

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, 2021

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, 2021

LAKE AND PENINSULA SCHOOL DISTRICT

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake and Peninsula School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the School Operating Fund and Literacy 365 Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United 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.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2021 on our consideration of the 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.



Anchorage, Alaska
October 30, 2021

LAKE AND PENINSULA SCHOOL DISTRICT

Statement of Net Position

June 30, 2021

<u>Assets and Deferred Outflows of Resources</u>	<u>Governmental Activities</u>
Current assets:	
Cash and cash equivalents	\$ 286,901
Short-term investments	1,711,077
Accounts receivable	1,047,083
Accrued interest	6,536
Inventories	129,536
Prepaid items	447,677
Total current assets	<u>3,628,810</u>
Long-term assets:	
Long-term investments	685,728
Accounts receivable	16,282
Assets to be contributed to Lake and Peninsula Borough	298,562
Capital assets	2,332,448
Accumulated depreciation	(1,394,322)
Net OPEB assets	1,017,849
Total long-term assets	<u>2,956,547</u>
Deferred outflows of resources - Pension and OPEB deferrals	<u>1,307,231</u>
Total assets and deferred outflows of resources	<u><u>7,892,588</u></u>
<u>Liabilities, Deferred Inflows of Resources and Net Position</u>	
Current liabilities:	
Accounts payable	74,121
Accrued health claims	465,268
Accrued payroll liabilities	678,177
Unearned revenue	79,604
Due to agency fund	2,600
Total current liabilities	<u>1,299,770</u>
Long-term liabilities - Net pension and OPEB liabilities	<u>7,242,310</u>
Deferred inflows of resources - Pension and OPEB deferrals	<u>772,431</u>
Total liabilities and deferred inflows of resources	<u>9,314,511</u>
Net position:	
Net investment in capital assets	938,126
Restricted:	
Assets to be contributed	298,562
Scholarships	224,003
Student transportation	61,131
Career and vocational development	210,182
Student, community, housing, scholarship	265,493
Unrestricted	<u>(3,419,420)</u>
Total net position	<u>(1,421,923)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ <u>7,892,588</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, 2021

	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	\$ 6,142,902	-	1,177,841	-	(4,965,061)
Special education instruction	1,071,699	-	1,166	-	(1,070,533)
Special education support services - students	212,479	-	112,443	-	(100,036)
Support services - students	40,706	-	24,505	-	(16,201)
Support services - instruction	3,945,037	-	836,820	-	(3,108,217)
School administration	613,188	-	(6,069)	-	(619,257)
School administration support services	87,328	-	2,938	-	(84,390)
District administration	506,559	-	(4,587)	-	(511,146)
District administration support services	715,945	-	126,419	-	(589,526)
Operations and maintenance of plant	2,862,353	341,338	144,286	1,184,999	(1,191,730)
Student activities	290,619	-	48,308	-	(242,311)
Student transportation services	150,930	-	134,398	-	(16,532)
Community services	14,562	-	11,811	-	(2,751)
Food services	754,077	20,526	289,185	-	(444,366)
Total governmental activities	\$ 17,408,384	361,864	2,899,464	1,184,999	(12,962,057)
General revenues and transfers:					
Unrestricted Borough appropriation					1,845,595
Unrestricted investment and interest earnings					5,835
E-rate					2,289,041
Grants not restricted to specific programs					10,682,603
Other local revenue					338,072
Total general revenues and transfers					15,161,146
Change in net position					2,199,089
Net position, beginning of year					(3,621,012)
Net position, end of year					\$ (1,421,923)

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

LAKE AND PENINSULA SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2021

	School Operating Fund	Literacy 365 Special Revenue Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 90,930	-	-	-	90,930
Short-term investments	1,711,077	-	-	-	1,711,077
Long-term investments	685,728	-	-	-	685,728
Accounts receivable	114,088	397,687	256,322	295,268	1,063,365
Accrued interest	6,536	-	-	-	6,536
Due from other funds	728,425	-	85,580	517,006	1,331,011
Inventory	101,675	-	-	27,861	129,536
Prepays	447,677	-	-	-	447,677
Total assets	<u>3,886,136</u>	<u>397,687</u>	<u>341,902</u>	<u>840,135</u>	<u>5,465,860</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>					
Liabilities:					
Accounts payable	40,539	-	21,928	11,654	74,121
Accrued payroll liabilities	678,177	-	-	-	678,177
Unearned revenue	-	-	-	79,604	79,604
Due to other funds	602,586	397,687	-	330,738	1,331,011
Due to agency fund	2,600	-	-	-	2,600
Total liabilities	<u>1,323,902</u>	<u>397,687</u>	<u>21,928</u>	<u>421,996</u>	<u>2,165,513</u>
Deferred inflows of resources -					
Unavailable revenues	16,282	-	-	-	16,282
Total liabilities and deferred inflows of resources	<u>1,340,184</u>	<u>397,687</u>	<u>21,928</u>	<u>421,996</u>	<u>2,181,795</u>
Fund Balances:					
Non-spendable:					
Inventory	101,675	-	-	27,861	129,536
Prepays	447,677	-	-	-	447,677
Long-term receivables	22,269	-	-	-	22,269
Restricted:					
Scholarships	224,003	-	-	-	224,003
Student transportation	-	-	-	61,131	61,131
Career and vocational education	210,182	-	-	-	210,182
Student, community, housing, scholarship	-	-	-	265,493	265,493
Committed:					
Student transportation	-	-	-	99,364	99,364
Capital grant match and other purposes	-	-	319,974	-	319,974
Assigned - encumbrances	46,255	-	-	-	46,255
Unassigned	1,493,891	-	-	(35,710)	1,458,181
Total fund balances	<u>2,545,952</u>	<u>-</u>	<u>319,974</u>	<u>418,139</u>	<u>3,284,065</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,886,136</u>	<u>397,687</u>	<u>341,902</u>	<u>840,135</u>	<u>5,465,860</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, 2021

Amount reported as fund balances on the governmental funds balance sheet		\$ 3,284,065
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	579,745	
TRS	<u>727,486</u>	1,307,231
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources:		
PERS	(271,616)	
TRS	<u>(500,815)</u>	(772,431)
Proportionate share of the collective net pension and OPEB assets:		
PERS	305,714	
TRS	<u>712,135</u>	1,017,849
Proportionate share of the collective net pension and OPEB liabilities:		
PERS	(3,715,957)	
TRS	<u>(3,526,353)</u>	(7,242,310)
Long-term accounts receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds		16,282
Capital assets used in governmental activities are not financial resources and are not reported in the funds.		938,126
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.		(269,297)
Assets to be contributed are used in governmental activities and are not financial resources and are not reported in the funds.		<u>298,562</u>
Net position of governmental activities		\$ <u><u>(1,421,923)</u></u>

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, 2021

	School Operating Fund	Literacy 365 Special Revenue Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local sources:					
Charges for services	\$ 341,338	-	-	20,526	361,864
Earnings on investments	5,835	-	-	-	5,835
E-rate revenues	2,289,041	-	-	-	2,289,041
Other	395,003	-	-	188,049	583,052
Intergovernmental:					
Lake and Peninsula Borough	1,845,595	-	928,677	-	2,774,272
State of Alaska	10,026,230	-	256,322	285,332	10,567,884
Federal sources	1,437,921	544,761	-	1,867,107	3,849,789
Total revenues	<u>16,340,963</u>	<u>544,761</u>	<u>1,184,999</u>	<u>2,361,014</u>	<u>20,431,737</u>
Expenditures:					
Current:					
Instruction	6,036,675	338,002	-	891,739	7,266,416
Special education instruction	1,296,348	-	-	-	1,296,348
Special education support services - students	100,036	-	-	112,443	212,479
Support services - students	71,099	-	-	12,754	83,853
Support services - instruction	3,305,413	173,895	-	658,342	4,137,650
School administration	774,468	-	-	600	775,068
School administration support services	94,586	-	-	-	94,586
District administration	586,164	-	-	-	586,164
District administration support services	666,594	32,864	-	68,418	767,876
Operation and maintenance of plant	2,737,896	-	-	111,060	2,848,956
Student activities	254,530	-	-	61,325	315,855
Student transportation - to and from school	-	-	-	134,147	134,147
Community services	-	-	-	14,562	14,562
Food services	-	-	-	754,077	754,077
Construction and facilities acquisition	-	-	1,260,299	-	1,260,299
Total expenditures	<u>15,923,809</u>	<u>544,761</u>	<u>1,260,299</u>	<u>2,819,467</u>	<u>20,548,336</u>
Excess (deficiency) of revenues over expenditures	<u>417,154</u>	<u>-</u>	<u>(75,300)</u>	<u>(458,453)</u>	<u>(116,599)</u>
Other financing sources (uses):					
Transfers in	-	-	-	435,000	435,000
Transfers out	<u>(435,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(435,000)</u>
Total other financing sources (uses)	<u>(435,000)</u>	<u>-</u>	<u>-</u>	<u>435,000</u>	<u>-</u>
Net change in fund balances	(17,846)	-	(75,300)	(23,453)	(116,599)
Fund balances, beginning of year	<u>2,563,798</u>	<u>-</u>	<u>395,274</u>	<u>441,592</u>	<u>3,400,664</u>
Fund balances, end of year	<u>\$ 2,545,952</u>	<u>-</u>	<u>319,974</u>	<u>418,139</u>	<u>3,284,065</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, 2021

Net change in fund balance - total governmental funds	\$	(116,599)
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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	\$	188,562	
TRS		<u>629,217</u>	817,779

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	95,650	
TRS	<u>256,255</u>	351,905

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

8,438

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	1,260,299	
Depreciation expense	<u>(128,052)</u>	1,132,247

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.

<u>5,319</u>

Change in net position of governmental activities	\$	<u><u>2,199,089</u></u>
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The notes to the financial statements are an integral part of this statement.

LAKE AND PENINSULA SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Charges for services	\$ 406,955	406,955	341,338	(65,617)
Earnings on investments	45,000	15,000	5,835	(9,165)
E-rate revenue	2,268,192	2,288,726	2,289,041	315
Other	311,500	342,100	395,003	52,903
Intergovernmental:				
Borough appropriation	1,360,065	1,360,065	1,845,595	485,530
State of Alaska	10,279,059	10,077,893	10,026,230	(51,663)
Federal sources	935,600	1,976,451	1,437,921	(538,530)
Total revenues	<u>15,606,371</u>	<u>16,467,190</u>	<u>16,340,963</u>	<u>(126,227)</u>
Expenditures:				
Current:				
Instruction	5,614,096	5,948,729	6,036,675	(87,946)
Special education instruction	1,214,909	1,334,318	1,296,348	37,970
Special education support services - students	178,874	105,750	100,036	5,714
Support services - students	95,062	82,683	71,099	11,584
Support services - instruction	3,304,562	3,287,642	3,305,413	(17,771)
School administration	772,314	770,900	774,468	(3,568)
School administration support services	91,326	96,626	94,586	2,040
District administration	620,684	606,896	586,164	20,732
District administration support services	632,071	667,400	666,594	806
Operations and maintenance of plant	2,785,509	3,032,809	2,737,896	294,913
Student activities	418,900	281,800	254,530	27,270
Total expenditures	<u>15,728,307</u>	<u>16,215,553</u>	<u>15,923,809</u>	<u>291,744</u>
Excess (deficiency) of revenues over expenditures	<u>(121,936)</u>	<u>251,637</u>	<u>417,154</u>	<u>165,517</u>
Other financing sources (uses) -				
Transfers out	<u>(340,000)</u>	<u>(435,000)</u>	<u>(435,000)</u>	<u>-</u>
Net change in fund balance	\$ <u>(461,936)</u>	<u>(183,363)</u>	<u>(17,846)</u>	<u>165,517</u>
Fund balance, beginning of year			<u>2,563,798</u>	
Fund balance, end of year			\$ <u><u>2,545,952</u></u>	

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

LAKE AND PENINSULA SCHOOL DISTRICT

Literacy 365 Special Revenue Fund

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

Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues - Intergovernmental - federal education sources - direct	\$ 802,850	802,850	544,761	258,089
Expenditures:				
Current:				
Instruction	388,034	388,034	338,002	50,032
Support services - instruction	366,382	366,382	173,895	192,487
District administration support services	48,434	48,434	32,864	15,570
Total expenditures	802,850	802,850	544,761	258,089
Excess of revenues over expenditures	\$ -	-	-	-
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

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, 2021

<u>Assets</u>	
Cash and cash equivalents	\$ <u>195,971</u>
<u>Liabilities and Net Position</u>	
Liabilities -	
Health claims payable	<u>465,268</u>
Net position - unrestricted	<u>(269,297)</u>
Total liabilities and net position	\$ <u>195,971</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 Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2021

Operating revenues - local sources - Interfund insurance charges	\$ 3,586,837
Operating expenses - Insurance claims and administration	<u>3,581,518</u>
Change in net position	5,319
Net position, beginning of year	<u>(274,616)</u>
Net position, end of year	<u><u>\$ (269,297)</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, 2021

Cash flows provided (used) by operating activities:	
Receipts for interfund services provided	\$ 3,586,837
Payments for insurance claims and administration	<u>(3,675,341)</u>
Net cash flows provided (used) by operating activities	<u>(88,504)</u>
Cash and cash equivalents, beginning of year	<u>284,475</u>
Cash and cash equivalents, end of year	\$ <u><u>195,971</u></u>
Reconciliation of income from operations to net cash provided (used) by operating activities:	
Operating income	5,319
Changes in assets and liabilities that provided (used) cash:	
Decrease in claims payable	<u>(93,823)</u>
Net cash flows provided by operating activities	\$ <u><u>(88,504)</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, 2021

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, 2021.

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.

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.

The *Literacy 365 Special Revenue Fund* accounts for federal revenue sources that are legally restricted to expenditures for the purpose of improving literacy in students across the District.

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 governmental-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.

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 approximates their fair value due to the short-term nature of these assets and liabilities, except for the District's investments. The carrying amount of the District's investments are determined based on quoted market prices.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**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

B. Excess of Expenditures over Appropriations

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

	<u>Amounts in Excess of Appropriations</u>
Instruction	\$ 87,946
Support services – instruction	17,771
School administration	3,568

Excess expenditures were covered through available fund balance.

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, 2021, the District had \$809,951 of uninsured cash. The District does not have in place an investment policy limiting custodial credit risk.

As of June 30, 2021, 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>2,396,805</u>	<u>1,711,077</u>	<u>685,728</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, 2021:

<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>2,396,805</u>	<u>2,396,805</u>	<u>-</u>	<u>-</u>

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

B. Accounts Receivable

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

	School Operating Fund	Literacy 365 Fund	Capital Projects Fund	Other Governmental Funds	Total
Receivables:					
Grants	\$ -	397,687	256,322	295,028	949,037
Local sources	114,088	-	-	240	114,328
Total	\$ 114,088	397,687	256,322	295,268	1,063,365

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, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets being depreciated:				
Equipment	\$ 960,836	-	63,107	897,729
Vehicles	601,063	967,157	133,501	1,434,719
Total capital assets being depreciated	1,561,899	967,157	196,608	2,332,448
Less accumulated depreciation for:				
Equipment	886,225	31,833	63,107	854,951
Vehicles	576,653	96,219	133,501	539,371
Total accumulated depreciation	1,462,878	128,052	196,608	1,394,322
Total net capital assets	\$ 99,021	839,105	-	938,126

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

Governmental activities:	
Instruction	\$ 967
District administration support services	11,737
Operation and maintenance of plant	98,565
Student transportation services – to and from school	16,783
Total depreciation expense	\$ 128,052

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

D. Assets to be Contributed

The following are a summary of changes in assets to be contributed for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Construction in progress	\$ 5,420	293,142	-	298,562

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

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, 2021 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School Operating Fund	Literacy 365	\$ 397,687
School Operating Fund	Other Governmental Funds	330,738
Capital Projects Fund	School Operating Fund	85,580
Other Governmental Funds	School Operating Fund	517,006
		<u>\$ 1,331,011</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>435,000</u>

The School Operating Fund transferred \$435,000 to the Food Service Special Revenue Fund to cover current year expenditures in excess of revenues.

F. Unearned Revenues/Deferred Inflows of Resources

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report *unearned revenues* in connection with resources that have been received, but not yet earned. At June 30, 2021, the components of *deferred inflows of resources and unearned resources* in the governmental funds were as follows:

	Deferred Inflows	Unearned	Total
Unavailable accounts receivable	\$ 16,282	-	16,282
Grant drawdowns prior to meeting all eligibility requirements	-	79,604	79,604
Total	<u>16,282</u>	<u>79,604</u>	<u>95,886</u>

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, 2021. 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.

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.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

Other Postemployment Benefit Plans (OPEB)

Occupational Death and Disability Plan (ODD)

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

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

Membership	PERS	TRS
Active plan members	23,378	5,569
Participating employers	152	57

Alaska Retiree Healthcare Trust Plan (ARHCT)

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

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Retiree Medical Plan (RMP)

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

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

Healthcare Reimbursement Arrangement Plan

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

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

Investments

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

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

Rate of Return

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

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

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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	6.24%
Global Equity (non-U.S.)	6.67%
Aggregate bonds	(0.16%)
Opportunistic	3.01%
Real Assets	3.82%
Private Equity	10.00%
Cash Equivalents	(1.09%)

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

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

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

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	14.57%	26.58%	8.85%
OPEB	7.43%	4.27%	0%
Total PERS contribution rates	<u>22.00%</u>	<u>30.85%</u>	<u>8.85%</u>
TRS:			
Pension	5.65%	27.07%	17.91%
OPEB	6.91%	3.40%	0%
Total TRS contribution rates	<u>12.56%</u>	<u>30.47%</u>	<u>17.91%</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 18.23%.

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

Investment return / discount rate	7.38% per year (geometric), compounded annually, net of expenses
Salary scale	Inflation – 2.5% per year Productivity – 0.25% per year
Payroll growth	2.75% per year (inflation + productivity)

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Total inflation	Total inflation as measured by the Consumer Price Index for urban and clerical workers from Anchorage is assumed to increase 2.5% annually.
PERS Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, 100% (male and female) of RP-2014 healthy annuitant table with MP-2017 generational improvement.
TRS Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, RP-2014 white-collar employee table with MP-2017 generational improvement.
PERS Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 91% of male and 96% of female rates of RP-2014 health annuitant table with MP-2017 generational improvement.
TRS Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 93% of male and 90% of female rates of RP-2014 white-collar healthy annuitant table with MP-2017 generational improvement.
Total turnover	Based upon the 2013-2017 actual withdrawal experience.
PERS Disability	Incidence rates based on 2013-2017 actual experience. Post-disability mortality in accordance with the RP-2014 disability table with MP-2017 generational improvement. Disabilities are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for others.
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.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

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

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

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	<u>210,340</u>	<u>63,086</u>	<u>273,426</u>

Public Employees Retirement Plans

For the year ended June 30, 2021 the State of Alaska contributed \$147,500 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2020 to a total of \$122,202 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

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

Defined Benefit:	Pension
District's proportionate share of the net pension liability	\$ 3,709,152
State's proportionate share of the net pension liability	<u>1,533,966</u>
Total	<u>\$ 5,243,118</u>
	OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (284,575)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(118,149)</u>
Total	<u>\$ (402,724)</u>
District's proportionate share of the ODD OPEB liability (asset)	<u>\$ (21,139)</u>
District's proportionate share of the RMP OPEB liability	<u>\$ 6,805</u>
Total District's share of net pension and OPEB liabilities and assets	<u>\$ 3,410,243</u>

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

	June 30, 2019 Measurement	June 30, 2020 Measurement	Change
Pension	0.0639%	0.0629%	(0.0010%)
OPEB:			
ARHCT	0.0639%	0.0628%	(0.0011%)
ODD	0.0693%	0.0776%	0.0083%
RMP	0.0873%	0.0959%	0.0086%

Based on the measurement date of June 30, 2020, the District recognized pension and OPEB expense of \$385,013 and (\$260,957), respectively, for the year ended June 30, 2021. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ 11,766	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	150,963	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(20,402)
District contributions subsequent to the measurement date	210,340	-
Total	<u>\$ 373,069</u>	<u>(20,402)</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(22,829)
Changes of assumptions	-	(198,366)
Net difference between projected and actual earnings on OPEB plan investments	114,179	-
Changes in proportion and differences between District contributions and proportionate share of contributions	10,362	-
District contributions subsequent to the measurement date	43,965	-
Total	<u>\$ 168,506</u>	<u>(221,195)</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	\$ -	(7,092)
Changes of assumptions	-	(310)
Net difference between projected and actual earnings on OPEB plan investments	726	-
Changes in proportion and differences between District contributions and proportionate share of contributions	4,401	(1,714)
District contributions subsequent to the measurement date	3,744	-
Total	<u>\$ 8,871</u>	<u>(9,116)</u>
	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35	(1,462)
Changes of assumptions	9,557	(17,592)
Net difference between projected and actual earnings on OPEB plan investments	3,047	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,283	(1,849)
District contributions subsequent to the measurement date	15,377	-
Total	<u>\$ 29,299</u>	<u>(20,903)</u>

\$210,340 and \$63,086 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities or an increase of the net pension and OPEB assets in the year ended June 30, 2021, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended		OPEB	OPEB	OPEB
June 30,	Pension	ARHCT	ODD	RMP
2021	\$ (5,968)	(211,751)	(654)	(866)
2022	53,089	40,641	(482)	(258)
2023	56,114	43,638	(479)	(268)
2024	39,092	30,818	(536)	(501)
2025	-	-	(719)	(1,235)
Thereafter	-	-	(1,119)	(3,853)
Total	<u>\$ 142,327</u>	<u>(96,654)</u>	<u>(3,989)</u>	<u>(6,981)</u>

For the year ended June 30, 2021, the District recognized (\$292,555) and (\$19,735) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

		1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability (asset)	\$	4,822,681	3,709,152	2,775,211
Net OPEB ARHCT liability (asset)	\$	296,948	(284,575)	(766,248)
Net OPEB ODD liability (asset)	\$	19,864	(21,139)	(22,158)
Net OPEB RMP liability (asset)	\$	42,157	6,805	(19,955)

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

		1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	\$	(822,723)	(284,575)	367,092
Net OPEB ODD liability (asset)		NA	(21,139)	NA
Net OPEB RMP liability (asset)		(23,877)	6,805	48,539

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

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

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

The School District contributed \$124,814 for the year ended June 30, 2021, which included forfeitures of \$916 which have been applied against contributions.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	<u>159,522</u>	<u>127,370</u>	<u>284,892</u>

Teachers Retirement Plans

For the year ended June 30, 2021 the State of Alaska contributed \$699,417 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. As of the measurement date June 30, 2020 the State contributed a total of (\$107,987), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

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

	<u>Pension</u>
Defined Benefit:	
District's proportionate share of the net pension liability	\$ 3,526,353
State's proportionate share of the net pension liability	<u>6,121,133</u>
Total	<u>\$ 9,647,486</u>
	<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (618,027)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(1,079,170)</u>
Total	<u>\$ (1,697,197)</u>
District's proportionate share of the ODD OPEB liability (asset)	<u>\$ (29,875)</u>
District's proportionate share of the RMP OPEB liability (asset)	<u>\$ (64,233)</u>
Total District's share of net pension and OPEB liabilities and assets	<u>\$ 2,814,218</u>

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

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, 2019 Measurement	June 30, 2020 Measurement	Change
Pension	0.2032%	0.1735%	(0.0297%)
OPEB:			
ARHCT	0.2032%	0.1728%	(0.0304%)
ODD	0.5394%	0.6940%	0.1546%
RMP	0.5390%	0.6511%	0.1121%

Based on the measurement date of June 30, 2020, the District recognized pension expense of \$218,385 and OPEB expense of (\$952,949), respectively, for the year ended June 30, 2021. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pensions	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ 4,017	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	242,995	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(214,970)
District contribution subsequent to the measurement date	159,522	-
Total	\$ 406,534	(214,970)
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(16,573)
Changes of assumptions	-	(194,426)
Net difference between projected and actual earnings on pension plan investments	119,456	-
Changes in proportion and differences between District contributions and proportionate share of contributions	23,338	-
District contribution subsequent to the measurement date	86,552	-
Total	\$ 229,346	(210,999)

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	\$ -	(3,331)
Changes of assumptions	-	(27)
Net difference between projected and actual earnings on pension plan investments	740	-
Changes in proportion and differences between District contributions and proportionate share of contributions	8,613	(6,021)
District contribution subsequent to the measurement date	3,141	-
Total	\$ <u>12,494</u>	<u>(9,379)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,653	(4,862)
Changes of assumptions	10,038	(55,689)
Net difference between projected and actual earnings on pension plan investments	7,405	-
Changes in proportion and differences between District contributions and proportionate share of contributions	10,339	(4,916)
District contribution subsequent to the measurement date	37,677	-
Total	\$ <u>79,112</u>	<u>(65,467)</u>

\$159,522 and \$127,370 are reported as deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liability and as an increase to the net pension and OPEB assets in the year ended June 30, 2020 (actuarial), respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension expense as follows:

Year Ended June 30,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2021	\$ (208,218)	(187,957)	44	(2,901)
2022	85,836	42,396	259	(1,343)
2023	91,341	45,352	270	(1,365)
2024	63,083	32,004	204	(1,964)
2025	-	-	9	(3,744)
Thereafter	-	-	(812)	(12,715)
Total	\$ <u>32,042</u>	<u>(68,205)</u>	<u>(26)</u>	<u>(24,032)</u>

For the year ended June 30, 2021, the District recognized (\$638,563) and \$55,180 of pension and OPEB amortization of the deferred outflows and inflows of resources, respectively.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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	\$	4,948,575	3,526,353	2,330,265
Net OPEB ARHCT liability (asset)	\$	(34,071)	(618,027)	(1,099,661)
Net OPEB ODD liability (asset)	\$	(29,924)	(29,875)	(29,861)
Net OPEB RMP liability (asset)	\$	3,464	(64,233)	(114,858)

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)	\$	(1,153,260)	(618,027)	32,998
Net OPEB ODD liability (asset)	\$	NA	(29,875)	NA
Net OPEB RMP liability (asset)	\$	(121,851)	(64,233)	15,047

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

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

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

The School District contributed \$364,984 for the year ended June 30, 2021, which included forfeitures of \$15,915 which has been applied against contributions.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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 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 \$46,255 as of June 30, 2021.

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, 2019	\$	565,512
2020 claims and changes in estimates		5,335,168
2020 claims paid		<u>(5,341,589)</u>
Claims payable, June 30, 2020		<u>559,091</u>
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>

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 87 *Leases*. Effective for fiscal years beginning after June 15, 2021.
- GASB 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*. Effective for fiscal years beginning after December 15, 2020.
- GASB 92 *Omnibus 2020*. This Statement has multiple effective dates which vary by topic.
- GASB 93 *Replacement of Interbank Offered Rates*. Effective for fiscal years beginning after June 15, 2021.
- GASB 94 *Public-Private and Public-Public Partnerships and Availability Payments Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*. Effective immediately.
- GASB 96 *Subscription-Based Information Technology Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Effective for fiscal years beginning after June 15, 2021.

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

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

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

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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. 97 will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**REQUIRED SUPPLEMENTARY
INFORMATION**

LAKE & PENINSULA SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2021

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0426%	\$ 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%	\$ 4,297,251	\$ 543,235	\$ 4,840,486	\$ 2,421,546	177%	59.55%
2018	0.0643%	\$ 3,322,033	\$ 1,236,083	\$ 4,558,116	\$ 2,464,319	135%	63.37%
2019	0.0765%	\$ 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%

See accompanying notes to Required Supplementary Information.

LAKE & PENINSULA SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2021

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
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%
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%
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%

See accompanying notes to Required Supplementary Information.

LAKE & PENINSULA SCHOOL DISTRICT
 Schedule of the District's Contributions (Pensions)
 Public Employees' Retirement System (PERS)
 June 30, 2021

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 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%

See accompanying notes to Required Supplementary Information.

LAKE & PENINSULA SCHOOL DISTRICT
 Schedule of the District's Contributions (OPEB)
 Public Employees' Retirement System (PERS)
 June 30, 2021

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
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%
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%

See accompanying notes to Required Supplementary Information.

LAKE & PENINSULA SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2021

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0531%	\$ 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	\$ 5,877,618	\$ 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%

See accompanying notes to Required Supplementary Information.

LAKE & PENINSULA SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2021

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
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%
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%
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%

See accompanying notes to Required Supplementary Information.

LAKE & PENINSULA SCHOOL DISTRICT
 Schedule of the District's Contributions (Pensions)
 Teachers' Retirement System (TRS)
 June 30, 2021

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 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%

See accompanying notes to Required Supplementary Information.

LAKE & PENINSULA SCHOOL DISTRICT
 Schedule of the District's Contributions (OPEB)
 Teachers' Retirement System (TRS)

June 30, 2021

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
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%
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%

See accompanying notes to Required Supplementary Information.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Required Supplementary Information

June 30, 2021

1. Public Employees' Retirement System

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

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

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

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

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

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

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

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

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

Schedule of District Contributions (Pension) and (OPEB)

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

2. Teachers' Retirement System

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

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

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

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

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

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

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

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

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

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

Schedule of District Contributions (Pension) and (OPEB)

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

**ADDITIONAL 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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Charges for services	\$ 406,955	341,338	(65,617)
Earnings on investments - interest	15,000	5,835	(9,165)
E-rate revenue	2,288,726	2,289,041	315
Other	342,100	395,003	52,903
Total local sources	<u>3,052,781</u>	<u>3,031,217</u>	<u>(21,564)</u>
Intergovernmental:			
Borough - direct appropriation	1,360,065	1,360,065	-
Borough - supplemental	485,560	485,530	(30)
State of Alaska:			
Foundation and Quality Schools	9,176,265	9,176,265	-
On-behalf TRS	740,332	699,417	(40,915)
On-behalf PERS	158,248	147,500	(10,748)
Other state revenues	3,048	3,048	-
Total state sources	<u>10,077,893</u>	<u>10,026,230</u>	<u>(51,663)</u>
Federal sources			
Impact Aid Assistance - direct	1,437,921	1,437,921	-
Total revenues	<u>16,467,190</u>	<u>16,340,963</u>	<u>(126,227)</u>
Expenditures:			
Current:			
Instruction:			
Salaries:			
Certificated	2,756,606	2,885,196	(128,590)
Non-certificated	242,000	232,243	9,757
Employee benefits	1,966,183	1,887,250	78,933
Housing allowance	278,390	331,097	(52,707)
Transportation allowance	52,000	57,076	(5,076)
Professional and technical services	28,900	29,377	(477)
Staff travel	5,000	4,994	6
Student travel	6,500	9,061	(2,561)
Utility services	2,650	2,243	407
Supplies, materials and media	605,500	593,127	12,373
Other	5,000	5,011	(11)
Total instruction	<u>5,948,729</u>	<u>6,036,675</u>	<u>(87,946)</u>
Special education instruction:			
Salaries:			
Certificated	532,024	527,364	4,660
Non-certificated	200,000	199,345	655
Employee benefits	537,544	518,650	18,894
Housing allowance	58,200	42,970	15,230
Transportation allowance	800	850	(50)
Staff travel	3,000	2,886	114
Utility services	250	55	195
Supplies, materials and media	2,500	4,228	(1,728)
Total special education instruction	<u>1,334,318</u>	<u>1,296,348</u>	<u>37,970</u>

(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:			
Professional and technical services	\$ 102,000	96,804	5,196
Staff travel	800	325	475
Other purchased services	450	450	-
Supplies, materials and media	2,500	2,457	43
Total special education support services - students	<u>105,750</u>	<u>100,036</u>	<u>5,714</u>
Support services - students:			
Certificated salaries	29,300	29,308	(8)
Employee benefits	52,883	41,625	11,258
Supplies, materials and media	500	166	334
Total support services - students	<u>82,683</u>	<u>71,099</u>	<u>11,584</u>
Support services - instruction:			
Support services - instruction:			
Salaries:			
Certificated	182,000	199,326	(17,326)
Non-certificated	90,000	71,956	18,044
Employee benefits	168,062	182,761	(14,699)
Professional and technical services	9,000	9,000	-
Staff travel	14,000	18,569	(4,569)
Utility services	1,300	1,309	(9)
Other purchased services	500	269	231
Supplies, materials and media	13,000	14,789	(1,789)
Other	1,500	1,000	500
Total support services - instruction	<u>479,362</u>	<u>498,979</u>	<u>(19,617)</u>
Instructional-related technology			
Salaries:			
Certificated	40,000	32,967	7,033
Non-certificated	111,000	113,838	(2,838)
Employee benefits	100,000	92,376	7,624
Transportation allowance	700	645	55
Professional and technical services	1,000	1,297	(297)
Staff travel	500	204	296
Utility services	2,440,080	2,427,879	12,201
Supplies, materials and media	115,000	137,228	(22,228)
Total instructional-related technology	<u>2,808,280</u>	<u>2,806,434</u>	<u>1,846</u>
Total support services - instruction	<u>3,287,642</u>	<u>3,305,413</u>	<u>(17,771)</u>

(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:			
Certificated salaries	\$ 481,000	482,040	(1,040)
Employee benefits	254,800	248,857	5,943
Housing allowance	12,600	22,577	(9,977)
Transportation allowance	5,000	2,961	2,039
Staff travel	12,000	12,859	(859)
Supplies, materials and media	3,000	2,718	282
Other	2,500	2,456	44
Total school administration	<u>770,900</u>	<u>774,468</u>	<u>(3,568)</u>
School administration support services:			
Non-certificated salaries	45,144	43,535	1,609
Employee benefits	46,482	46,504	(22)
Utility services	5,000	4,547	453
Total school administration support services	<u>96,626</u>	<u>94,586</u>	<u>2,040</u>
District administration:			
Certificated salaries	197,206	188,742	8,464
Employee benefits	330,690	315,445	15,245
Professional and technical services	25,000	23,806	1,194
Staff travel	11,000	11,825	(825)
Utility services	500	416	84
Supplies, materials and media	11,000	13,960	(2,960)
Tuition and stipends	17,500	17,100	400
Other	14,000	14,870	(870)
Total district administration	<u>606,896</u>	<u>586,164</u>	<u>20,732</u>
District administration support services:			
Non-certificated salaries	366,500	368,801	(2,301)
Employee benefits	234,500	261,220	(26,720)
Professional and technical services	30,000	20,958	9,042
Staff travel	600	590	10
Utility services	600	543	57
Other purchased services	5,000	4,713	287
Insurance and bond premiums	71,900	71,838	62
Supplies, materials and media	28,000	25,899	2,101
Other	8,300	13,314	(5,014)
Indirect cost recovery	(78,000)	(101,282)	23,282
Total district administration support services	<u>667,400</u>	<u>666,594</u>	<u>806</u>

(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:			
Non-certificated salaries	\$ 744,900	748,206	(3,306)
Employee benefits	443,154	390,096	53,058
Transportation allowance	3,000	1,126	1,874
Professional and technical services	35,000	53,474	(18,474)
Staff travel	120,000	113,451	6,549
Utility services	109,655	94,091	15,564
Energy - electric	589,000	633,511	(44,511)
Energy - heating fuel	277,000	244,525	32,475
Energy - natural gas	1,000	918	82
Other purchased services	258,800	213,268	45,532
Supplies, materials and media	450,100	244,118	205,982
Other	1,200	1,112	88
Total operation and maintenance of plant	<u>3,032,809</u>	<u>2,737,896</u>	<u>294,913</u>
Student activities:			
Salaries:			
Certificated	75,000	76,860	(1,860)
Non-certificated	20,800	14,695	6,105
Employee benefits	50,800	38,441	12,359
Student travel	120,000	108,437	11,563
Other purchased services	1,600	1,520	80
Supplies, materials and media	9,800	11,302	(1,502)
Other	3,800	3,275	525
Total student activities	<u>281,800</u>	<u>254,530</u>	<u>27,270</u>
Total expenditures	<u>16,215,553</u>	<u>15,923,809</u>	<u>291,744</u>
Excess of revenues over expenditures	<u>251,637</u>	<u>417,154</u>	<u>165,517</u>
Other financing (uses):			
Transfers out:			
Food Service Special Revenue Fund	<u>(435,000)</u>	<u>(435,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (183,363)</u>	<u>(17,846)</u>	<u>165,517</u>
Fund balance, beginning of year		<u>2,563,798</u>	
Fund balance, end of year		<u>\$ 2,545,952</u>	

LAKE AND PENINSULA SCHOOL DISTRICT

Literacy 365 Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources - direct	\$ 802,850	544,761	258,089
Expenditures:			
Current:			
Instruction:			
Certificated salaries	2,000	2,000	-
Non-certificated salaries	9,000	9,000	-
Employee benefits	7,151	7,151	-
Utility services	266	266	-
Supplies, materials and media	369,617	319,585	50,032
Total instruction	<u>388,034</u>	<u>338,002</u>	<u>50,032</u>
Support services - instruction:			
Certificated salaries	161,856	75,356	86,500
Non-certificated salaries	38,000	-	38,000
Employee benefits	17,174	15,029	2,145
Professional and technical services	33,500	30,450	3,050
Staff travel	112,352	49,560	62,792
Supplies, material and media	3,500	3,500	-
Total support services - instruction	<u>366,382</u>	<u>173,895</u>	<u>192,487</u>
District administration support services - Indirect costs	<u>48,434</u>	<u>32,864</u>	<u>15,570</u>
Total expenditures	<u>802,850</u>	<u>544,761</u>	<u>258,089</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

Capital Projects Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance

Year Ended June 30, 2021

Revenues:	
Intergovernmental:	
Lake and Peninsula Borough	\$ 928,677
State sources - Alaska Housing Finance Corp.	256,322
Total Revenue	<u>1,184,999</u>
Expenditures:	
Construction and facilities acquisition:	
Vehicle replacement	967,157
Igiugig duplex	281,828
Newhalen mechanical upgrade	11,314
Total expenditures	<u>1,260,299</u>
Excess (deficiency) of revenues over expenditures	(75,300)
Fund balance, beginning of year	<u>395,274</u>
Fund balance, end of year	<u>\$ 319,974</u>

LAKE AND PENINSULA SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2021

Special Revenue Funds

<u>Assets</u>	<u>Student Transportation</u>	<u>Broad Band Assistance Grant</u>	<u>Comprehensive Literacy FY21</u>	<u>Food Service</u>	<u>Title I-A Basic and Title IV</u>	<u>Title I-C Migrant Education</u>	<u>School Improvement</u>
Accounts receivable:							
Local	\$ -	-	-	-	-	-	-
Federal sources passed through the State of Alaska	-	-	25,065	-	57,095	50,645	39,068
Due from School Operating Fund	160,495	11,654	-	-	-	-	-
Inventory	-	-	-	27,861	-	-	-
Total assets	<u>160,495</u>	<u>11,654</u>	<u>25,065</u>	<u>27,861</u>	<u>57,095</u>	<u>50,645</u>	<u>39,068</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	-	11,654	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Due to School Operating Fund	-	-	25,065	35,710	57,095	50,645	39,068
Total liabilities	<u>-</u>	<u>11,654</u>	<u>25,065</u>	<u>35,710</u>	<u>57,095</u>	<u>50,645</u>	<u>39,068</u>
Fund balances:							
Non-spendable:							
Inventory	-	-	-	27,861	-	-	-
Restricted:							
Student transportation	61,131	-	-	-	-	-	-
Student, community, housing, scholarship	-	-	-	-	-	-	-
Committed:							
Student transportation	99,364	-	-	-	-	-	-
Unassigned	-	-	-	(35,710)	-	-	-
Total fund balances	<u>160,495</u>	<u>-</u>	<u>-</u>	<u>(7,849)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 160,495</u>	<u>11,654</u>	<u>25,065</u>	<u>27,861</u>	<u>57,095</u>	<u>50,645</u>	<u>39,068</u>

(continued)

LAKE AND PENINSULA SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds						Total Special Revenue Funds
	Title II-A	Screening Testing	ESSERF II	Bristol Bay Welds	Igiugig Sewing	Student, Community, Housing, Scholarship	
<u>Assets</u>							
Accounts receivable:							
Local	\$ -	-	-	-	-	240	240
Federal sources passed through the State of Alaska	5,797	-	117,358	-	-	-	295,028
Due from School Operating Fund	-	24,604	-	50,000	5,000	265,253	517,006
Inventory	-	-	-	-	-	-	27,861
Total assets	<u>5,797</u>	<u>24,604</u>	<u>117,358</u>	<u>50,000</u>	<u>5,000</u>	<u>265,493</u>	<u>840,135</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	-	-	-	-	-	-	11,654
Unearned revenue	-	24,604	-	50,000	5,000	-	79,604
Due to School Operating Fund	5,797	-	117,358	-	-	-	330,738
Total liabilities	<u>5,797</u>	<u>24,604</u>	<u>117,358</u>	<u>50,000</u>	<u>5,000</u>	<u>-</u>	<u>421,996</u>
Fund balances:							
Non-spendable:							
Inventory	-	-	-	-	-	-	27,861
Restricted:							
Student transportation	-	-	-	-	-	-	61,131
Student, community, housing, scholarship	-	-	-	-	-	265,493	265,493
Committed:							
Student transportation	-	-	-	-	-	-	99,364
Unassigned	-	-	-	-	-	-	(35,710)
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,493</u>	<u>418,139</u>
Total liabilities and fund balances	\$ <u>5,797</u>	<u>24,604</u>	<u>117,358</u>	<u>50,000</u>	<u>5,000</u>	<u>265,493</u>	<u>840,135</u>

LAKE AND PENINSULA SCHOOL DISTRICT

Other Governmental Funds

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

Year Ended June 30, 2021

	Special Revenue Funds							
	Student Transportation	Early Learning	Broadband Assistance Grant	Comprehensive Literacy FY20	Comprehensive Literacy FY21	Alaska Pre-Elementary	Food Service	Fresh Fruit and Vegetable
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	20,526	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	132,521	11,719	139,843	-	-	1,249	-	-
Federal sources:								
Direct	-	-	-	-	-	-	-	-
Passed through the State of Alaska	-	-	-	54,221	83,898	-	270,561	18,624
Passed through other intermediary agencies	-	-	-	-	-	-	-	-
Total revenues	<u>132,521</u>	<u>11,719</u>	<u>139,843</u>	<u>54,221</u>	<u>83,898</u>	<u>1,249</u>	<u>291,087</u>	<u>18,624</u>
Expenditures:								
Current:								
Instruction	-	10,875	-	-	-	1,139	-	-
Special education support services - students	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	-	137	139,843	50,950	78,837	35	-	-
School administration	-	-	-	-	-	-	-	-
District administration support services	-	707	-	3,271	5,061	75	-	-
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	132,270	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	735,453	18,624
Total expenditures	<u>132,270</u>	<u>11,719</u>	<u>139,843</u>	<u>54,221</u>	<u>83,898</u>	<u>1,249</u>	<u>735,453</u>	<u>18,624</u>
Excess (deficiency) of revenues over expenditures	251	-	-	-	-	-	(444,366)	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	435,000	-
Net change in fund balances	251	-	-	-	-	-	(9,366)	-
Fund balances, beginning of year	160,244	-	-	-	-	-	1,517	-
Fund balances (deficit), end of year	\$ <u>160,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,849)</u>	<u>-</u>

(continued)

LAKE AND PENINSULA SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds							
	Title I-A Basic and Title IV	Title I-C Migrant Education	Title I-C Migrant Education Book	COVID-19 Quarantine Hotel Relief	School Improvement	Title II-A	Title VI-B IDEA	Preschool Disabled
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	-
Federal sources:								
Direct	-	-	-	-	-	-	-	-
Passed through the State of Alaska	173,281	207,477	5,200	200	70,928	12,289	112,696	6,966
Passed through other intermediary agencies	-	-	-	-	-	-	-	-
Total revenues	<u>173,281</u>	<u>207,477</u>	<u>5,200</u>	<u>200</u>	<u>70,928</u>	<u>12,289</u>	<u>112,696</u>	<u>6,966</u>
Expenditures:								
Current:								
Instruction	105,165	168,762	5,200	200	64,628	-	-	-
Special education support services - students	-	-	-	-	-	-	105,897	6,546
Support services - students	-	11	-	-	-	-	-	-
Support services - instruction	57,662	26,187	-	-	145	3,484	-	-
School administration	-	-	-	-	-	-	-	-
District administration support services	10,454	12,517	-	-	4,278	741	6,799	420
Operations and maintenance of plant	-	-	-	-	-	8,064	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	1,877	-	-	-
Communities services	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Total expenditures	<u>173,281</u>	<u>207,477</u>	<u>5,200</u>	<u>200</u>	<u>70,928</u>	<u>12,289</u>	<u>112,696</u>	<u>6,966</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

LAKE AND PENINSULA SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds						
	CARES ACT GEERF	CARES ACT ESSERF	Carl Perkins - Secondary	Literacy 365	Indian Education FY20	Indian Education FY21	Communities Teaching Culture
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Intergovernmental:							
State of Alaska	-	-	-	-	-	-	-
Federal sources:							
Direct	-	-	-	15,637	30,155	103,898	-
Passed through the State of Alaska	63,603	4,188	20,000	-	-	-	-
Passed through other intermediary agencies	-	-	-	-	-	-	32,136
Total revenues	<u>63,603</u>	<u>4,188</u>	<u>20,000</u>	<u>15,637</u>	<u>30,155</u>	<u>103,898</u>	<u>32,136</u>
Expenditures:							
Current:							
Instruction	44,248	-	19,048	2,984	28,336	97,630	19,332
Special education support services - students	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	12,743
Support services - instruction	7,368	3,935	-	11,710	-	-	61
School administration	600	-	-	-	-	-	-
District administration support services	3,837	253	952	943	1,819	6,268	-
Operations and maintenance of plant	7,550	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-
Communities services	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-
Total expenditures	<u>63,603</u>	<u>4,188</u>	<u>20,000</u>	<u>15,637</u>	<u>30,155</u>	<u>103,898</u>	<u>32,136</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-
Other financing sources :							
Transfers in	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

LAKE AND PENINSULA SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds							Total Special Revenue Funds
	CHILD FY20	CHILD FY21	AHEC Perkins	CARES Through ACF/SWRSD	ESSERF II	Tell Your Story	Student, Community, Housing, Scholarship	
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	20,526
Other	-	-	-	125,000	-	1,500	61,549	188,049
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	285,332
Federal sources:								
Direct	-	-	-	-	-	-	-	149,690
Passed through the State of Alaska	-	-	-	-	166,141	-	-	1,270,273
Passed through other intermediary agencies	36,490	358,518	20,000	-	-	-	-	447,144
Total revenues	<u>36,490</u>	<u>358,518</u>	<u>20,000</u>	<u>125,000</u>	<u>166,141</u>	<u>1,500</u>	<u>61,549</u>	<u>2,361,014</u>
Expenditures:								
Current:								
Instruction	24,741	276,415	20,000	157	1,379	1,500	-	891,739
Special education support services - students	-	-	-	-	-	-	-	112,443
Support services - students	-	-	-	-	-	-	-	12,754
Support services - instruction	11,749	82,103	-	124,843	59,293	-	-	658,342
School administration	-	-	-	-	-	-	-	600
District administration support services	-	-	-	-	10,023	-	-	68,418
Operations and maintenance of plant	-	-	-	-	95,446	-	-	111,060
Student activities	-	-	-	-	-	-	61,325	61,325
Student transportation - to and from school	-	-	-	-	-	-	-	134,147
Community services	-	-	-	-	-	-	14,562	14,562
Food services	-	-	-	-	-	-	-	754,077
Total expenditures	<u>36,490</u>	<u>358,518</u>	<u>20,000</u>	<u>125,000</u>	<u>166,141</u>	<u>1,500</u>	<u>75,887</u>	<u>2,819,467</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	(14,338)	(458,453)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	435,000
Net change in fund balances	-	-	-	-	-	-	(14,338)	(23,453)
Fund balances, beginning of year	-	-	-	-	-	-	279,831	441,592
Fund balances, end of year	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,493</u>	<u>418,139</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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - State of Alaska	\$ 132,521	132,521	-
Expenditures:			
Current:			
Student transportation - to and from school:			
Non-certificated salaries	16,500	16,517	(17)
Employee benefits	8,500	8,563	(63)
Other purchased services	103,721	103,348	373
Supplies, materials and media	800	784	16
Tuition - students and stipends	3,000	3,058	(58)
Total expenditures	<u>132,521</u>	<u>132,270</u>	<u>251</u>
Excess of revenues over expenditures	\$ <u>-</u>	251	<u>251</u>
Fund balance, beginning of year		<u>160,244</u>	
Fund balance, end of year		<u>\$ 160,495</u>	

LAKE AND PENINSULA SCHOOL DISTRICT

Early Learning 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 - State of Alaska	\$ 11,719	11,719	-
Expenditures:			
Current:			
Instruction:			
Professional and technical services	3,316	3,179	137
Utility services	113	113	-
Supplies, materials and media	7,583	7,583	-
Total instruction	<u>11,012</u>	<u>10,875</u>	<u>137</u>
Support services - instruction:			
Professional and technical services	-	75	(75)
Staff travel	-	62	(62)
Total support services - instruction	<u>-</u>	<u>137</u>	<u>(137)</u>
District administration support services - Indirect costs	<u>707</u>	<u>707</u>	<u>-</u>
Total expenditures	<u>11,719</u>	<u>11,719</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

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, 2021

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

LAKE AND PENINSULA SCHOOL DISTRICT

Comprehensive Literacy FY20 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	\$ 88,085	54,221	33,864
Expenditures:			
Current:			
Instruction -			
Non-certificated salaries	1,232	-	1,232
Support services - instruction:			
Certificated salaries	48,500	48,500	-
Employee benefits	1,157	-	1,157
Professional and technical services	6,500	2,450	4,050
Staff travel	25,382	-	25,382
Total support services - instruction	81,539	50,950	30,589
District administration support services -			
Indirect costs	5,314	3,271	2,043
Total expenditures	88,085	54,221	33,864
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

Comprehensive Literacy FY21 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	\$ 219,759	83,898	135,861
Expenditures:			
Current:			
Support services - instruction:			
Certificated salaries	33,870	14,730	19,140
Non-certificated salaries	4,348	4,250	98
Employee benefits	16,403	16,166	237
Professional and technical services	37,900	18,605	19,295
Staff travel	113,481	24,678	88,803
Supplies, materials and media	500	408	92
Total support services - instruction	<u>206,502</u>	<u>78,837</u>	<u>127,665</u>
District administration support services - Indirect costs	<u>13,257</u>	<u>5,061</u>	<u>8,196</u>
Total expenditures	<u>219,759</u>	<u>83,898</u>	<u>135,861</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

Alaska Pre-Elementary 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 - State of Alaska	\$ 1,249	1,249	-
Expenditures:			
Current:			
Instruction:			
Utility services	512	512	-
Supplies, materials, and media	627	627	-
Total instruction	<u>1,139</u>	<u>1,139</u>	<u>-</u>
Support services - instruction -			
Other	<u>35</u>	<u>35</u>	<u>-</u>
District administration support services -			
Indirect costs	<u>75</u>	<u>75</u>	<u>-</u>
Total expenditures	<u>1,249</u>	<u>1,249</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

Food Service Special Revenue Fund

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

Year Ended June 30, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources - charges for services	\$ 20,526	20,526	-
Intergovernmental - Federal Department of Agriculture passed through the State of Alaska	270,561	270,561	-
Total revenues	<u>291,087</u>	<u>291,087</u>	<u>-</u>
Expenditures:			
Current:			
Food services:			
Non-certificated salaries	191,149	191,149	-
Employee benefits	143,641	143,641	-
Utility services	23	23	-
Supplies, materials and media	393,379	400,640	(7,261)
Total expenditures	<u>728,192</u>	<u>735,453</u>	<u>(7,261)</u>
Excess (deficiency) of revenues over expenditures	(437,105)	(444,366)	(7,261)
Other financing sources - transfers in: School Operating Fund	<u>435,000</u>	<u>435,000</u>	<u>-</u>
Net change in fund balance	\$ <u>(2,105)</u>	(9,366)	<u>(7,261)</u>
Fund balance, beginning of year		<u>1,517</u>	
Fund balance (deficit), end of year		\$ <u>(7,849)</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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental - Federal Department of Agriculture passed through the State of Alaska	\$ 18,624	18,624	-
Expenditures:			
Current:			
Food services - Supplies, materials and media	18,624	18,624	-
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	\$ 173,281	173,281	-
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	85,458	85,458	-
Employee benefits	19,707	19,707	-
Total instruction	<u>105,165</u>	<u>105,165</u>	<u>-</u>
Support services - instruction:			
Certificated salaries	36,247	36,247	-
Employee benefits	10,670	10,670	-
Professional and technical services	6,672	6,672	-
Supplies, materials and media	4,073	4,073	-
Total support services - instruction	<u>57,662</u>	<u>57,662</u>	<u>-</u>
District administration support services - Indirect costs	<u>10,454</u>	<u>10,454</u>	<u>-</u>
Total expenditures	<u>173,281</u>	<u>173,281</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 207,477	207,477	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	30,403	30,403	-
Non-certificated salaries	32,117	32,117	-
Employee benefits	6,348	6,348	-
Transportation allowance	4,772	3,939	833
Utility services	100	-	100
Supplies, materials and media	94,941	95,955	(1,014)
Total instruction	<u>168,681</u>	<u>168,762</u>	<u>(81)</u>
Support services - students -			
Utility services	50	11	39
Support services - instruction:			
Certificated salaries	16,869	16,869	-
Employee benefits	9,160	9,160	-
Utility services	50	8	42
Supplies, materials and media	150	150	-
Total support services - instruction	<u>26,229</u>	<u>26,187</u>	<u>42</u>
District administration support services -			
Indirect costs	12,517	12,517	-
Total expenditures	<u>207,477</u>	<u>207,477</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

Title I-C Migrant Education Book 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	\$ 5,200	5,200	-
Expenditures:			
Current:			
Instruction:			
Utility services	-	276	(276)
Supplies, materials and media	5,200	4,924	276
Total expenditures	<u>5,200</u>	<u>5,200</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

LAKE AND PENINSULA SCHOOL DISTRICT

COVID-19 Quarantine Hotel Relief 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	\$ 200	200	-
Expenditures:			
Current:			
Instruction - Transportation allowance	200	200	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

School Improvement 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	\$ 100,643	70,928	(29,715)
Expenditures:			
Current:			
Instruction:			
Professional and technical services	11,607	11,607	-
Staff travel	22,000	21,170	830
Supplies, materials, and media	58,186	31,851	26,335
Total instruction	<u>91,793</u>	<u>64,628</u>	<u>27,165</u>
Support services - instruction -			
Staff travel	500	145	355
District administration support services -			
Indirect costs	6,071	4,278	1,793
Student transportation - to and from school:			
Non-certificated salaries	1,734	1,734	-
Employee benefits	545	143	402
Total student transportation - to and from school	<u>2,279</u>	<u>1,877</u>	<u>402</u>
Total expenditures	<u>100,643</u>	<u>70,928</u>	<u>29,715</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

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 36,718	12,289	(24,429)
Expenditures:			
Current:			
Support services - instruction:			
Certificated salaries	1,500	1,500	-
Employee benefits	661	661	-
Professional and technical services	1,322	1,323	(1)
Staff travel	22,956	-	22,956
Total support services - instruction	<u>26,439</u>	<u>3,484</u>	<u>22,955</u>
District administration support services - Indirect costs	<u>2,215</u>	<u>741</u>	<u>1,474</u>
Operations and maintenance of plant:			
Staff travel	1,372	1,372	-
Energy	5,976	5,976	-
Other purchased services	716	716	-
Total operations and maintenance of plant	<u>8,064</u>	<u>8,064</u>	<u>-</u>
Total expenditures	<u>36,718</u>	<u>12,289</u>	<u>24,429</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 112,696	112,696	-
Expenditures:			
Current:			
Special education support services - students - Professional and technical services	105,897	105,897	-
District administration support services - Indirect costs	6,799	6,799	-
Total expenditures	112,696	112,696	-
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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 6,966	6,966	-
Expenditures:			
Current:			
Special education support services - students:			
Certificated salaries	3,208	3,208	-
Employee benefits	2,442	2,442	-
Supplies, materials, and media	896	896	-
Total special education support services - students	6,546	6,546	-
District administration support services - Indirect costs	420	420	-
Total expenditures	6,966	6,966	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

CARES ACT GEERF 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	\$ 63,603	63,603	-
Expenditures:			
Current:			
Instruction:			
Utility services	877	877	-
Supplies, materials and media	43,371	43,371	-
Total instruction	<u>44,248</u>	<u>44,248</u>	<u>-</u>
Support services - instruction:			
Employee benefits	600	600	-
Professional and technical	4,873	4,873	-
Utility services	130	130	-
Supplies, material and media	1,765	1,765	-
Total support services - instruction	<u>7,368</u>	<u>7,368</u>	<u>-</u>
School administration -			
Employee benefits	<u>600</u>	<u>600</u>	<u>-</u>
District administration support services -			
Indirect cost	<u>3,837</u>	<u>3,837</u>	<u>-</u>
Operations and maintenance of plant -			
Supplies, material and media	<u>7,550</u>	<u>7,550</u>	<u>-</u>
Total expenditures	<u>63,603</u>	<u>63,603</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

LAKE AND PENINSULA SCHOOL DISTRICT

CARES ACT ESSERF 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	\$ 4,188	4,188	-
Expenditures:			
Current:			
Support services - instruction - Professional and technical services	3,935	3,935	-
District administration support services - Indirect cost	253	253	-
Total expenditures	4,188	4,188	-
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, 2021

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - Intergovernmental - federal education sources passed through the State of Alaska	\$ 20,000	20,000	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	13,293	13,293	-
Employee benefits	5,755	5,755	-
Total instruction	<u>19,048</u>	<u>19,048</u>	<u>-</u>
District administration support services - Indirect costs	<u>952</u>	<u>952</u>	<u>-</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

LAKE AND PENINSULA SCHOOL DISTRICT

Literacy 365 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)
	<u> </u>	<u> </u>	<u> </u>
Revenues - Intergovernmental - federal education sources - direct	\$ 224,506	15,637	208,869
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	41,126	2,984	38,142
Support services - instruction:			
Certificated salaries	51,536	3,886	47,650
Non-certificated salaries	20,000	-	20,000
Employee benefits	19,648	324	19,324
Professional and technical services	10,000	7,500	2,500
Staff travel	68,652	-	68,652
Total support services - instruction	<u>169,836</u>	<u>11,710</u>	<u>158,126</u>
District administration support services - Indirect costs	13,544	943	12,601
Total expenditures	<u>224,506</u>	<u>15,637</u>	<u>208,869</u>
Excess of revenues over expenditures	\$ <u> -</u>	-	<u> -</u>
Fund balance, beginning of year		<u> -</u>	
Fund balance, end of year		<u>\$ <u> -</u></u>	

LAKE AND PENINSULA SCHOOL DISTRICT

Indian Education FY20 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 - direct	\$ 30,155	30,155	-
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	4,166	4,226	(60)
Employee benefits	3,764	3,764	-
Supplies, materials and media	20,406	20,346	60
Total instruction	<u>28,336</u>	<u>28,336</u>	<u>-</u>
District administration support services - Indirect costs	<u>1,819</u>	<u>1,819</u>	<u>-</u>
Total expenditures	<u>30,155</u>	<u>30,155</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

LAKE AND PENINSULA SCHOOL DISTRICT

Indian Education FY21 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 - direct	\$ 103,898	103,898	-
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	38,310	38,310	-
Employee benefits	56,157	56,157	-
Supplies, materials and media	3,163	3,163	-
Total instruction	<u>97,630</u>	<u>97,630</u>	<u>-</u>
District administration support services - Indirect costs	<u>6,268</u>	<u>6,268</u>	<u>-</u>
Total expenditures	<u>103,898</u>	<u>103,898</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

LAKE AND PENINSULA SCHOOL DISTRICT

Communities Teaching Culture 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 intermediate agencies	\$ 32,136	32,136	-
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	19,332	19,332	-
Support services - students:			
Certificated salaries	2,437	2,437	-
Employee benefits	1,958	1,958	-
Supplies, materials and media	8,348	8,348	-
Total support services - students	12,743	12,743	-
Support services - instruction -			
Staff travel	61	61	-
Total expenditures	32,136	32,136	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

CHILD (Cultural Heritage Improving Learning & Development) FY20 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 intermediary agencies	\$ 41,274	36,490	4,784
Expenditures:			
Current:			
Instruction:			
Certificated salaries	6,713	6,713	-
Non-certificated salaries	1,457	1,457	-
Employee benefits	3,313	3,313	-
Utility services	730	730	-
Supplies, materials and media	17,312	12,528	4,784
Total instruction	<u>29,525</u>	<u>24,741</u>	<u>4,784</u>
Support services - instruction:			
Certificated salaries	6,571	6,571	-
Employee benefits	3,241	3,241	-
Professional and technical services	220	220	-
Utility services	338	338	-
Supplies, material and media	1,379	1,379	-
Total support services - instruction	<u>11,749</u>	<u>11,749</u>	<u>-</u>
Total expenditures	<u>41,274</u>	<u>36,490</u>	<u>4,784</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ -</u>	

LAKE AND PENINSULA SCHOOL DISTRICT

CHILD (Cultural Heritage Improving Learning & Development) FY21 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 intermediary agencies	\$ 358,518	358,518	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	55,745	55,745	-
Non-certificated salaries	102,331	102,331	-
Employee benefits	96,218	96,218	-
Utility services	310	310	-
Supplies, materials and media	21,811	21,811	-
Total instruction	<u>276,415</u>	<u>276,415</u>	-
Support services - instruction:			
Certificated salaries	52,570	52,570	-
Employee benefits	24,863	24,863	-
Professional and technical services	2,545	2,545	-
Staff travel	1,239	1,239	-
Supplies, materials and media	886	886	-
Total support services - instruction	<u>82,103</u>	<u>82,103</u>	-
Total expenditures	<u>358,518</u>	<u>358,518</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

AHEC Perkins 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)
	<u> </u>	<u> </u>	<u> </u>
Revenues - Intergovernmental - federal education sources passed through intermediary agencies	\$ 20,000	20,000	-
Expenditures:			
Instruction:			
Non-certificated salaries	4,158	4,158	-
Employee benefits	342	342	-
Professional and technical services	13,000	13,000	-
Supplies, materials and media	2,500	2,500	-
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

LAKE AND PENINSULA SCHOOL DISTRICT

CARES Through ACF/SWRSD 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 - local sources - other	\$ 125,000	125,000	-
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	157	157	-
Support services - instruction -			
Utility services	124,843	124,843	-
Total expenditures	125,000	125,000	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

LAKE AND PENINSULA SCHOOL DISTRICT

ESSERF II 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	\$ 508,255	166,141	(342,114)
Expenditures:			
Current:			
Instruction:			
Supplies, materials and media	1,379	1,379	-
Other	342,114	-	342,114
Total instruction	<u>343,493</u>	<u>1,379</u>	<u>342,114</u>
Support services - instruction:			
Non-certificated salaries	44,625	44,625	-
Employee benefits	14,668	14,668	-
Total support services - instruction	<u>59,293</u>	<u>59,293</u>	<u>-</u>
District administration support services - Indirect costs	<u>10,023</u>	<u>10,023</u>	<u>-</u>
Operations and maintenance of plant - Supplies, materials and media	<u>95,446</u>	<u>95,446</u>	<u>-</u>
Total expenditures	<u>508,255</u>	<u>166,141</u>	<u>342,114</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

LAKE AND PENINSULA SCHOOL DISTRICT

Tell Your Story 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 - local sources - other	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Expenditures:			
Current:			
Instruction -			
Professional and technical services	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

LAKE AND PENINSULA SCHOOL DISTRICT

Student, Community, Housing, Scholarship 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)
	<u> </u>	<u> </u>	<u> </u>
Revenues - local sources - other	\$ 61,549	61,549	-
Expenditures:			
Current:			
Student activities:			
Student travel	8,424	8,424	-
Supplies, materials and media	52,901	52,901	-
Total student activities	<u>61,325</u>	<u>61,325</u>	<u>-</u>
Community services -			
Other	<u>14,562</u>	<u>14,562</u>	<u>-</u>
Total expenditures	<u>75,887</u>	<u>75,887</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	\$ <u><u>(14,338)</u></u>	(14,338)	<u><u>-</u></u>
Fund balance, beginning of year		<u>279,831</u>	
Fund balance, end of year		\$ <u><u>265,493</u></u>	

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of Compliance - AS 14.17.505

June 30, 2021

Total fund balance - School Operating Fund	\$	2,545,952
less exemptions per 4 AAC 09.160(a)		
Encumbrances		46,255
Inventory		101,675
Prepaid items		447,677
Federal impact aid received		1,359,811
Self insurance		450,000
		<hr/>
Fund Balance Subject to 10% Limitation	\$	<u>140,534</u>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	<u>140,534</u>	=	<u>0.88%</u>
Current year expenditures	15,923,809		

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year June 30, 2021

<u>Grant Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>Federal Expenditures</u>
U.S. Department of Education:				
Direct sources:				
Impact Aid 2020	84.041	11-AK-2020-2807	247,901	247,901
Impact Aid 2021	84.041	11-AK-2021-2807	1,190,020	1,190,020
Total CFDA 84.041			<u>1,437,921</u>	<u>1,437,921</u>
Indian Education FY20	84.060A	S060A190784	102,738	30,155
Indian Education FY21	84.060A	S060A200784	103,898	103,898
Total CFDA 84.060			<u>206,636</u>	<u>134,053</u>
Literacy 365: Salmon, Bears, and Books - Oh My! FY20	84.215G	S215G190056	457,483	15,637
Literacy 365: Salmon, Bears, and Books - Oh My! FY21	84.215G	S215G190056-20A	593,981	544,761
Total CFDA 84.215			<u>1,051,464</u>	<u>560,398</u>
Total U.S. Department of Education direct programs			<u>2,696,021</u>	<u>2,132,372</u>
Passed through the State of Alaska Department of Education and Early Development:				
Title I-A, Basic	84.010	IP21.LPSD.01	153,011	153,011
School Improvement	84.010a	SI21.LPSD.01	100,643	70,928
Total CFDA 84.010			<u>253,654</u>	<u>223,939</u>
Title I-C, Migrant Education	84.011	IP21.LPSD.01	207,477	207,477
Title I-C, Migrant Education Book Program	84.011	MB21.LPSD.01	5,200	5,200
Total CFDA 84.011			<u>212,677</u>	<u>212,677</u>
Title II-A, Class Size Reduction	84.367	IP21.LPSD.01	36,718	12,289
Title IV	84.424a	IP21.LPSD.01	20,270	20,270
Carl Perkins Secondary	84.048	EK21.LPSD.01	20,000	20,000
Special Education Cluster:				
Title VI-B, IDEA	84.027	SE 21.LPSD.01	112,696	112,696
Preschool Disabled, IDEA, Part B	84.173	SE 21.LPSD.01	6,966	6,966
Total Special Education Cluster			<u>119,662</u>	<u>119,662</u>
COVID-19 GEERF	84.425C	ER 21.LPSD.01	63,603	63,603
COVID-19 ESSERF	84.425D	ER 21.LPSD.01	4,188	4,188
COVID-19 ESSERF II	84.425D	CA 21.LPSD.01	508,255	166,141
Total CFDA 84.425			<u>576,046</u>	<u>233,932</u>
Comprehensive State Literacy Development FY20	84.371	AL.20.LPSD.01	107,703	54,221
Comprehensive State Literacy Development FY21	84.371C	AL 21.LPSD.01	219,759	83,898
Total CFDA 84.371			<u>327,462</u>	<u>138,119</u>
Total U.S. Department of Education passed through the State of Alaska Department of Education and Early Development			<u>1,566,489</u>	<u>980,888</u>

(continued)

LAKE AND PENINSULA SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Continued

<u>Grant Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>Federal Expenditures</u>
U.S. Department of Education (continued):				
Passed through other intermediary agencies:				
Communities Teaching Culture (through Igiugig Tribal Village Council)	84.356A	S356A170005-19	\$ 32,136	32,136
AHEC Carl Perkins (through UAA)	84.048	UA 21-0041	20,000	20,000
Cultural Heritage Improving Learning & Development FY21 (through Chugach SD)	84.299A	S299A170007-20	358,518	358,518
Cultural Heritage Improving Learning & Development FY20 (through Chugach SD)	84.299A	S299A170007-19	41,274	36,490
Total CFDA 84.299			<u>399,792</u>	<u>395,008</u>
Total U.S. Department of Education passed through other intermediary agencies			<u>517,297</u>	<u>512,513</u>
Total U.S. Department of Education			<u>4,779,807</u>	<u>3,625,773</u>
U.S. Department of the Treasury:				
Passed through the State of Alaska Department of Education and Early Development:				
COVID-19 Quarantine Relief	21.019	QR 21.LPSD.21	<u>200</u>	<u>200</u>
U.S. Department of Agriculture - Passed through the State of Alaska: Department of Education and Early Development				
Fresh Fruit & Vegetable Program	10.582	FF21.LPSD.01	3,990	3,990
Fresh Fruit & Vegetable Program	10.582	FF21.LPSD.02	14,634	14,634
Total CFDA 10.582			<u>18,624</u>	<u>18,624</u>
Child Nutrition Cluster:				
COVID-19 National School Breakfast Program	10.553	00801	3,882	3,882
COVID-19 National School Lunch Program	10.555	00801	14,013	14,013
USDA Commodities	10.555	00801	11,574	11,574
Total CFDA 10.555			<u>25,587</u>	<u>25,587</u>
Summer Food Service Program	10.559	00801	240,862	240,862
Total Child Nutrition Cluster			<u>270,331</u>	<u>270,331</u>
Food Distribution Administrative Fee Reimbursement	10.560	FD21.LPSD.01	<u>230</u>	<u>230</u>
Total U.S. Department of Agriculture			<u>289,185</u>	<u>289,185</u>
Total federal financial assistance			<u>\$ 5,194,192</u>	<u>3,849,789</u>

See accompanying notes to the Schedule.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Lake and Peninsula School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of 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, 2021, the District received \$11,574 in commodities.

Note 4. Passed Through Awards

No amounts were passed through to subrecipients.

Note 5. CFDA # Total

The total expenditures for CFDA #84.048 were \$40,000 for the year ended June 30, 2021.

LAKE AND PENINSULA SCHOOL DISTRICT

Schedule of State Financial Assistance

For the Fiscal Year June 30, 2021

<u>Grant Title</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>State Expenditures</u>
Alaska Department of Education and Early Development:			
* Education Foundation	None	\$ 9,149,965	9,149,965
Quality Schools	None	26,300	26,300
Broadband Assistance Grant (BAG)	None	139,843	139,843
Alaska Pre-Elementary	PT 19.LPSD.01	65,495	1,249
Early Learning	PE 20.LPSD.01	100,133	11,719
Raffle	None	3,048	3,048
Pupil Transportation	None	<u>132,521</u>	<u>132,521</u>
Total Alaska Department of Education and Early Development		<u>9,617,305</u>	<u>9,464,645</u>
Alaska Department of Administration:			
On-behalf PERS	None	168,875	147,500
* On-behalf TRS	None	<u>689,711</u>	<u>699,417</u>
Total Department of Administration		<u>858,586</u>	<u>846,917</u>
Alaska Housing Finance Corporation:			
* Igiugig Teacher Housing	THP-21-LPS-1	<u>500,000</u>	<u>256,322</u>
Total State Financial Assistance		<u>\$ 10,975,891</u>	<u>10,567,884</u>

See accompanying notes to the Schedule.

LAKE AND PENINSULA SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2021

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Lake and Peninsula School District under programs of the State of Alaska for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of 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.

COMPLIANCE REPORTS

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

Independent Auditor's Report

Members of the School Board
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 (the District), as of and for the year ended June 30, 2021, 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 30, 2021.

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 the Lake and Peninsula School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



Anchorage, Alaska
October 30, 2021

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

We have audited Lake and Peninsula School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Lake and Peninsula School District's major federal programs for the year ended June 30, 2021. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Lake and Peninsula School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lake and Peninsula School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Lake and Peninsula School District's compliance.

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control over Compliance

Management of Lake and Peninsula School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Lake and Peninsula School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lake and Peninsula School District's internal control over compliance.

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

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

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



Anchorage, Alaska
October 30, 2021

LAKE AND PENINSULA SCHOOL DISTRICT
 Federal Schedule of Findings and Questioned Costs
 Year Ended June 30, 2021

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 No

Internal control over financial reporting:
 Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal Control over major federal programs (2 CFR 200.516(a)(1)):
 Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None reported

Any material noncompliance with provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516(a)(2))? Yes No

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR 200.516(a)(3) or (4)? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.041	Impact Aid
84.215G	Literacy 365: Salmon, Bears, and Books - Oh my!

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

Auditee qualified as low-risk auditee? 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 as 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

We have audited Lake and Peninsula School District's (the District) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of Lake and Peninsula School District's major state programs for the year ended June 30, 2021. Lake and Peninsula School District's major state programs are identified in the accompanying schedule of state financial assistance.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lake and Peninsula School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Lake and Peninsula School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Lake and Peninsula School District's compliance.

Opinion on Each Major State Program

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, 2021.

Report on Internal Control Over Compliance

Management of Lake and Peninsula School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lake and Peninsula School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lake and Peninsula School District's internal control over compliance.

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

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

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



Anchorage, Alaska
October 30, 2021

LAKE AND PENINSULA SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? _____ Yes X No
Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

State Financial Assistance

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

Internal control over major programs:
Material weakness(es) identified? _____ Yes X No
Significant deficiency(ies) identified? _____ Yes X None reported

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

Section II – Financial Statement Findings

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

Section III – State Award Findings and Questioned Costs

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