
COVID-19 ESSER II	84.425D	ER 22.LPSD.01	342,114	122,234
COVID-19 ESSER III	84.425U	ER 22.LPSD.01	1,141,672	117,404
Total ALN 84.425D			<u>1,483,786</u>	<u>239,638</u>
FY21 Comprehensive State Literacy Development	84.371	AL 21.LPSD.01	135,861	23,445
FY22 Comprehensive State Literacy Development	84.371C	AL 22.LPSD.01	185,896	182,729
Total ALN 84.371			<u>321,757</u>	<u>206,174</u>
Total U.S. Department of Education passed through the State of Alaska			<u>2,451,124</u>	<u>1,003,386</u>
Passed through other intermediary agencies:				
Bristol Bay Borough School District - Cultural Heritage Improves Learning and Development (CHILD)	84.356	S356A210018	<u>3,042,153</u>	<u>458,400</u>
Total U.S. Department of Education			<u>7,928,330</u>	<u>3,431,740</u>

(continued)

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards, Continued

<u>Grant Title</u>	<u>Assistance Listing Number</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture - Passed through the State of Alaska:				
Child Nutrition Cluster:				
Fresh Fruit and Vegetable Program	10.582	FF22.LPSD.01	6,650	6,489
Fresh Fruit and Vegetable Program	10.582	FF22.LPSD.02	14,634	14,634
National School Breakfast Program	10.553	00801	60,843	60,843
National School Lunch Program	10.555	00801	178,346	178,346
Emergency Operating Costs	10.555	03001	20,906	20,906
Supply Chain Assistance	10.555	FD22.LPSD.01	12,597	12,597
USDA Commodities	10.555	00801	14,797	14,797
Total Child Nutrition Cluster			<u>308,773</u>	<u>308,612</u>
Food Distribution Administrative Fee Reimbursement	10.649	03001	<u>1,041</u>	<u>1,041</u>
Total U.S. Department of Agriculture			<u>309,814</u>	<u>309,653</u>
U.S. Department of Health and Human Services - Passed through the State of Alaska:				
Screening Testing to Reopen and Keep Schools Operating Safely	93.323	601-308-21031	<u>123,021</u>	<u>123,021</u>
National Endowment for the Arts:				
Passed through Alaska State Council on the Arts:				
New Visions	45.024	FY22-NV008	<u>5,250</u>	<u>5,250</u>
Denali Commission:				
Direct:				
Bristol Bay Regional Advanced Distance Services Program	90.100	1683	<u>50,000</u>	<u>15,454</u>
Total federal financial assistance			<u>\$ 8,416,415</u>	<u>3,885,118</u>

See accompanying notes to the Schedule.

LAKE AND PENINSULA 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 Lake and Peninsula 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 Lake and Peninsula School District, it is not intended to and does not present the basic financial statements of Lake and Peninsula 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. Lake and Peninsula School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform guidance.

Note 3. 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 \$14,797 in commodities.

Note 4. Passed Through Awards

No amounts were passed through to subrecipients.

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of State Financial Assistance

For the Fiscal Year June 30, 2022

<u>Grant Title</u>	<u>Grant Number</u>	<u>Grant Award</u>	<u>Eligible Expenditures</u>
Alaska Department of Education and Early Development:			
* Foundation	None	\$ 8,781,541	8,781,541
Quality Schools	None	25,154	25,154
Broadband Assistance Grant (BAG)	None	137,706	137,706
Dividend Raffle	None	2,670	2,670
Pupil Transportation	None	127,094	127,094
Total Alaska Department of Education and Early Development		<u>9,074,165</u>	<u>9,074,165</u>
Alaska Housing Finance Corporation:			
* Igiugig Teacher Housing	THP-21-LPS-1	<u>500,000</u>	<u>243,678</u>
Alaska Council on the Arts -			
New Visions	FY22-NV008	<u>5,250</u>	<u>4,750</u>
Total State Financial Assistance		<u>\$ 9,579,415</u>	<u>9,322,593</u>

See accompanying notes to the Schedule.

LAKE AND PENINSULA 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 Lake and Peninsula 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 Lake and Peninsula School District, it is not intended to and does not present the basic financial statements of Lake and Peninsula School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the District's basic financial statements.

Note 3. Subrecipients

No state funds were passed through to subrecipients.

Note 4. Major Programs

* denotes a major program for compliance audit purposes.

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	\$ 9,322,593
PERS On-Behalf	150,128
TRS On-Behalf	<u>888,315</u>
Total State Financial Assistance	\$ <u>10,361,036</u>

COMPLIANCE SECTION

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

Independent Auditor's Report

Members of the School Board
Lake and Peninsula School District
King Salmon, 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 Lake and Peninsula School District, a component unit of the Lake and Peninsula Borough, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Lake and Peninsula School District's basic financial statements, and have issued our report thereon dated October 26, 2022.

Report on Internal Control Over Financial Reporting

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

A handwritten signature in cursive script that reads "Altman, Rogers & Co.".

Anchorage, Alaska
October 26, 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
Lake and Peninsula School District
King Salmon, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lake and Peninsula 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 Lake and Peninsula School District's major federal programs for the year ended June 30, 2022. Lake and Peninsula 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, Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula 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.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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



Anchorage, Alaska
October 26, 2022

LAKE AND PENINSULA 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 were prepared in accordance with GAAP:

Unmodified

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

____ Yes X No

Internal control over financial reporting:

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified?

____ Yes X None reported

Noncompliance material to the financial statements noted?

____ Yes X No

Federal Awards

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

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified?

____ Yes X None reported

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

____ Yes X No

Type of auditor's report issued on compliance for major 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 X No

Identification of major programs:

Assistance Listing Number(s)

84.041

84.356

Name of Federal Program or Cluster

Impact Aid

Cultural Heritage Improves Learning
and Development

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

\$ 750,000

Auditee qualified as low-risk auditee?

X Yes ____ No

LAKE AND PENINSULA SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

The Lake and Peninsula School District did not have any findings related to the financial statements.

Section III – Federal Award Findings and Questioned Costs

The Lake and Peninsula School District did not have any findings that related to federal awards.

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

Independent Auditor's Report

Members of the School Board
Lake and Peninsula School District
King Salmon, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

In our opinion, Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula 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 Lake and Peninsula School District's.

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.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.



Anchorage, Alaska
October 26, 2022

LAKE AND PENINSULA 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 Financial Assistance

Internal control over major programs:

Material weakness identified? Yes X No

Significant deficiency identified? Yes X None reported

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

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

Auditee qualified as low-risk auditee? X Yes No

Section II – Financial Statement Findings

Lake and Peninsula School District did not have any findings that related to the financial statements.

Section III – State Award Findings and Questioned Costs

Lake and Peninsula School District did not have any findings related to State awards.