

PRIBILOF SCHOOL DISTRICT

Basic Financial Statements, Required Supplementary
Information, Supplementary Information
and Compliance Section
(with Independent Auditor's Reports Thereon)

Year Ended June 30, 2023

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

PRIBILOF SCHOOL DISTRICT

Basic Financial Statements, Required Supplementary
Information, Supplementary Information
and Compliance Section
(with Independent Auditor's Reports Thereon)

Year Ended June 30, 2023

PRIBILOF SCHOOL DISTRICT

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Independent Auditor's Report

Members of the School Board
Pribilof School District
St. Paul Island, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pribilof School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Pribilof School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Pribilof School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pribilof School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pribilof School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the Schedules of the District's Proportionate Share of the Net Pension and OPEB Liabilities (Assets) and Contributions for the Public Employees' Retirement System and Teachers' Retirement System, and the Notes to Required Supplementary Information on pages 39-51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pribilof School District's basic financial statements. The information listed in the table of contents as "Supplementary Information", which includes the Major Governmental Funds: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (where applicable); Other Governmental Funds: Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances; Schedule of Revenues Expenditures and Changes in Fund Balance – Budget and Actual (where applicable) – Special Revenue Funds and Capital Project Fund; Schedule of Compliance - AS 14.17.505; the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; Notes to Schedule of Expenditures of Federal Awards; and the Schedule of State Financial Assistance, as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*; and Notes to Schedule of State Financial Assistance, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information listed in the table of contents as "Supplementary Information" is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Members of the School Board
Pribilof School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023, on our consideration of the Pribilof School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pribilof 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 Pribilof School District's internal control over financial reporting and compliance.

Ottman, Rogers & Co.

Anchorage, Alaska
October 24, 2023

PRIBILOF SCHOOL DISTRICT

Statement of Net Position

June 30, 2023

	<u>Governmental Activities</u>
<u>Assets and Deferred Outflows of Resources</u>	
Current assets:	
Cash and cash equivalents	\$ 1,099,332
Investments	1,483,879
Accounts receivables	429,559
Mortgage receivable	10,073
Inventory	12,848
Total current assets	<u>3,035,691</u>
Non-current assets:	
Mortgage receivable	5,304
Nondepreciable capital assets	235,858
Depreciable capital assets	7,099,612
Accumulated depreciation	(3,686,492)
Net OPEB assets	439,026
Total non-current assets	<u>4,093,308</u>
Deferred outflows of resources -	
Pension and OPEB deferrals	<u>122,487</u>
Total assets and deferred outflows of resources	<u>\$ 7,251,486</u>
<u>Liabilities and Deferred Inflows of Resources</u>	
Current liabilities:	
Accounts payable	37,862
Accrued payroll liabilities	26,308
Unearned revenue	3,125
Total current liabilities	<u>67,295</u>
Non-current liabilities -	
Net pension and OPEB liabilities	<u>900,901</u>
Deferred inflows of resources -	
Pension OPEB deferrals	<u>41,967</u>
Total liabilities and deferred inflows of resources	<u>1,010,163</u>
<u>Net Position</u>	
Net investment in capital assets	3,648,978
Restricted	157,036
Unrestricted	2,435,309
Total net position	<u>6,241,323</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 7,251,486</u>

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

PRIBILOF SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 511,618	-	191,883	-	(319,735)
Special education instruction	21,455	-	(1,135)	-	(22,590)
Special education support services - students	80,215		45,244		(34,971)
Support services - instruction	510,659	-	46,107	-	(464,552)
School administration	53,556	-	(3,025)	-	(56,581)
School administration support services	28,985	-	(2,535)	-	(31,520)
District administration	143,432	-	(4,033)	-	(147,465)
District administration support services	165,074	-	-	-	(165,074)
Operations and maintenance of plant	617,872	62,141	14,979	-	(540,752)
Student activities	54,936	-	56,792	-	1,856
Community services	173,952	-	240,011	-	66,059
Total governmental activities	\$ 2,361,754	62,141	584,288	-	(1,715,325)
General revenues:					
Earnings on investment				\$ 47,951	
Grants not restricted to specific programs				1,725,757	
E-rate				337,920	
Other				12,802	
Tuition from other districts - rental				8,420	
Total general revenues				<u>2,132,850</u>	
Change in net position				417,525	
Net position, beginning of year				<u>5,823,798</u>	
Net position, ending	\$			<u>6,241,323</u>	

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

PRIBILOF SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2023

	Major Funds					
	School Operating Fund	Radio Community Services Special Revenue Fund	St. Paul K-12 School Roof Replacement Capital Project Fund	Other Governmental Funds	Total Governmental Funds	
Assets						
Cash and cash equivalents	\$ 1,099,332	-	-	-	1,099,332	
Investments	1,483,879	-	-	-	1,483,879	
Accounts receivable	479	-	271,661	157,419	429,559	
Mortgage receivable	-	-	-	15,377	15,377	
Due from other funds	317,243	508,372	-	674,473	1,500,088	
Inventory	7,749	-	-	5,099	12,848	
Total assets	\$ 2,908,682	508,372	271,661	852,368	4,541,083	
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts payable	34,031	-	-	3,831	37,862	
Accrued payroll liabilities	26,308	-	-	-	26,308	
Unearned revenue	-	-	-	3,125	3,125	
Due to other funds	1,182,845	-	271,661	45,582	1,500,088	
Total liabilities	1,243,184	-	271,661	52,538	1,567,383	
Deferred inflows of resources -						
Unavailable revenues	-	-	-	15,377	15,377	
Total liabilities and deferred inflows of resources	1,243,184	-	271,661	67,915	1,582,760	
Fund balances:						
Nonspendable	7,749	-	-	5,099	12,848	
Restricted	-	-	-	157,036	157,036	
Committed	-	508,372	-	622,318	1,130,690	
Unassigned	1,657,749	-	-	-	1,657,749	
Total fund balances	1,665,498	508,372	-	784,453	2,958,323	
Total liabilities, deferred inflows of resources and fund balances	\$ 2,908,682	508,372	271,661	852,368	4,541,083	

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

Exhibit C-2

PRIBILOF SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position

June 30, 2023

Total Fund Balance- Governmental Funds	\$	2,958,323
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds.		3,648,978
Long-term assets, are not available to pay current year expenditures and, therefore are deferred in the governmental funds - Long-term note receivable		15,377
Proportionate share of the collective net pension and OPEB asset:		
PERS	194,149	
TRS	<u>244,877</u>	439,026
Proportionate share of the collective net pension and OPEB liability:		
PERS	(483,631)	
TRS	<u>(417,270)</u>	(900,901)
Deferred inflows and outflows of resources are the results of timing differences in the actuarial report.		
Pension and OPEB related assets in the current year are presented as deferred outflows of resources:		
PERS	68,612	
TRS	<u>53,875</u>	122,487
Pension and OPEB related liabilities in the current fiscal year are presented as a change in deferred inflows of resources:		
PERS	(18,031)	
TRS	<u>(23,936)</u>	(41,967)
Net position of governmental activities	\$	<u>6,241,323</u>

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

PRIBILOF SCHOOL DISTRICT

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

Year Ended June 30, 2023

	Major Funds				Total Governmental Funds
	School Operating Fund	Community Services Special Revenue Fund	Other Governmental Funds		
Revenues:					
Local sources:					
Earnings on investment	\$ 47,951	-	-		47,951
E-rate	337,920	-	-		337,920
Charges for services	-	-	71,848		71,848
Tuition from other districts- rental	8,420	-	-		8,420
Other	12,802	207,248	201,392		421,442
Intergovernmental:					
State of Alaska	969,057	-	49,313		1,018,370
Federal sources	810,264	-	160,596		970,860
Total revenues	<u>2,186,414</u>	<u>207,248</u>	<u>483,149</u>		<u>2,876,811</u>
Expenditures:					
Current:					
Instruction	383,374	-	210,667		594,041
Special education instruction	49,209	-	133		49,342
Special education support services - students	34,971	-	45,244		80,215
Support services - instruction	482,107	-	49,313		531,420
School administration	70,333	-	-		70,333
School administration support services	84,759	-	-		84,759
District administration	165,801	-	-		165,801
District administration support services	154,751	-	-		154,751
Operation and maintenance of plant	441,312	-	109,755		551,067
Student activities	20,000	-	34,936		54,936
Community services	-	142,378	30,452		172,830
Total expenditures	<u>1,886,617</u>	<u>142,378</u>	<u>480,500</u>		<u>2,509,495</u>
Excess of revenues over expenditures	299,797	64,870	2,649		367,316
Fund balances, beginning of year	<u>1,365,701</u>	<u>443,502</u>	<u>781,804</u>		<u>2,591,007</u>
Fund balances, end of year	\$ <u>1,665,498</u>	<u>508,372</u>	<u>784,453</u>		<u>2,958,323</u>

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

PRIBILOF 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, 2023

Net change in fund balance - total government funds	\$	367,316
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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 unfunded net pension and OPEB liability and asset		
PERS	(156,712)	
TRS	<u>(314,403)</u>	(471,115)

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 liability:

PERS	336,093	
TRS	<u>386,192</u>	722,285

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 as depreciation expense:

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

Capital outlay	-	
Depreciation expense	<u>(191,254)</u>	(191,254)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds, represents change in - Long-term note receivable

	<u>(9,707)</u>	
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Change in net position of governmental activities	\$	<u>417,525</u>
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The notes to the financial statements are an integral part of this statement.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements

June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Pribilof 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). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

The Legislature of the State of Alaska established the Pribilof School District on July 1, 1976. At that time, assets to be used by the District were turned over by direct transfer or by use permits from the State of Alaska. The District is operated under the exclusive oversight management and control of the locally elected five member School Board. The School Board is the level of government, which has governance responsibilities over all activities related to public elementary and secondary education within its jurisdiction. The District receives financial support from state and federal government sources and must comply with the concomitant requirements of these entities. However, the District is not included in any other governmental reporting entity as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, since the School Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

The School District is legally separate from and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statements purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements present only the funds of those organizational entities for which its elected governing board is financially accountable.

The more significant of the District's accounting policies are described below.

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, would be reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not presently have any business-type activities.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function 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*.

Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column named “other governmental funds.”

Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. Spendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

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.

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

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statement. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

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

Governmental Fund Financial Statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year end.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

The District reports the following major governmental funds:

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

The *Radio Community Services Special Revenue Fund* which is used to account for radio Community Services.

The *St. Paul K-12 School Roof Replacement Capital Project Fund* which is used to account for the construction project regarding the roof replacement and structural repairs for the St. Paul K-12 School.

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes.

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

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

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

Intergovernmental Revenue:

State of Alaska Foundation revenue is susceptible to accrual and is recorded in the year to which it relates. 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. On-behalf payments from the State of Alaska are recognized in the year to which they relate.

Local Revenue:

Interest earnings on investments in the School Operating Fund are recognized when earned. Interest revenue associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenue of the current fiscal period. E-rate is recorded in the year to which they relate. Tuition, and donations are recognized in the year received. Charges for services revenue is recognized in the year it relates.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Use of Estimates

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

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 Cash Equivalents

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.

2. Short-term Interfund Receivables and Payables

Activity between funds that are representative of short-term lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" on the Balance Sheet of the Fund Financial Statements and are eliminated in the preparation of the Government-Wide Financial Statements.

Advances between funds, as reported in the fund financial statements, are offset by committed or nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

3. Inventory

Teaching and maintenance supplies are recorded as expenditures when purchased rather than as consumed. Accounting for inventory of heating fuel 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. Prepaid items are payments made to vendors for services that are applicable to future accounting periods and recorded as prepaid items. Reported inventories and prepaid items 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.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

4. Capital Assets

Capital assets used in governmental fund types of the District are recorded in the Government-Wide Financial Statements at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Capital assets are defined as assets with an initial, individual cost greater than \$5,000 and an estimated life greater than one year. Capital assets in the Government-wide Financial Statements are depreciated on the straight-line method. Interest incurred during construction is not capitalized.

The estimated useful lives are as follows:

Buildings	30 years
Equipment	5 years
Vehicles	10 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are expensed in the Government-Wide Financial Statements and are considered operations and maintenance costs. Additionally, monies expended in Capital Project Funds that are considered to be operations and maintenance costs, are reported as construction and facility acquisition in the fund financial statements, whereas in the Government-Wide Financial Statements they are reclassified as operation and maintenance costs.

5. Unearned Revenue

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

6. Compensated Absences

All regular employees accrue annual and sick leave, which is available for use while remaining in a permanent position with the District. Annual leave pay is recorded as an expenditure during the period it is earned and sick leave is recorded as an expenditure in the period it is used. Employees' unused annual leave balances are carried forward and can be used during subsequent years if re-employed. In some instances, annual leave balances can be converted to cash upon termination from employment. There is no provision for payment or use of sick leave upon separation from employment.

7. Long-Term Obligations

In the Government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

8. Fund Balance

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

Non-spendable fund balances – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained. Non-spendable amounts will be determined before all other classifications and consist of a fund balance equal to the value of inventory balances and prepaid items.

Restricted fund balances – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, or through enabling legislation. Restricted fund balances are comprised of restricted grant funds from external sources in governmental funds.

Committed fund balances – includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision making authority (School Board). Commitments will only be used for specific purposes pursuant to a formal action of the School Board.

Assigned fund balances – includes amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

The School Board delegates to the Superintendent or designee, the authority to assign amounts to be used for specific purposes.

Unassigned fund balances – includes the residual classification for the District's School Operating Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts have been restricted, committed, or assigned.

Prioritization of fund balance use – When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the District to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the District that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

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 that 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.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

9. Pensions and Other Post-Employment Benefits (OPEB)

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

10. Net Position

Government-wide net position is divided into three components:

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

11. 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.

The carrying amount of notes receivable and notes payable approximates fair value for those financial instruments with interest at variable rates, as those rates approximate current market rates for notes with similar maturities and credit quality.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

II. DETAILED NOTES ON ALL FUNDS

A. Deposits 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 of the fund financial statements as "Cash and cash equivalents" or amounts "due to/from other funds". All deposits are carried at fair market value plus accrued interest.

Investments include \$1,483,879 invested in the Alaska Municipal League Investment Pool (Pool). The Pool was rated a principal stability rating of AAA by Standard & Poor's (S&P). Stand-alone financial statements can be obtained by writing to the Alaska Permanent Capital Management Co., 900 West Fifth Avenue, Suite 601, Anchorage, Alaska 99501 or visiting www.amlip.org.

Alaska Statute (AS) 37.23 provides for regulatory oversight of the Pool. The Statute provides requirements regarding authorized investments and reporting. The Pool is incorporated in Alaska as a nonprofit corporation and reports to a board of directors. AS 37.23.050 requires retention of an investment manager. The manager is required to produce monthly disclosure statements for the Pool. An investment advisor monitors the performance of the investment manager to ensure compliance with investment policies. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. The fair value of the investments are reviewed monthly by an independent pricing service. The Pool meets the standards for reporting investments at amortized cost with regard to portfolio requirements including maturity, quality, diversification, liquidity and shadow price. There are no restrictions or limitations on withdrawals from the Pool. As of June 30, 2023, the fair value of the investments in the Pool approximates the amortized cost at which they are reported. The fair value of our investments in the Pool is the same as the value of our Pool units.

Custodial Credit Risk

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.

The District's bank accounts are insured by the Federal Depository Insurance Corporation (FDIC) to a maximum of \$250,000. The District had an uninsured balance of \$852,887, as of June 30, 2023. The District manages its custodial credit risk through its deposit and investment policy requiring all deposits to be fully insured or collateralized.

B. Receivables

The District had \$271,661 accounts receivable related to the St. Paul K-12 School Roof Replacement Capital Project Fund, \$157,419 accounts receivable in Other Governmental Funds, and \$479 accounts receivable in the school operating fund. Management has determined that all their receivables are collectable; therefore no allowance for doubtful accounts has been established.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the unavailable revenue reported in the governmental funds was as follows:

	<u>Unavailable</u>
Long-term receivables	\$ <u>15,377</u>

C. Capital Assets

Changes in capital asset balances for the year ended June 30, 2023 are as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 235,858	-	-	235,858
Total capital assets not being depreciated	<u>235,858</u>	-	-	<u>235,858</u>
Capital assets, being depreciated:				
Buildings	6,339,844	-	-	6,339,844
Vehicles	188,312	-	-	188,312
Equipment	571,456	-	-	571,456
Total capital assets being depreciated	<u>7,099,612</u>	-	-	<u>7,099,612</u>
Less accumulated depreciation for:				
Buildings	2,826,406	176,176	-	3,002,582
Vehicles	116,642	13,702	-	130,344
Equipment	552,190	1,376	-	553,566
Total accumulated depreciation	<u>3,495,238</u>	<u>191,254</u>	-	<u>3,686,492</u>
Total net capital assets being depreciated	<u>3,604,374</u>	<u>(191,254)</u>	-	<u>3,413,120</u>
Total net governmental activities capital assets	<u>\$ 3,840,232</u>	<u>(191,254)</u>	-	<u>3,648,978</u>

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

Governmental activities:	
Instruction	\$ 1,457
District administration support services	10,323
Operations and maintenance of plant	178,352
Community services	1,122
Total depreciation expense	<u>\$ 191,254</u>

The Alaska Department of Education owns and accounts for School building and land. The replacement cost of the building and land is estimated to be \$12,910,000 for the St. Paul School.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

D. Interfund Receivables and Payables

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School Operating Fund	Other Governmental Funds	\$ 45,582
Radio Community Services		
Special Revenue Fund	School Operating Fund	508,372
School Operating Fund	St. Paul K-12 School Roof Replacement	
	Capital Project Fund	271,661
Other Governmental Funds	School Operating Fund	674,473
Total		\$ 1,500,088

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.

E. Mortgage Receivable

During Fiscal Year 2009, the district sold Boarding House #59 and House #33. These homes were financed with notes receivable for which Pribilof School District receives monthly payments.

The mortgage for Boarding House #59 is in the amount of \$60,000, payable over 15 years at a rate of 5.00%. The mortgage receivable schedule at June 30, 2023 for Boarding House #59 is as follows:

Fiscal Year June 30	Payment	Principal	Interest 5%	Balance
	-	-	-	7,751
2024	5,694	5,684	10	2,068
2025	2,350	2,068	283	-
Total	\$ 8,044	<u>7,751</u>	<u>293</u>	<u>-</u>

The mortgage for House #33 is in the amount of \$52,000, payable over 15 years at a rate of 5.50%.

The mortgage receivable schedule at June 30, 2023 for House #33 is as follows:

Fiscal Year June 30	Payment	Principal	Interest 5.5%	Balance
	-	-	-	7,625
2024	4,674	4,389	285	3,236
2025	3,302	3,236	65	-
Total	\$ 7,795	<u>7,625</u>	<u>350</u>	<u>-</u>

Total mortgage receivable	\$ 15,377
Less current portion	<u>(10,073)</u>
	\$ <u>5,304</u>

Management has determined that all of the mortgage receivable is collectable; therefore no allowances for doubtful account has been established.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

III. OTHER INFORMATION

A. Fund Balance

Detailed information related to amounts classified as non-spendable, restricted and committed in fund balance at June 30, 2023 are as follows:

	School Operating Fund	Radio Community Services Special Revenue Fund	Other Governmental Funds	Total
Non-spendable:				
Inventory	\$ 7,749	-	5,099	<u>12,848</u>
Restricted:				
Pre-School	-	-	157,036	<u>157,036</u>
Committed for:				
Alaska Public Radio	-	508,372	-	508,372
Emergency Management	-	-	29,212	29,212
Alaska Public Radio	-	-	21,596	21,596
Playground	-	-	4,338	4,338
After School Community Program	-	-	21,171	21,171
District Housing	-	-	322,800	322,800
Student Activities	-	-	60,751	60,751
Capital Projects	-	-	162,450	162,450
Total committed	<u>\$ -</u>	<u>508,372</u>	<u>622,318</u>	<u>1,130,690</u>

B. 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, and (e) workers compensation. The District participates in the Alaska Municipal League (AML), which covers property and contents, torts, general and auto liability, school leader errors and omissions, and workers compensation. AML has a single occurrence and limit of \$3,000,000, with no aggregate limit. No settlements in excess of insurance coverage have been realized over the past three years.

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

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

C. Contingent Liabilities

Amounts received or receivable from granting 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.

Management believes that the outcome of the matters discussed in the preceding paragraph will not have a material adverse effect on the financial statements of the District. Accordingly, no provision for losses has been recorded.

The District's current share of unfunded OPEB liabilities related to PERS/TRS between measurement dates created an OPEB benefit as a result of the decrease to the estimated liability. Due to the change, The District's proportionate share of pension plan expenses is negative for the year. Per GASB 75, the negative proportionate share has been allocated to operating grants and contributions for school administration and district administration to report negative program revenues.

D. 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 Teacher's 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.

PRIBILOF 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	Cost-sharing, Defined Benefit OPEB
Alaska Retiree Healthcare Trust Plan	Cost-sharing, Defined Benefit OPEB
Retiree Medical Plan	Cost-sharing, Defined Benefit OPEB
Defined Contribution Other Postemployment Benefits (DC):	
Healthcare Reimbursement Arrangement Plan	Defined Contribution OPEB

Other Postemployment Benefit Plans (OPEB)

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, 2022, employer contributions were 6.46% for PERS and 6.50% for TRS.

Occupational Death and Disability Plan (ODD)

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 2022, the employer contribution rates were 0.31% for PERS and 0.08% for TRS.

Retiree Medical Plan (RMP)

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended June 30, 2022, employer contributions were 1.07% for PERS and 0.83% for TRS.

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.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Investments

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

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

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return, net of investment expense, for the year ended June 30, 2022 for PERS and TRS for the DB Pension Plans were 6.00% and 5.91%, the ARHCT Plans were 6.03% and 6.04%, the ODD Plans were 6.30% and 6.21%, and the RMP were 6.28% and 6.21%, respectively.

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

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

The long-term expected rate of return on pension and OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below for the PERS and TRS plans (rates shown below exclude an annual inflation component of 2.88%):

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Domestic Equity	6.51%
Global Equity (non-U.S.)	5.70%
Aggregate Bonds	0.31%
Real Assets	3.71%
Private Equity	9.61%
Cash Equivalents	(0.50)%

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.25%, which represents a decrease of 0.13% 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 4.09% as of June 30, 2022.

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

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

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

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

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes. Certain actuarial methods and assumptions for this rate calculation are mandated by the *Governmental Accounting Standards Board* (GASB). Medicare Part D subsidies are not reflected in this rate. The rate uses a 7.25% discount rate.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Employer Contribution rates for the plan year ended 2022 (measurement period) are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	22.00%	24.79%	2.79%
OPEB	0.00%	0.00%	0.00%
Total PERS contribution rates	<u>22.00%</u>	<u>24.79%</u>	<u>2.79%</u>
TRS:			
Pension	12.56%	24.62%	12.06%
OPEB	0.00%	0.00%	0.00%
Total TRS contribution rates	<u>12.56%</u>	<u>24.62%</u>	<u>12.06%</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 and TRS Administrator. For the plan year ended June 30, 2022 (measurement period) the past service rate for PERS and TRS is 16.01%.

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2022 (latest available) were determined by an actuarial valuation as of June 30, 2021 which was rolled forward to the measurement date June 30, 2022. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017.

Inflation	2.50% per year.
Salary Increases	Increases range from 2.85% to 7.00% based on service.
Investment return / discount rate	7.25%, net of expenses based on average inflation of 2.50% and a real return of 4.75%.
Mortality	Based upon 2017 - 2021 actual experience study and applicable tables contained in Pub-210, projected with MP-2021 generational improvement.
Healthcare cost trend rates	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Rx/EGWP: 7.5% grading down to 4.5%. Ultimate trend rates reached in FY2050.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The actuarial assumptions used in the June 30, 2021 actuarial valuation are the same as those used in the June 30, 2020 valuation with the following exceptions related to the ARHCT plan:

1. Per capita claims costs were updated to reflect recent experience.
2. Normal cost for administrative expenses were updated to reflect recent two years of actual administrative expenses paid from plan assets.

The changes of assumptions from the latest experience study significantly reduced deferred inflows of resources attributable to the District, as well as a net 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 Employees' 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/drdb/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 plan is closed to new hires enrolled on or after July 1, 2006. New hires after this date participate in the PERS defined contribution plan (DC) described later in these notes.

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

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.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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. The plan has two types of postretirement pension adjustments (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients, when the cost of living increases in the previous calendar year. The discretionary PRPA may be granted to eligible recipients by the DB Plan's administrator if the funding ratio of the DB Plan meets or exceeds 105%. If both an automatic and discretionary PRPA are granted, the retiree is eligible for both adjustments, the one that provides the retiree with the greatest benefit will be paid.

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

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

Employee Contribution Rate. PERS active members are required to contribute 6.75%, 7.5% for peace officers and firefighters, and 9.6% for certain school district employees.

Employer contributions for the year ended June 30, 2023 were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 26,446	3,522	29,968

Public Employees' Retirement Plans

For the year ended June 30, 2023 the State of Alaska contributed \$10,757 (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, 2023 to a total of (\$9,054) to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2023, 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	\$ 483,631
State's proportionate share of the net pension liability	<u>132,517</u>
Total	<u><u>\$ 616,148</u></u>
OPEB	OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (184,484)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(52,137)</u>
Total	<u><u>\$ (236,621)</u></u>
District's proportionate share of the ODD OPEB liability (asset)	\$ (5,001)
District's proportionate share of the RMP OPEB liability (asset)	\$ (4,664)
Total District's share of net pension and OPEB liabilities and assets	<u><u>\$ 289,482</u></u>

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2024 through FY2039, as determined by projections based on the June 30, 2021 valuation.

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

	June 30, 2022 Measurement	June 30, 2021 Measurement	Change
Pension	0.00949%	0.01266%	(0.00317%)
OPEB:			
ARHCT	0.00938%	0.01260%	(0.00322%)
ODD	0.01141%	0.00974%	0.00167%
RMP	0.01343%	0.01146%	0.00197%

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2022, the District recognized pension and OPEB expense of (\$120,171) and (\$38,145), respectively, for the year ended June 30, 2023, 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	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	13,827	
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	26,446	-
Total	\$ 40,273	-
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(1,306)
Changes of assumptions	-	(8,466)
Net difference between projected and actual earnings on OPEB plan investments	10,466	-
Changes in proportion and differences between District contributions and proportionate share of contributions	11,788	-
District contributions subsequent to the measurement date	-	-
Total	\$ 22,254	(9,772)
	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(1,641)
Changes of assumptions	-	(32)
Net difference between projected and actual earnings on OPEB plan investments	170	-
Changes in proportion and differences between District contributions and proportionate share of contributions	222	(627)
District contributions subsequent to the measurement date	755	-
Total	\$ 1,147	(2,300)

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 232	(183)
Changes of assumptions	903	(5,592)
Net difference between projected and actual earnings on OPEB plan investments	665	-
Changes in proportion and differences between District contributions and proportionate share of contributions	371	(184)
District contributions subsequent to the measurement date	2,767	-
Total	\$ 4,938	(5,959)

\$26,446 and \$3,522 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 and as an increase to the net pension and OPEB assets in the year ended June 30, 2023 (plan year), 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,		ARHCT	ODD	RMP
2023	\$ (1,644)	258	(365)	(635)
2024	(4,214)	(3,671)	(373)	(668)
2025	(10,115)	(8,269)	(400)	(770)
2026	29,800	24,164	(153)	122
2027	-	-	(281)	(811)
Thereafter	-	-	(336)	(1,026)
Total	\$ 13,827	12,482	(1,908)	(3,788)

For the year ended June 30, 2023, the District recognized (\$160,421) and \$41,224 of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

Sensitivity of the Net Pension and OPEB Liabilities and Assets to Changes in the Discount Rate: The following presents the net pension and OPEB liabilities and assets of the plan calculated using the discount rate of 7.25%, as well as what the Plans' net pension and OPEB liabilities and assets would be if they were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 651,071	483,631	342,444
Net OPEB ARHCT liability (asset)	(109,610)	(184,484)	(247,273)
Net OPEB ODD liability (asset)	(4,711)	(5,001)	(5,228)
Net OPEB RMP liability (asset)	858	(4,664)	(8,874)

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Sensitivity of the District's Proportionate Share of the Net OPEB Liability and Assets to Changes in the Healthcare Cost Trend Rates. The following present the District's proportionate share of the net OPEB liability (asset), as well as what the District's proportionate share of the net OPEB liability (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)	\$ (254,659)	(184,484)	(100,682)
Net OPEB ODD liability (asset)	\$ N/A	(5,001)	N/A
Net OPEB RMP liability (asset)	\$ (9,452)	(4,664)	1,786

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

Plan Description and Funding Requirements. 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 6.75% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.07% for the retiree medical plan (DB), 0.31% for occupational and death and disability benefits (DB) and 3.00% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is capped at 22% with anything in excess of the previously listed rates being contributed to the Defined Benefit Unfunded Liability (DBUL).

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 District contributed \$25,628 for the year ended June 30, 2023, which included forfeitures of \$9,482 which have been applied as employer contributions.

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

Plan Description. The District participates in the Alaska Teachers' Retirement System (TRS), a cost sharing multiple-employer defined benefit plan. Currently, there are 56 employers participating in TRS, including 52 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/drbs/trs>.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

Employer contributions for the year ended June 30, 2023, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 3,127	3,643	6,770

Teachers' Retirement Plans

For the year ended June 30, 2023 the State of Alaska contributed \$42,807 (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, 2023 to a total of (\$25,207) to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2023, 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	\$ 417,270
State's proportionate share of the net pension liability	<u>555,645</u>
Total	<u><u>\$ 972,915</u></u>
OPEB	OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (225,234)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(287,977)</u>
Total	<u><u>\$ (513,211)</u></u>
District's proportionate share of the ODD OPEB liability (asset)	\$ (4,674)
District's proportionate share of the RMP OPEB liability (asset)	<u><u>\$ (14,969)</u></u>
Total District's share of net pension and OPEB liabilities and assets	<u><u>\$ 172,393</u></u>

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2024 through FY2039, as determined by projections based on the June 30, 2021 valuation.

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

	June 30, 2022	June 30, 2021	Change
	Measurement	Measurement	
Pension	0.02503%	0.02728%	(0.00225%)
OPEB:			
ARHCT	0.02570%	0.02880%	(0.0031%)
ODD	0.07738%	0.09301%	(0.01563%)
RMP	0.07730%	0.09284%	(0.01554%)

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2022, the District recognized pension and OPEB expense of \$22,923 and (\$113,058) respectively, for the year ended June 30, 2023, 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	\$ -	(1,358)
Changes of assumptions	3,506	-
Net difference between projected and actual earnings on pension plan investments	18,425	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(6,000)
District contributions subsequent to the measurement date	<u>3,127</u>	-
Total	<u>\$ 25,058</u>	<u>(7,358)</u>
 OPEB ARHCT		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(798)
Changes of assumptions	-	(5,105)
Net difference between projected and actual earnings on OPEB plan investments	11,656	-
Changes in proportion and differences between District contributions and proportionate share of contributions	4,959	-
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 16,615</u>	<u>(5,903)</u>
 OPEB ODD		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(724)
Changes of assumptions	-	(12)
Net difference between projected and actual earnings on OPEB plan investments	111	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,552	(151)
District contributions subsequent to the measurement date	<u>307</u>	-
Total	<u>\$ 1,970</u>	<u>(887)</u>

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,549	(707)
Changes of assumptions	885	(8,897)
Net difference between projected and actual earnings on OPEB plan investments	1,156	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,306	(184)
District contributions subsequent to the measurement date	3,336	-
Total	<u>\$ 10,232</u>	<u>(9,788)</u>

\$3,127 and \$3,643 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 and as an increase to the net pension and OPEB assets in the year ended June 30, 2023 (plan year), respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,		OPEB ARHCT	OPEB ODD	OPEB RMP
2023	\$ (6,658)	(2,575)	132	(558)
2024	(6,885)	(3,617)	124	(629)
2025	(15,990)	(8,377)	103	(841)
2026	44,106	25,281	273	880
2027	-	-	112	(592)
Thereafter	-	-	32	(1,152)
Total	<u>\$ 14,573</u>	<u>10,712</u>	<u>776</u>	<u>(2,892)</u>

For the year ended June 30, 2023, the District recognized (\$53,990) and \$9,925 of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

Sensitivity of the Net Pension and OPEB Liabilities and Assets to Changes in the Discount Rate: The following presents the net pension and OPEB liabilities and assets of the plan calculated using the discount rate of 7.25%, as well as what the Plans' net pension and OPEB liabilities and assets would be if they were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 624,114	417,270	242,781
Net OPEB ARHCT liability (asset)	(146,960)	(225,234)	(290,516)
Net OPEB ODD liability (asset)	(4,689)	(4,674)	(4,666)
Net OPEB RMP liability (asset)	(5,285)	(14,969)	(22,246)

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Sensitivity of the District's Proportionate Share of the Net OPEB Liability and Assets to Changes in the Healthcare Cost Trend Rates. The following present the District's proportionate share of the net OPEB liability (asset), as well as what the District's proportionate share of the net OPEB liability (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)	\$ (297,967)	(225,234)	(137,806)
Net OPEB ODD liability (asset)	\$ N/A	(4,674)	N/A
Net OPEB RMP liability (asset)	\$ (23,160)	(14,969)	(3,804)

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

Plan Description and Funding Requirements. 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 8.65% of their base salaries. State statutes require the employer to contribute 7.00% of employees' eligible compensation. Additionally, employers are required to contribute to other post-employment benefits (DB): 0.83% for the retiree medical plan, 0.08% for occupational death and disability, and 3.00% 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 District contributed \$35,878 for the year ended June 30, 2023, which included forfeitures of \$6,034 which have been applied as employer contributions.

E. Subsequent Accounting Pronouncements

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

- GASB 100 *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62.* Effective for fiscal years beginning after June 15, 2023. Multiple effective dates.
- GASB 101 *Compensated Absences.* Effective for fiscal years beginning after December 15, 2023.

PRIBILOF SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

PRIBILOF SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Local sources:				
Earnings on investment	\$ -	1,000	47,951	46,951
E-rate	112,800	112,800	337,920	225,120
Tuition from other districts - rental	-	-	8,420	8,420
Other	1,000	-	12,802	12,802
Intergovernmental:				
State of Alaska	821,214	821,214	969,057	147,843
Federal sources	700,000	700,000	810,264	110,264
Use of fund balance	107,172	-	-	-
Total revenues	1,742,186	1,635,014	2,186,414	551,400
Expenditures:				
Current:				
Instruction	462,573	462,573	383,374	79,199
Special education instruction	68,112	68,112	49,209	18,903
Special education support services - students	50,000	50,000	34,971	15,029
Support services - instruction	172,322	172,322	482,107	(309,785)
School administration	81,717	81,717	70,333	11,384
School administration support services	82,183	82,183	84,759	(2,576)
District administration	173,301	173,301	165,801	7,500
District administration support services	177,310	177,310	154,751	22,559
Operation and maintenance of plant	474,668	474,668	441,312	33,356
Student activities	-	-	20,000	(20,000)
Total expenditures	1,742,186	1,742,186	1,886,617	(144,431)
Excess of revenues over expenditures	\$ -	(107,172)	299,797	406,969
Fund balance, beginning of year			1,365,701	
Fund balance, end of year	\$ -	1,665,498		

See accompanying notes to Required Supplementary Information.

PRIBILOF SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2023

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	0.0116%	\$ 542,013	\$ 330,658	\$ 872,671	\$ 1,975,177	27.44%	62.37%
2016	0.0159%	\$ 769,686	\$ 207,367	\$ 977,053	\$ 560,489	137.32%	63.96%
2017	0.0154%	\$ 858,739	\$ 104,377	\$ 963,116	\$ 460,428	186.51%	59.55%
2018	0.0106%	\$ 549,689	\$ 205,536	\$ 755,225	\$ 419,234	131.12%	63.37%
2019	0.0144%	\$ 713,746	\$ 205,425	\$ 919,171	\$ 424,350	168.20%	65.19%
2020	0.0107%	\$ 584,496	\$ 228,210	\$ 812,706	\$ 497,156	117.57%	63.42%
2021	0.0129%	\$ 761,669	\$ 315,296	\$ 1,076,965	\$ 480,655	158.46%	61.61%
2022	0.0127%	\$ 464,582	\$ 63,393	\$ 527,975	\$ 358,545	129.57%	76.46%
2023	0.0095%	\$ 483,631	\$ 132,517	\$ 616,148	\$ 447,986	107.96%	67.97%

See accompanying notes to Required Supplementary Information.

PRIBILOF SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2023

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	0.0107%	\$ 90,242	\$ 33,464	\$ 123,706	\$ 419,234	21.53%	89.68%
2019	0.0143%	\$ 147,228	\$ 42,971	\$ 190,199	\$ 424,350	34.69%	88.12%
2020	0.0107%	\$ 15,828	\$ 6,374	\$ 22,202	\$ 497,156	3.18%	98.13%
2021	0.0129%	\$ (58,635)	\$ (24,578)	\$ (83,213)	\$ 480,655	-12.20%	106.15%
2022	0.0127%	\$ (324,443)	\$ (42,135)	\$ (366,578)	\$ 358,545	-90.49%	135.54%
2023	0.0094%	\$ (184,484)	\$ (52,137)	\$ (236,621)	\$ 447,986	-41.18%	128.51%
Occupational Death and Disability (ODD):							
2018	0.0116%	\$ (1,648)	\$ -	\$ (1,648)	\$ 419,234	-0.39%	212.97%
2019	0.0075%	\$ (1,465)	\$ -	\$ (1,465)	\$ 424,350	-0.35%	270.62%
2020	0.0082%	\$ (1,987)	\$ -	\$ (1,987)	\$ 497,156	-0.40%	297.43%
2021	0.0095%	\$ (2,589)	\$ -	\$ (2,589)	\$ 480,655	-0.54%	283.80%
2022	0.0097%	\$ (4,292)	\$ -	\$ (4,292)	\$ 358,545	-1.20%	374.22%
2023	0.0114%	\$ (5,001)	\$ -	\$ (5,001)	\$ 447,986	-1.12%	348.80%
Retiree Medical Plan (RMP):							
2018	0.1303%	\$ 606	\$ -	\$ 606	\$ 55,427	1.09%	93.98%
2019	0.0075%	\$ 960	\$ -	\$ 960	\$ 36,068	2.66%	88.71%
2020	0.0103%	\$ 2,467	\$ -	\$ 2,467	\$ 55,068	4.48%	83.17%
2021	0.0119%	\$ 841	\$ -	\$ 841	\$ 72,082	1.17%	92.23%
2022	0.0115%	\$ (3,077)	\$ -	\$ (3,077)	\$ 76,918	-4.00%	115.10%
2023	0.0134%	\$ (4,664)	\$ -	\$ (4,664)	\$ 101,641	-4.59%	120.08%

See accompanying notes to Required Supplementary Information.

PRIBILOF SCHOOL DISTRICT

Schedule of District's Contributions (Pensions)

Public Employees' Retirement System (PERS)

June 30, 2023

Year	Contributions Relative to the Contractually Required Contribution			Contractually Required Contribution		Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
	Contractually Required Contribution			Contractually Required Contribution				
2015	\$ 56,297	\$ (56,297)	\$ -	\$ 560,489		10.04%		
2016	\$ 47,352	\$ (47,352)	\$ -	\$ 460,428		10.28%		
2017	\$ 44,507	\$ (44,507)	\$ -	\$ 419,234		10.62%		
2018	\$ 63,979	\$ (63,979)	\$ -	\$ 424,350		15.08%		
2019	\$ 71,383	\$ (71,504)	\$ (121)	\$ 497,156		14.36%		
2020	\$ 63,186	\$ (62,576)	\$ 610	\$ 480,655		13.15%		
2021	\$ 45,479	\$ (45,692)	\$ (213)	\$ 358,545		12.68%		
2022	\$ 56,778	\$ (56,778)	\$ -	\$ 447,986		12.67%		
2023	\$ 58,011	\$ (26,446)	\$ 31,565	\$ 252,709		22.96%		

See accompanying notes to Required Supplementary Information.

PRIBILOF SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2023

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution			District's Covered Payroll	Contributions as a Percentage of Covered Payroll
		Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll		
Alaska Retiree Healthcare Trust Plan (ARHCT):						
2018	\$ 20,703	\$ (20,703)	\$ -	\$ 424,350		4.88%
2019	\$ 24,210	\$ (24,210)	\$ -	\$ 497,156		4.87%
2020	\$ 24,778	\$ (24,778)	\$ -	\$ 480,655		5.16%
2021	\$ 13,620	\$ (13,620)	\$ -	\$ 358,545		3.80%
2022	\$ 16,488	\$ (16,488)	\$ -	\$ 447,986		3.68%
2023	\$ -	\$ -	\$ -	\$ 252,709		0.00%
Occupational Death and Disability (ODD):						
2018	\$ 137	\$ (137)	\$ -	\$ 424,350		0.03%
2019	\$ 335	\$ (335)	\$ -	\$ 497,156		0.07%
2020	\$ 417	\$ (417)	\$ -	\$ 480,655		0.09%
2021	\$ 519	\$ (519)	\$ -	\$ 358,545		0.14%
2022	\$ 658	\$ (658)	\$ -	\$ 447,986		0.15%
2023	\$ 755	\$ (755)	\$ -	\$ 252,709		0.30%
Retiree Medical Plan (RMP):						
2018	\$ 879	\$ (879)	\$ -	\$ 36,068		2.44%
2019	\$ 1,210	\$ (1,210)	\$ -	\$ 55,068		2.20%
2020	\$ 2,115	\$ (2,115)	\$ -	\$ 72,082		2.93%
2021	\$ 2,127	\$ (2,127)	\$ -	\$ 76,918		2.77%
2022	\$ 2,272	\$ (2,272)	\$ -	\$ 101,641		2.24%
2023	\$ 2,767	\$ (2,767)	\$ -	\$ 116,491		2.38%

See accompanying notes to Required Supplementary Information.

PRIBILOF SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2023

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	0.0078%	\$ 235,240	\$ 2,312,193	\$ 2,547,433	\$ 3,535,278	6.65%	55.70%
2016	0.0276%	\$ 514,076	\$ 826,816	\$ 1,340,892	\$ 752,339	68.33%	73.82%
2017	0.0268%	\$ 611,404	\$ 730,889	\$ 1,342,293	\$ 656,399	93.15%	68.40%
2018	0.0221%	\$ 447,019	\$ 779,422	\$ 1,226,441	\$ 668,026	66.92%	72.39%
2019	0.0311%	\$ 595,025	\$ 888,877	\$ 1,483,902	\$ 526,648	112.98%	74.09%
2020	0.0277%	\$ 516,796	\$ 765,381	\$ 1,282,177	\$ 443,040	116.65%	74.68%
2021	0.0243%	\$ 494,348	\$ 851,378	\$ 1,345,726	\$ 465,987	106.09%	72.81%
2022	0.0273%	\$ 217,154	\$ 186,222	\$ 403,376	\$ 472,850	45.92%	89.43%
2023	0.0250%	\$ 417,270	\$ 555,645	\$ 972,915	\$ 487,293	85.63%	78.33%

See accompanying notes to Required Supplementary Information.

PRIBILOF SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2023

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	0.0222%	\$ 40,839	\$ 71,075	\$ 111,914	\$ 668,026	6.11%	93.75%
2019	0.0311%	\$ 96,608	\$ 145,086	\$ 241,694	\$ 526,648	18.34%	90.23%
2020	0.0277%	\$ (42,263)	\$ (62,509)	\$ (104,772)	\$ 443,040	-9.54%	105.50%
2021	0.0241%	\$ (86,048)	\$ (149,753)	\$ (235,801)	\$ 465,987	-18.47%	113.78%
2022	0.0288%	\$ (334,854)	\$ (260,155)	\$ (595,009)	\$ 472,850	-70.82%	145.41%
2023	0.0257%	\$ (225,234)	\$ (287,977)	\$ (513,211)	\$ 487,293	-46.22%	134.84%
Occupational Death and Disability (ODD):							
2018	0.1291%	\$ (4,220)	\$ -	\$ (4,220)	\$ 668,026	-0.63%	1342.59%
2019	0.1057%	\$ (3,706)	\$ -	\$ (3,706)	\$ 526,648	-0.70%	1304.81%
2020	0.0906%	\$ (3,646)	\$ -	\$ (3,646)	\$ 443,040	-0.82%	1409.77%
2021	0.0881%	\$ (3,792)	\$ -	\$ (3,792)	\$ 465,987	-0.81%	931.08%
2022	0.0930%	\$ (5,669)	\$ -	\$ (5,669)	\$ 472,850	-1.20%	1254.36%
2023	0.0774%	\$ (4,674)	\$ -	\$ (4,674)	\$ 487,293	-0.96%	1268.28%
Retiree Medical Plan (RMP):							
2018	0.1291%	\$ (4,220)	\$ -	\$ (4,220)	\$ 338,097	-1.25%	118.16%
2019	0.1057%	\$ (3,706)	\$ -	\$ (3,706)	\$ 313,057	-1.18%	109.56%
2020	0.0906%	\$ (3,474)	\$ -	\$ (3,474)	\$ 302,245	-1.15%	110.03%
2021	0.0884%	\$ (8,721)	\$ -	\$ (8,721)	\$ 286,123	-3.05%	125.59%
2022	0.0928%	\$ (18,641)	\$ -	\$ (18,641)	\$ 323,384	-5.76%	142.54%
2023	0.0773%	\$ (14,969)	\$ -	\$ (14,969)	\$ 291,202	-5.14%	140.73%

See accompanying notes to Required Supplementary Information.

PRIBILOF SCHOOL DISTRICT
Schedule of District's Contributions (Pensions)
Teachers' Retirement System (TRS)

June 30, 2023

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution			District's Covered Payroll	Contributions as a Percentage of Covered Payroll
		Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll		
2015	\$ 25,801	\$ (25,801)	\$ -	\$ 752,339	3.43%	
2016	\$ 14,521	\$ (14,521)	\$ -	\$ 656,399	2.21%	
2017	\$ 1,772	\$ (1,772)	\$ -	\$ 668,026	0.27%	
2018	\$ 18,914	\$ (18,914)	\$ -	\$ 526,648	3.59%	
2019	\$ 11,301	\$ (9,192)	\$ 2,109	\$ 443,040	2.55%	
2020	\$ 11,725	\$ (11,744)	\$ (19)	\$ 465,987	2.52%	
2021	\$ 8,011	\$ (14,522)	\$ (6,511)	\$ 472,850	1.69%	
2022	\$ 13,724	\$ (13,724)	\$ -	\$ 487,293	2.82%	
2023	\$ 8,633	\$ (3,127)	\$ 5,506	\$ 339,554	2.54%	

See accompanying notes to Required Supplementary Information.

PRIBILOF SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2023

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution			District's Covered Payroll	Contributions as a Percentage of Covered Payroll
		Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll		
Alaska Retiree Healthcare Trust Plan (ARHCT):						
2018	\$ 8,332	\$ (8,332)	-	\$ 526,648		1.58%
2019	\$ 5,415	\$ (5,415)	-	\$ 443,040		1.22%
2020	\$ 6,614	\$ (6,614)	-	\$ 465,987		1.42%
2021	\$ -	\$ -	-	\$ 472,850		0.00%
2022	\$ 6,402	\$ (6,402)	-	\$ 487,293		1.31%
2023	\$ -	\$ -	-	\$ 339,554		0.00%
Occupational Death and Disability (ODD):						
2018	\$ -	\$ -	-	\$ 526,648		0.00%
2019	\$ 283	\$ (283)	-	\$ 443,040		0.06%
2020	\$ 289	\$ (289)	-	\$ 465,987		0.06%
2021	\$ 337	\$ (337)	-	\$ 472,850		0.07%
2022	\$ 304	\$ (304)	-	\$ 487,293		0.06%
2023	\$ 307	\$ (307)	-	\$ 339,554		0.09%
Retiree Medical Plan (RMP):						
2018	\$ 3,457	\$ (3,457)	-	\$ 313,057		1.10%
2019	\$ 2,794	\$ (2,794)	-	\$ 302,245		0.92%
2020	\$ 3,944	\$ (3,944)	-	\$ 286,123		1.38%
2021	\$ 3,914	\$ (3,914)	-	\$ 323,384		1.21%
2022	\$ 3,158	\$ (3,158)	-	\$ 291,202		1.08%
2023	\$ 3,336	\$ (3,336)	-	\$ 285,653		1.17%

See accompanying notes to Required Supplementary Information.

PROBILOF SCHOOL DISTRICT

Notes to Required Supplementary Information

June 30, 2023

1. School Operating Fund and Radio Community Services Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund

A. Budgets and Budgetary Accounting

Annual budgets are prepared on a modified accrual basis consistent with generally accepted accounting principles for all governmental funds except Capital Project Funds. Capital Project Funds adopt project-length budgets. All annual appropriations lapse at fiscal year-end. Unexpended balances of grants from the state and federal governments for the Special Revenue Funds lapse at June 30 with the exception of certain federal funding. There was no budget adopted for Radio Community Services Special Revenue Fund and therefore no budget and actual schedule is presented as required supplementary information.

District policy in establishing budgetary data is as follows:

The superintendent submits to the District School Board (School Board), at such time as the School Board directs, a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the School Board during the May and June meetings to obtain the comments of residents of the District. The proposed budget is revised and approved by the School Board. The School Board submits the approved budget to the State Commissioner of Education by July 15th for review and determination of compliance with Alaska statutes and Department of Education and Early Development regulations.

The appropriated budget is prepared by fund, function and object. The District's superintendent may make transfers of appropriations within a fund. Transfers of appropriations between funds require the approval of the School Board. The legal level of budgetary control is the function level. The final revised and approved budget is presented in these financial statements. The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs.

Annual budgets of the various Special Revenue Funds are prepared in connection with the application for the special programs' grant application and are reviewed and approved for the School Board. Expenditure authority for Special Revenue Fund programs is limited to the fund level.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the School Operating Fund and Special Revenue Funds. Encumbrances, if any, outstanding at year end are reported 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 as commitments.

PROBLOF SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

B. Excess of Expenditures over Appropriations

The following function had expenditures in excess of appropriations in the School Operating Fund for the year ended June 30, 2023:

Support services – instruction	\$ (309,785)
School administration support services	(2,576)
Student activities	(20,000)

Excess expenditures in the School Operating Fund were funded by available revenue and fund balance.

2. 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 Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022

Healthcare claim costs are updated annually. Retired member contributions were updated to reflect the 5% decrease from CY21 to CY22. The amounts included in the normal cost for administrative expenses were changed from \$7,223,000 to \$7,625,000 for pension, and from \$4,934,000 to \$5,531,000 for healthcare (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022

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

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022

Healthcare claim costs are updated annually. The amounts included in the normal cost for administrative expenses were changed from \$1,000 to \$16,000 for occupational death and disability, and from \$20,000 to \$24,000 for retiree medical (based on the most recent two years of actual administrative expenses paid from plan assets). There were no other changes in actuarial assumptions since the prior valuation.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022

There have been no changes in benefit provisions valued since the prior valuation.

PROBILOF SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

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

Schedule of District Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2021 which was rolled forward to June 30, 2022. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

3. 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 Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022

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

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022

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

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plans

a) Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022

There were no changes in the asset or valuation methods since the prior valuation.

b) Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022

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

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022

There have been no changes in benefit provisions valued since the prior valuation.

PROBLOF SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

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

Schedule of District Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2021 which was rolled forward to June 30, 2022. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

SUPPLEMENTARY INFORMATION

PRIBILOF SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2023

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Local sources:			
Earnings on investment	\$ 1,000	47,951	46,951
E-rate	112,800	337,920	225,120
Tuition from other districts - rental	-	8,420	8,420
Other	-	12,802	12,802
Total local sources	<u>113,800</u>	<u>407,093</u>	<u>293,293</u>
Intergovernmental:			
State of Alaska:			
Foundation program	771,374	861,870	90,496
Quality schools	-	3,609	3,609
PERS on-behalf	5,217	10,757	5,540
TRS on-behalf	44,623	42,807	(1,816)
Other state revenue	-	50,014	50,014
Total State of Alaska	<u>821,214</u>	<u>969,057</u>	<u>147,843</u>
Federal sources - impact aid	<u>700,000</u>	<u>810,264</u>	<u>110,264</u>
Total revenues	<u>1,635,014</u>	<u>2,186,414</u>	<u>551,400</u>
Expenditures:			
Current:			
Instruction:			
Certificated salaries	258,758	228,273	30,485
Non-certificated salaries	16,000	913	15,087
Employee benefits	108,933	97,612	11,321
Transportation allowance	30,000	6,368	23,632
Staff travel	5,500	3,596	1,904
Other purchases services	29,900	41,491	(11,591)
Supplies, materials and media	12,482	5,121	7,361
Professional and technical services	1,000	-	1,000
Total instruction	<u>462,573</u>	<u>383,374</u>	<u>79,199</u>
Special education instruction:			
Non-certificated salaries	24,872	28,315	(3,443)
Employee benefits	12,740	19,233	(6,493)
Professional and technical services	30,000	1,661	28,339
Supplies, materials and media	500	-	500
Total special education instruction	<u>68,112</u>	<u>49,209</u>	<u>18,903</u>

(continued)

PRIBILOF SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget - Positive (Negative)
Expenditures, continued:			
Special education support services - students -			
Professional and technical services	\$ 50,000	34,971	15,029
Support services - instruction:			
Certificated salaries	-	44,086	(44,086)
Non-certificated salaries	5,400	4,000	1,400
Employee benefits	1,822	7,546	(5,724)
Professional and technical services	10,600	10,708	(108)
Utility services	150,000	413,637	(263,637)
Other purchased services	1,000	848	152
Staff travel	-	1,282	(1,282)
Supplies, materials and media	3,500	-	3,500
Total support services - instruction	<u>172,322</u>	<u>482,107</u>	<u>(309,785)</u>
School administration:			
Certificated salaries	45,000	46,275	(1,275)
Employee benefits	27,717	19,898	7,819
Other purchased services	6,000	715	5,285
Supplies, material, and media	3,000	3,445	(445)
Total school administration	<u>81,717</u>	<u>70,333</u>	<u>11,384</u>
School administration support services:			
Non-certificated salaries	58,300	60,195	(1,895)
Employee benefits	19,383	19,419	(36)
Other purchased services	2,500	3,738	(1,238)
Supplies, materials and media	2,000	1,407	593
Total school administration support services	<u>82,183</u>	<u>84,759</u>	<u>(2,576)</u>
District administration:			
Certificated salaries	66,250	73,909	(7,659)
Employee benefits	36,591	27,291	9,300
Professional and technical services	20,000	8,986	11,014
Staff travel	36,000	26,344	9,656
Other purchased services	2,500	19,426	(16,926)
Supplies, materials and media	3,460	3,385	75
Tuition, students, and stipends	5,000	2,400	2,600
Other	3,500	4,060	(560)
Total district administration	<u>173,301</u>	<u>165,801</u>	<u>7,500</u>

(continued)

PRIBILOF SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget - Positive (Negative)
Expenditures, continued:			
District administration support services:			
Professional and technical services	\$ 122,500	118,266	4,234
Other purchased services	11,000	6,106	4,894
Insurance and bond premiums	43,810	30,203	13,607
Other	-	176	(176)
Total district administration support services	<u>177,310</u>	<u>154,751</u>	<u>22,559</u>
Operation and maintenance of plant:			
Non-certificated salaries	101,000	118,909	(17,909)
Employee benefits	74,258	43,817	30,441
Staff travel	4,000	2,278	1,722
Energy	150,000	145,009	4,991
Other purchased services	12,500	31,456	(18,956)
Insurance and bond premiums	85,410	85,410	-
Supplies, materials and media	22,500	14,433	8,067
Utility services	25,000	-	25,000
Total operation and maintenance of plant	<u>474,668</u>	<u>441,312</u>	<u>33,356</u>
Student activities-			
Other	-	20,000	(20,000)
Total expenditures	<u>1,742,186</u>	<u>1,886,617</u>	<u>(144,431)</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(107,172)</u>	<u>299,797</u>	<u>406,969</u>
Fund balance, beginning of year		<u>1,365,701</u>	
Fund balance, end of year	\$ <u><u>1,665,498</u></u>		

PRIBILOF SCHOOL DISTRICT

Radio Community Services Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2023

Revenues:	
Local sources - other	\$ <u>207,248</u>
Expenditures:	
Current:	
Community services:	
Certificated salaries	13,200
Non-certificated salaries	69,908
Employee benefits	28,759
Other purchased services	<u>30,511</u>
Total expenditures	<u>142,378</u>
Excess of revenues over expenditures	\$ 64,870
Fund balance, beginning of year	<u>443,502</u>
Fund balance, end of year	<u>508,372</u>

PRIBILOF SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2023

	Special Revenue Funds						
<u>Assets</u>	SEISD Literacy Grant	Rural Student Services Practice	Emergency Management	Alaska Public Radio	Title I-A Basic	Carl Perkins Secondary	Pre-School
Accounts receivable	\$ 11,631	-	-	-	7,496	26,455	104,901
Mortgage receivable	-	-	-	-	-	-	-
Due from School Operating Fund	-	3,125	29,212	22,026	-	-	52,135
Inventory	-	-	-	-	-	-	-
Total assets	\$ <u>11,631</u>	<u>3,125</u>	<u>29,212</u>	<u>22,026</u>	<u>7,496</u>	<u>26,455</u>	<u>157,036</u>
 <u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>							
Liabilities:							
Accounts payable	-	-	-	430	-	-	-
Unearned revenue	-	3,125	-	-	-	-	-
Due to School Operating Fund	11,631	-	-	-	7,496	26,455	-
Total liabilities	<u>11,631</u>	<u>3,125</u>	<u>-</u>	<u>430</u>	<u>7,496</u>	<u>26,455</u>	<u>-</u>
Deferred inflows of resources -							
Unavailable revenues	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	11,631	3,125	-	430	7,496	26,455	-
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	157,036
Committed	-	-	29,212	21,596	-	-	-
Total fund balances	-	-	<u>29,212</u>	<u>21,596</u>	<u>-</u>	<u>-</u>	<u>157,036</u>
Total liabilities and fund balances	\$ <u>11,631</u>	<u>3,125</u>	<u>29,212</u>	<u>22,026</u>	<u>7,496</u>	<u>26,455</u>	<u>157,036</u>

(Continued)

PRIBILOF SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

Assets	Special Revenue Funds					Impact Aid Capital Project Fund	Total Other Governmental Funds
	Playground	After School Community Program	District Housing	Student Activities	Total		
Accounts receivable	\$ -	6,936	-	-	157,419	-	157,419
Mortgage receivable	-	-	15,377	-	15,377	-	15,377
Due from School Operating Fund	4,338	14,235	326,201	60,751	512,023	162,450	674,473
Inventory	-	-	5,099	-	5,099	-	5,099
Total assets	\$ 4,338	21,171	346,677	60,751	689,918	162,450	852,368
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>							
Liabilities:							
Accounts payable	-	-	3,401	-	3,831	-	3,831
Unearned revenue	-	-	-	-	3,125	-	3,125
Due to School Operating Fund	-	-	-	-	45,582	-	45,582
Total liabilities	-	-	3,401	-	52,538	-	52,538
Deferred inflows of resources -							
Unavailable revenues	-	-	15,377	-	15,377	-	15,377
Total liabilities and deferred inflows of resources	-	-	18,778	-	67,915	-	67,915
Fund balances:							
Nonspendable	-	-	5,099	-	5,099	-	5,099
Restricted	-	-	-	-	157,036	-	157,036
Committed	4,338	21,171	322,800	60,751	459,868	162,450	622,318
Total fund balances	4,338	21,171	327,899	60,751	622,003	162,450	784,453
Total liabilities and fund balances	\$ 4,338	21,171	346,677	60,751	689,918	162,450	852,368

PRIBILOF SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Year Ended June 30, 2023

	Special Revenue Funds					
	Alaska Broadband Assistance Grant	SEISD Literacy Grant	Emergency Management	Alaska Public Radio	Title I-A Basic	Carl Perkins Secondary
Revenues:						
Local sources:						
Charges for services	-	-	-	-	-	-
Other	-	18,393	7,140	7,230	-	-
Intergovernmental:						
State of Alaska	49,313	-	-	-	-	-
Federal sources	-	-	-	-	35,998	26,455
Total revenues	49,313	18,393	7,140	7,230	35,998	26,455
Expenditures:						
Current:						
Instruction	-	-	-	-	35,998	26,455
Special education instruction	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-
Support services - instruction	49,313	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Community services	-	18,393	1,529	10,530	-	-
Total expenditures	49,313	18,393	1,529	10,530	35,998	26,455
Excess (deficiency) of revenues over expenditures	-	-	5,611	(3,300)	-	-
Fund balances, beginning of year	-	-	23,601	24,896	-	-
Fund balances, end of year	\$ -	-	29,212	21,596	-	-

(continued)

PRIBILOF SCHOOL DISTRICT

Other Governmental Funds

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

	Title VI-B	Section 619 Preschool Disabled	Small, Rural School Achievement Program	Pre-School	Indian Education Act	Elementary and Secondary School Emergency Relief III
Revenues:						
Local sources:						
Charges for services	-	-	-	-	-	-
Other	-	-	-	104,901	-	-
Intergovernmental:						
State of Alaska	-	-	-	-	-	-
Federal sources	45,244	133	6,750	-	25,967	20,049
Total revenues	45,244	133	6,750	104,901	25,967	20,049
Expenditures:						
Current:						
Instruction	-	-	6,750	96,713	25,967	-
Special education instruction	-	133	-	-	-	-
Special education support services - students	45,244	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	20,049
Student activities	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Total expenditures	45,244	133	6,750	96,713	25,967	20,049
Excess (deficiency) of revenues over expenditures	-	-	-	8,188	-	-
Fund balances, beginning of year, as restated	-	-	-	148,848	-	-
Fund balances, end of year	\$ -	-	-	157,036	-	-

(Continued)

PRIBILOF SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds					Impact Aid Capital Project Fund	Total Other Governmental Funds
	Playground	After School Community Program	District Housing	Student Activities	Totals		
Revenues:							
Local sources:							
Charges for services	-	-	71,848	-	71,848	-	71,848
Other	-	6,936	-	56,792	201,392	-	201,392
Intergovernmental:							
State of Alaska	-	-	-	-	49,313	-	49,313
Federal sources	-	-	-	-	160,596	-	160,596
Total revenues	-	6,936	71,848	56,792	483,149	-	483,149
Expenditures:							
Current:							
Instruction	-	18,784	-	-	210,667	-	210,667
Special education instruction	-	-	-	-	133	-	133
Special education support services - students	-	-	-	-	45,244	-	45,244
Support services - instruction	-	-	-	-	49,313	-	49,313
Operation and maintenance of plant	-	-	89,706	-	109,755	-	109,755
Student activities	-	-	-	34,936	34,936	-	34,936
Community services	-	-	-	-	30,452	-	30,452
Total expenditures	-	18,784	89,706	34,936	480,500	-	480,500
Excess (deficiency) of revenues over expenditures	-	(11,848)	(17,858)	21,856	2,649	-	2,649
Fund balances, beginning of year	4,338	33,019	345,757	38,895	619,354	162,450	781,804
Fund balances, end of year	\$ 4,338	21,171	327,899	60,751	622,003	162,450	784,453

PRIBILOF SCHOOL DISTRICT

Alaska Broadband Assistance Grant Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - State of Alaska	\$ 49,313	49,313	-
Expenditures -			
Current -			
Support services - instruction -			
Utility services	49,313	49,313	-
Excess of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year			
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>

PRIBILOF SCHOOL DISTRICT

SEISD Literacy Grant Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2023

Revenues -

Local sources - other	\$ <u>18,393</u>
-----------------------	------------------

Expenditures:

Current:

Community services:

Certificated salaries	10,411
Employee benefits	1,866
Supplies, material, and media	<u>6,116</u>
Total expenditures	<u>18,393</u>

Excess of revenues over expenditures

-

Fund balance, beginning of year

-

Fund balance, end of year

\$ -

PRIBILOF SCHOOL DISTRICT

Emergency Management Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2023

Revenues -	
Local sources - other	\$ <u>7,140</u>
Expenditures -	
Current -	
Community services-	
Supplies, material, and media	<u>1,529</u>
Excess of revenues over expenditures	\$ <u>5,611</u>
Fund balance, beginning of year	<u>23,601</u>
Fund balance, end of year	<u><u>29,212</u></u>

PRIBILOF SCHOOL DISTRICT

Alaska Public Radio Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2023

Revenues -	
Local sources - other	\$ <u>7,230</u>
Expenditures:	
Current:	
Community services:	
Professional and technical services	948
Utility services	2,811
Energy	4,771
Supplies, materials and media	2,000
Total expenditures	<u>10,530</u>
Excess of revenues over expenditures	\$ (3,300)
Fund balance, beginning of year	<u>24,896</u>
Fund balance, end of year	\$ <u>21,596</u>

PRIBILOF SCHOOL DISTRICT

Title I-A Basic Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental -			
Federal education sources passed through the State of Alaska	\$ 35,998	<u>35,998</u>	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	1,800	1,800	-
Non-certificated salaries	29,803	29,803	-
Employee benefits	4,143	4,143	-
Supplies, materials and media	252	252	-
Total expenditures	<u>35,998</u>	<u>35,998</u>	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year			-
Fund balance, end of year	\$ -	-	

PRIBILOF SCHOOL DISTRICT

Carl Perkins Secondary Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental -			
Federal education sources passed through the State of Alaska	\$ 27,000	26,455	(545)
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	17,400	17,400	-
Employee benefits	5,600	5,600	-
Equipment	4,000	3,455	545
Total expenditures	<u>27,000</u>	<u>26,455</u>	<u>545</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year			
Fund balance, end of year	<u>\$ -</u>		

PRIBILOF SCHOOL DISTRICT

Title VI-B Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental -			
Federal education sources passed through the State of Alaska	\$ 45,244	45,244	-
Expenditures -			
Current -			
Special education support services - students - Professional and technical services	45,244	45,244	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year			-
Fund balance, end of year	\$ -		

PRIBILOF SCHOOL DISTRICT

Section 619 Preschool Disabled Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental -			
Federal education sources passed through the State of Alaska	\$ 133	133	-
Expenditures -			
Current:			
Special education instruction - Supplies, materials and media	133	133	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year			
Fund balance, end of year	\$ -		

PRIBILOF SCHOOL DISTRICT

Small, Rural School Achievement Program Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - direct federal sources -			
U.S. Department of Education	\$ 6,750	6,750	-
Expenditures -			
Current -			
Instruction - supplies, material, and media	6,750	6,750	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year			
Fund balance, end of year	\$ -		

PRIBILOF SCHOOL DISTRICT

Pre-School Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Local sources - other	\$ 125,000	104,901	(20,099)
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	60,000	48,825	11,175
Employee benefits	44,500	37,149	7,351
Other purchased services	8,000	7,800	200
Supplies, materials and media	12,500	2,939	9,561
Total expenditures	<u>125,000</u>	<u>96,713</u>	<u>28,287</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>8,188</u>	<u>8,188</u>
Fund balance, beginning of year		148,848	
Fund balance, end of year	<u>\$ 157,036</u>		

PRIBILOF SCHOOL DISTRICT

Indian Education Act Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - direct federal sources -			
U.S. Department of Education	\$ 25,967	25,967	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	20,000	20,000	-
Employee benefits	5,967	5,967	-
Total expenditures	<u>25,967</u>	<u>25,967</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year			-
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	

PRIBILOF SCHOOL DISTRICT
Elementary and Secondary School Emergency Relief III Special Revenue Fund

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

Year Ended June 30, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental -			
Federal education sources passed through the State of Alaska	\$ 61,960	20,049	(41,911)
Expenditures:			
Current:			
Operation and maintenance of plant:			
Non-certificated salaries	53,000	14,884	38,116
Employee benefits	8,500	4,705	3,795
Supplies, materials and media	460	460	-
Total operation and maintenance of plant	<u>61,960</u>	<u>20,049</u>	<u>41,911</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year			
Fund balance, end of year	<u>\$ -</u>		

PRIBILOF SCHOOL DISTRICT

Playground Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2023

Revenues -	
Intergovernmental -	
Federal education sources passed through the State of Alaska	\$ _____ -
Expenditures -	
Current -	
Special education support services - students - Professional and technical services	_____ -
Excess of revenues over expenditures	_____ -
Fund balance, beginning of year	<u>4,338</u>
Fund balance, end of year	\$ <u>4,338</u>

PRIBILOF SCHOOL DISTRICT

After School Community Program Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2023

Revenues -	
Local sources- other	\$ <u>6,936</u>
Expenditures:	
Instruction:	
Non-certificated salaries	13,399
Employee benefits	5,385
Total expenditures	<u>18,784</u>
Excess of revenues over expenditures	(11,848)
Fund balance, beginning of year	<u>33,019</u>
Fund balance, end of year	\$ <u>21,171</u>

PRILOF SCHOOL DISTRICT

District Housing Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2023

Revenues:

Local sources-

Charges for services:

Rental	\$ 61,025
Other	10,823
Total revenues	<u>71,848</u>

Expenditures:

Current:

Operations and maintenance of plant:

Non-certificated salaries	1,834
Employee benefits	598
Energy	36,537
Other purchased services	50,717
Supplies, material and media	20
Total expenditures	<u>89,706</u>

Excess of revenues over expenditures (17,858)

Fund balance, beginning of year 345,757

Fund balance, end of year \$ 327,899

PRIBILOF SCHOOL DISTRICT

Student Activities Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2023

Revenues -	
Local sources - other	\$ <u>56,792</u>
Expenditures -	
Current -	
Student activities - other	<u>34,936</u>
Excess (deficiency) of revenues over expenditures	21,856
Fund balance, beginning of year	<u>38,895</u>
Fund balance, end of year	\$ <u>60,751</u>

PRIBILOF SCHOOL DISTRICT

Impact Aid Capital Project Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2023

Revenues:

State sources \$ _____ -

Expenditures:

Excess (deficiency) of revenues over expenditures -

Fund balance, beginning of year 162,450

Fund balance, end of year \$ 162,450

PRIBILOF SCHOOL DISTRICT

Schedule of Compliance- AS 14.17.505

Year Ended June 30, 2023

Total fund balance- School Operating fund	\$ 1,665,498
less exemptions per 4 AAC 09.160(a):	
Inventory	7,749
Federal impact aid received	<u>802,294</u>
Fund Balance Subject to 10% Limitation	\$ <u>855,455</u>

Nonexempt fund balance as a percentage of current year expenditures:

$$\frac{\text{Fund balance subject to limitation}}{\text{Current year expenditures}} = \underline{\underline{45.34\%}}$$
$$\frac{855,455}{1,886,617} = \underline{\underline{45.34\%}}$$

PRIBILOF SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grant Title	Grant Number	Pass Through Number	Assistance Listing Number	Total Grant Award	Federal Share of Expenditures
U.S. Department of Education:					
Passed through the State of Alaska, Department of Education and Early Development:					
Special Education Cluster (IDEA):					
Title VI -B	SE 23.PFSD.01	84.027	\$ 45,244	45,244	45,244
Section 619	SE 23.PFSD.01	84.173	133	133	133
Total Special Education Cluster (IDEA)			45,377	45,377	45,377
Title I-A Basic	IP 23.PFSD.01	84.010	35,998	35,998	35,998
Carl Perkins Secondary	EK 23.PFSD.01	84.048	27,000	26,455	26,455
COVID-19 ESSER III	ER 22.PFSD.01	84.425U	20,049	20,049	20,049
Total U.S. Department of Education passed through the State of Alaska					
			128,424	127,879	127,879
Direct sources:					
Impact Aid:					
Impact Aid	11-AK-2023-2809	84.041	723,795	723,795	723,795
Impact Aid	11-AK-2022-2809	84.041	7,970	7,970	7,970
Impact Aid	11-AK-2021-2809	84.041	78,499	78,499	78,499
Total ALN 84.041			810,264	810,264	810,264
Indian Education Act	S060A220979	84.060A	25,967	25,967	25,967
Small, Rural Schools Assistance Program	S358A220016	84.358A	6,750	6,750	6,750
Total direct sources			842,981	842,981	842,981
Total U.S. Department of Education					
Total federal expenditures			\$ 971,405	970,860	970,860

See accompanying notes to the schedule

PRIBILOF SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Pribilof School District under programs of the federal government for the year ended June 30, 2023. 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 Pribilof School District, it is not intended to and does not present the basic financial statements of Pribilof 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. Pribilof School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform guidance.

Note 3. Passed Through Awards

No amounts were passed through to subrecipients.

PRIBILOF SCHOOL DISTRICT

Schedule of State Financial Assistance

Year Ended June 30, 2023

Name of Award	Grant Number	Total Grant Award	State Expenditures
Department of Education and Early Development:			
Direct:			
* Foundation Program	None	\$ 861,870	861,870
Quality Schools	None	3,609	3,609
One Time AADM Award	None	49,633	49,633
Dividend raffle funds	None	381	381
Alaska Broadband Assistance Grant (BAG)	None	49,313	49,313
Total State financial assistance		\$ <u>964,806</u>	<u>964,806</u>

See accompanying notes to schedule

PRIBILOF SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2023

Note 1. Basic of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Pribilof School District under programs of the State of Alaska for the year ended June 30, 2023. 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 Pribilof School District, it is not intended to and does not present the basic financial statements of Pribilof 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 I to the District's basic financial statements.

Note 3 Subrecipients

No state funds were passed through to Subrecipients

Note 4 Major programs

* Denotes a major program for compliance audit purposes.

Note 5 Reconciliation to Basic Financial Statements:

State expenditures per previous page	\$	964,806
Adjustments:		
TRS On-Behalf		42,807
PERS On-Behalf		10,757
Total revenue from State of Alaska per basic financials	\$	<u>1,018,370</u>

COMPLIANCE REPORTS

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

Independent Auditor's Report

Members of the School Board
Pribilof School District
St. Paul Island, 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 Pribilof School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Pribilof School District's basic financial statements, and have issued our report thereon dated October 24, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Members of the School Board
Pribilof School District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pribilof 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 report is not suitable for any other purpose.

Oetman, Rogers & Co.

Anchorage, Alaska
October 24, 2023

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

Independent Auditor's Report

Members of the School Board
Pribilof School District
St. Paul Island, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pribilof School District compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Pribilof School District major federal programs for the year ended June 30, 2023. Pribilof School District's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

In our opinion, Pribilof 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pribilof School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pribilof School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Pribilof School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Members of the School Board
Pribilof School District

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Ostrom, Rogers & Co.

Anchorage, Alaska
October 24, 2023

PRIBILOF SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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 financial statements noted?

Yes No

Federal Awards

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

Material weakness(es) identified?

Yes No

Significant deficiency(ies) identified?

Yes None Reported

Any material noncompliance with the 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 program:

Unmodified

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

Yes No

Identification of major programs:

Assistance Listing Number(s)
84.041

Name of Federal Program or Cluster
Impact Aid

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

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No

PRIBILOF SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

The Pribilof School District did not have any findings related to the financial statements.

Section III – Federal Award Findings and Questioned Costs

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

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

Independent Auditor's Report

Members of the School Board
Pribilof School District
St. Paul Island, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Pribilof School District's compliance with the types of compliance requirements identified as subject to audit in State of Alaska Audit Guide and Compliance Supplements that could have a direct and material effect on each of Pribilof School District's major state programs for the year ended June 30, 2023. Pribilof School District's major state programs are identified on the Schedule of State Financial Assistance.

In our opinion, Pribilof School District complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pribilof School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pribilof School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of Pribilof School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Oetman, Rogers & Co.

Anchorage, Alaska
October 24, 2023

PRIBILOF SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiency(ies) identified?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

State Awards

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

Unmodified

Internal Control over major programs:

Material weakness(es) identified?

Yes No

Significant deficiency(ies) identified?

Yes None Reported

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

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No

Section II – Financial Statement Findings

The Pribilof School District did not have any financial statement findings.

Section III – State Award Findings and Questioned Costs

The Pribilof School District did not have any findings related to state awards.