



## Lower Yukon School District

Basic Financial Statements,  
Required Supplementary Information,  
Supplementary Information, and Single  
Audit Reports  
Year Ended June 30, 2018

## Lower Yukon School District

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Basic Financial Statements, Required Supplementary Information,  
Supplementary Information, and Single Audit Reports  
Year Ended June 30, 2018

# Lower Yukon School District

## Contents

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	<u>Exhibit</u>	<u>Page</u>
<b>Independent Auditor's Report</b>		1-3
<b>Basic Financial Statements</b>		
Government-Wide Financial Statements:		
Statement of Net Position	A-1	6
Statement of Activities	A-2	7
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	B-1	8
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	B-2	9
Statement of Revenues, Expenditures and Changes in Fund Balances	B-3	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	B-4	11
Statement of Fiduciary Assets and Liabilities	C-1	12
Notes to Basic Financial Statements		13-38
<b>Required Supplementary Information</b>		
General (School Operating) Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	D-1	40
Public Employees' Retirement System (PERS):		
Schedule of the District's Information on the Net Pension Liability	E-1	41
Schedule of the District's Contributions	E-2	42
Teachers' Retirement System (TRS):		
Schedule of the District's Information on the Net Pension Liability	E-3	43
Schedule of the District's Contributions	E-4	44
Public Employees' Retirement System OPEB Plan:		
Schedule of the District's Proportionate share on the Net OPEB Liability	E-5	45
Schedule of the District's Contributions	E-6	46
Teachers' Retirement System OPEB Plan:		
Schedule of the District's Proportionate share on the Net OPEB Liability	E-7	47
Schedule of the District's Contributions	E-8	48
Notes to Required Supplementary Information		49-50

# Lower Yukon School District

## Contents

---

	<u>Exhibit</u>	<u>Page</u>
<b>Supplementary Information</b>		
Combining and Individual Fund Financial Statements and Schedules: Nonmajor Governmental Funds:		
Combining Balance Sheet	F-1	52-55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	F-2	56-59
General (School Operating) Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	G-1	62-67
Special Revenue Funds:		
Schedule/Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (when applicable):		
Student Transportation	H-1	70
Food Service	H-2	71
Fresh Fruits and Vegetables	H-3	72
Title VI-B IDEA	H-4	73
Indian Education	H-5	74
Title I-A Basic	H-6	75
Title IV-A	H-7	76
Title I-C Migrant Education	H-8	77
Preschool Disabled	H-9	78
Migrant Book	H-10	79
Carl Perkins	H-11	80
Title I-A Parent Involvement	H-12	81
Title I-A School Improvement 1003(A)	H-13	82
Title I-A School Improvement - District Wide	H-14	83
CRESEL	H-15	84
Suicide Awareness, Prevention and Postvention	H-16	85
Johnson O'Malley	H-17	86
School Emergency Management	H-18	87
Best Beginnings and Flourishing Futures	H-19	88
Title II-A Teacher and Principal Training and Recruitment	H-20	89
Title III-A English Language Acquisition	H-21	90
Math For Teachers-Valdez	H-22	91
Teacher Housing	H-23	92
Health Kids Kotlik	H-24	93
Hotel	H-25	94
Scholarships	H-26	95
Peer District Support	H-27	96
Pre-K Bridge Grant	H-28	97
Educator Rising	H-29	98

# Lower Yukon School District

## Contents

---

	<u>Exhibit</u>	<u>Page</u>
<b>Supplementary Information, continued</b>		
Combining and Individual Fund Financial Statements and Schedules, continued:		
Capital Project Funds:		
Combining Balance Sheet	I-1	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	I-2	101
Statement of Revenues, Expenditures and Changes in Fund Balance:		
General Impact Aid	I-3	102
Major Repairs and Maintenance	I-4	103
Nunam Iqua School	I-5	104
Pitkas Point Soil Remediation	I-6	105
Kotlik Fire Disaster	I-7	106
Scammon Bay Teacher Housing	I-8	107
Emmonak Teacher Housing	I-9	108
Hamilton Building	I-10	109
Schedule of Compliance - AS 14.17.505	J-1	110
Schedule of Expenditures of Federal Awards	K-1	111-112
Schedule of State Financial Assistance	L-1	113
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance		114
<b>Single Audit Section</b>		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		116-117
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance		118-119
Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the <i>State of Alaska Audit Guide and Compliance   Supplement for State Single Audits</i>		120-122
Schedule of Findings and Questioned Costs		123-124
Corrective Action Plan		125



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## Independent Auditor's Report

Members of the School Board  
Lower Yukon School District  
Mountain Village, Alaska

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lower Yukon School District, (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Lower Yukon School District's basic financial statements as listed in the table of contents.

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

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

#### *Auditor's Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lower Yukon School District as of June 30, 2018, 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.

## *Emphasis of Matter*

As discussed in Note 17 to the financial statements, in 2018 the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Schedules of Net Pension Liability and Pension Contributions, and the Schedules of Net Other Postemployment Benefits (OPEB) Liability and OPEB Contributions on pages 41-42, 43-44, 45-46, and 47-48 respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lower Yukon School District's basic financial statements. The accompanying combining and individual fund financial statements and schedules listed in the table of contents, Schedule of Compliance as required by Alaska Statute 14.17.505, Schedule of Expenditures of Federal Awards as required by the Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Schedule of State Financial Assistance and the as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund financial statements and the Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance and Schedule of Compliance, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2018 on our consideration of Lower Yukon 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 Lower Yukon 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 Lower Yukon School District's internal control over financial reporting and compliance.

*BDO USA, LLP*

Anchorage, Alaska  
December 5, 2018



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## Basic Financial Statements

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## Lower Yukon School District

## Statement of Net Position

<i>June 30, 2018</i>	Governmental Activities
<b>Assets and Deferred Outflows of Resources</b>	
<b>Assets</b>	
Cash and investments	\$ 33,875,351
Accounts receivable	3,653,854
Inventories	1,161,039
Prepaid items	1,293,599
Capital assets not being depreciated - work in progress	1,190,390
Capital assets being depreciated:	
Buildings	321,888,792
Equipment	2,256,616
Accumulated depreciation	(90,345,530)
<b>Total Assets</b>	<b>274,974,111</b>
<b>Deferred Outflows of Resources</b>	
Pension related	2,432,198
Other postemployment benefits related	659,960
<b>Deferred Outflows of Resources</b>	<b>3,092,158</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 278,066,269</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
<b>Liabilities</b>	
Accounts payable	\$ 1,698,848
Payroll accruals and liabilities	2,668,809
Unearned revenue	149,588
Noncurrent liabilities:	
Capital lease payable - due within one year	51,663
Due within one year - accrued leave	360,318
Due in more than one year:	
Capital lease payable - due in more than one year	222,857
Net pension liability	24,211,924
Net other postemployment benefits liability	2,850,842
<b>Total Liabilities</b>	<b>32,214,849</b>
<b>Deferred Inflows of Resources</b>	
Pension related	3,887,090
Other postemployment benefits related	2,103,338
<b>Total Deferred Inflows of Resources</b>	<b>5,990,428</b>
<b>Net Position</b>	
Net investment in capital assets	234,990,268
Unrestricted	4,870,724
<b>Total Net Position</b>	<b>239,860,992</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 278,066,269</b>

See accompanying notes to basic financial statements.

## Lower Yukon School District

## Statement of Activities

Year Ended June 30, 2018	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	
<b>Governmental Activities</b>					
Instruction	\$ 20,530,294	\$ -	\$ 4,875,769	\$ -	\$ (15,654,525)
Special education instruction	4,331,767	-	361,352	-	(3,970,415)
Special education support services - students	678,853	-	435,123	-	(243,730)
Support services - students	1,666,507	-	133,773	-	(1,532,734)
Support services - instruction	8,778,932	-	473,385	-	(8,305,547)
School administration	2,868,393	-	310,867	-	(2,557,526)
School administration support services	690,933	-	12,359	-	(678,574)
District administration	1,252,698	-	(851)	-	(1,253,549)
District administration support services	1,407,916	-	276,368	-	(1,131,548)
Operations and maintenance of plant	20,278,952	760,591	68,352	-	(19,450,009)
Student activities	1,628,822	-	18,891	-	(1,609,931)
Student transportation - to and from school	3,643	-	1,958	-	(1,685)
Expendable trust	7,335	-	-	-	(7,335)
Food services	3,084,696	76,225	2,323,144	-	(685,327)
Construction and facilities acquisition	1,328,215	-	-	1,818,134	489,919
	\$ 68,537,956	\$ 836,816	\$ 9,290,490	\$ 1,818,134	\$ (56,592,516)

## General Revenues

State grants and entitlements	27,590,899
Federal grants and entitlements	17,479,376
Earnings on investments	69,877
E-rate	5,855,873
Other	1,495,327
<b>Total General Revenues</b>	<b>52,491,352</b>
<b>Change in Net Position</b>	<b>(4,101,164)</b>
<b>Net Position, beginning, as restated (Note 17)</b>	<b>243,962,156</b>
<b>Net Position, ending</b>	<b>\$ 239,860,992</b>

See accompanying notes to basic financial statements.

**Lower Yukon School District**  
**Governmental Funds**  
**Balance Sheet**

<i>June 30, 2018</i>	Major Funds		Nonmajor Govern- mental Funds	Total Govern- mental Funds
	General	Capital Project		
<b>Assets</b>				
Cash and investments	\$ 20,646,511	\$ 12,540,805	\$ 688,035	\$ 33,875,351
Accounts receivable:				
State of Alaska	43,903	2,342,722	1,267,229	3,653,854
Inventories	1,161,039	-	-	1,161,039
Prepaid items	1,293,599	-	-	1,293,599
Due from other funds	3,468,177	-	-	3,468,177
<b>Total Assets</b>	<b>\$ 26,613,229</b>	<b>\$ 14,883,527</b>	<b>\$ 1,955,264</b>	<b>\$ 43,452,020</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 770,118	\$ 746,821	\$ 181,909	\$ 1,698,848
Payroll accruals and liabilities	2,668,809	-	-	2,668,809
Unearned revenue	-	-	149,588	149,588
Due to other funds	-	2,320,288	1,147,889	3,468,177
<b>Total Liabilities</b>	<b>3,438,927</b>	<b>3,067,109</b>	<b>1,479,386</b>	<b>7,985,422</b>
<b>Fund Balances</b>				
Nonspendable	2,454,638	-	-	2,454,638
Committed	-	-	430,804	430,804
Assigned	600,000	11,816,418	45,074	12,461,492
Unassigned	20,119,664	-	-	20,119,664
<b>Total Fund Balances</b>	<b>23,174,302</b>	<b>11,816,418</b>	<b>475,878</b>	<b>35,466,598</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 26,613,229</b>	<b>\$ 14,883,527</b>	<b>\$ 1,955,264</b>	<b>\$ 43,452,020</b>

*See accompanying notes to basic financial statements.*

## Lower Yukon School District

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2018

Total fund balances for governmental funds		\$ 35,466,598
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Work in progress	\$ 1,190,390	
Depreciable assets:		
Buildings	321,888,792	
Equipment	2,256,616	
Accumulated depreciation	<u>(90,345,530)</u>	
Total capital assets		<u>234,990,268</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities. Long-term liabilities reported in these statements consist of:		
Capital lease payable	(274,520)	
Accrued leave	(360,318)	
Net pension liability	(24,211,924)	
Net other postemployment benefits liability	<u>(2,850,842)</u>	
Total long-term liabilities		<u>(27,697,604)</u>
Certain changes in net pension liabilities are deferred rather than recognized immediately. These are amortized over time.		
Deferred outflows related to pensions	2,432,198	
Deferred inflows related to pensions	(3,887,090)	
Deferred outflows of resources related to other postemployment benefits	659,960	
Deferred inflows of resources related to other postemployment benefits	<u>(2,103,338)</u>	
Total deferred pension items		<u>(2,898,270)</u>
<b>Total Net Position of Governmental Activities</b>		<b><u>\$ 239,860,992</u></b>

*See accompanying notes to basic financial statements.*

**Lower Yukon School District**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**

<i>Year Ended June 30, 2018</i>	Major Funds		Nonmajor Govern- mental Funds	Total Govern- mental Funds
	General	Capital Project		
<b>Revenues</b>				
Local sources	\$ 375,478	\$ 1,189,727	\$ 839,428	\$ 2,404,633
State sources	29,836,505	1,805,124	109,956	31,751,585
Federal sources:				
E-rate	5,855,873	-	-	5,855,873
Direct	17,479,376	13,010	1,202,805	18,695,191
Through other intermediate agencies	-	-	45,226	45,226
Through the State of Alaska	-	-	5,876,745	5,876,745
<b>Total Revenues</b>	<b>53,547,232</b>	<b>3,007,861</b>	<b>8,074,160</b>	<b>64,629,253</b>
<b>Expenditures</b>				
Current:				
Instruction	18,241,041	-	3,630,025	21,871,066
Special education instruction	4,493,645	-	163,866	4,657,511
Special education support services - students	259,629	-	437,407	697,036
Support services - students	1,587,681	-	115,320	1,703,001
Support services - instruction	8,718,897	-	330,277	9,049,174
School administration	3,026,382	-	-	3,026,382
School administration support services	760,845	-	-	760,845
District administration	1,297,056	-	15,644	1,312,700
District administration support services	1,339,553	-	248,815	1,588,368
Operations and maintenance of plant	9,750,495	5,487	1,563,488	11,319,470
Student activities	1,642,500	-	-	1,642,500
Student transportation - to and from school	-	-	3,643	3,643
Expendable trust	-	-	7,335	7,335
Food services	-	-	3,233,840	3,233,840
Construction and facilities acquisition	-	5,520,376	-	5,520,376
<b>Total Expenditures</b>	<b>51,117,724</b>	<b>5,525,863</b>	<b>9,749,660</b>	<b>66,393,247</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,429,508</b>	<b>(2,518,002)</b>	<b>(1,675,500)</b>	<b>(1,763,994)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	2,378,834	1,660,365	4,039,199
Transfers out	(4,039,199)	-	-	(4,039,199)
<b>Net Other Financing Sources (Uses)</b>	<b>(4,039,199)</b>	<b>2,378,834</b>	<b>1,660,365</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(1,609,691)</b>	<b>(139,168)</b>	<b>(15,135)</b>	<b>(1,763,994)</b>
<b>Fund Balances, beginning</b>	<b>24,783,993</b>	<b>11,955,586</b>	<b>491,013</b>	<b>37,230,592</b>
<b>Fund Balances, ending</b>	<b>\$ 23,174,302</b>	<b>\$ 11,816,418</b>	<b>\$ 475,878</b>	<b>\$ 35,466,598</b>

*See accompanying notes to basic financial statements.*

**Lower Yukon 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, 2018**

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Net change in fund balances - total governmental funds \$ (1,763,994)

The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures.

However, on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which depreciation expense exceeds capital outlay:

Capital outlay	\$ 4,573,143	
Depreciation	<u>(9,651,075)</u>	
		(5,077,932)

Changes in net pension liability and related accounts can increase or decrease net position. This is the net decrease in equity due to changes in net pension liability and the related deferred outflows and inflows.

2,244,639

Increase in net other postemployment benefits liability and related deferred outflows and inflows of resources

489,471

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. This is the increase in accrued leave.

6,652

**Change in Net Position of Governmental Activities \$ (4,101,164)**

*See accompanying notes to basic financial statements.*



Lower Yukon School District  
Student Activities Agency Fund  
Statement of Fiduciary Assets and Liabilities

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June 30, 2018

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Assets

Cash and investments \$ 201,296

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Liabilities

Due to student groups \$ 201,296

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*See accompanying notes to basic financial statements.*

# Lower Yukon School District

## Notes to Basic Financial Statements Year Ended June 30, 2018

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### 1. Summary of Significant Accounting Policies

The financial statements of the Lower Yukon School 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.

#### *Reporting Entity*

The Legislature of the State of Alaska established the Lower Yukon 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 nine-member School Board. The School Board is the level of government, which has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the Lower Yukon School District. The District receives funding from state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since the School Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

The School Board does not exercise oversight responsibility over any other entity. No other entity engages in activities, which benefit the District, nor do any special financial relationships exist between the District and any other entity. Therefore, the District does not have any component units, as defined in GASB Statements 14 and 61, which require inclusion in the basic financial statements.

#### *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 nonfiduciary activities of the District. In general, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. The District reports *governmental activities*, which normally are supported by intergovernmental revenues. The District has no *business-type activities*, which rely primarily on fees and charges to external parties.

The statement of net position presents the financial condition of the governmental activities of the District at year-end.

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) fees, fines and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as *general revenues*.

# Lower Yukon School District

## Notes to Basic Financial Statements

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Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. The major funds are presented in separate columns. Nonmajor funds are aggregated and presented in a single column.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to long-term liabilities, such as accrued leave balances are recorded only when payment is due.

The following are the District's major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

The *Capital Project Fund* accounts for all revenue received and expenditures made for capital outlays. The District maintains several capital project funds that are combined and reported as one. Revenue is derived primarily from state reimbursement grants, federal impact aid, and transfers from the General Fund.

The other governmental funds of the District are considered nonmajor. In addition, the District reports a single fiduciary fund - the Student Activities Agency Fund.

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

### *Budgets*

Annual budgets for operations are adopted by the School Board for all operating revenues, expenditures, and interfund transfers. Budgets are prepared and presented on the modified accrual basis of accounting.

The adopted General Fund budget is submitted to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.

# Lower Yukon School District

## Notes to Basic Financial Statements

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The School Board authorizes formal budget revisions each year to adjust the revenues and expenditures to available resources and program needs. Expenditure authority for the General Fund is limited to the total approved budget. There are no specific line item or category limitations.

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

### *Encumbrances*

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 General Fund, Special Revenue Funds, and Capital Project Funds. Encumbrances, if any, outstanding at year end are reported as appropriate constraints of fund balance if they meet the criteria described in the fund balance section of these footnotes.

### *Interfund Transactions*

During the course of normal operations, the District has numerous transactions between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet in the fund financial statements. Operating subsidies are reported as transfers.

### *Cash and Investments*

Cash includes amounts in demand deposits. Investments include short-term certificates of deposit. There are no statutory limitations on the type of investment allowed.

### *General Investments*

#### *Investment Policy*

According to Section BP 3401 of the Board Policy Manual, the District moneys shall be invested only in the following instruments:

1. U.S. Treasury Obligations
2. U.S. Government Agency obligations and U.S. Government Sponsored Enterprises (GSE's) which may include, but are not limited to the following: Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA).
3. Federally Insured Certificates of Deposit.
4. Money market funds composed of U.S. Treasury and/or U.S. Government Agency securities.

### *Prepaid Items*

Payments made to vendors for services that will benefit periods beyond June 30, 2018 are recorded as prepaid items.

**Lower Yukon School District**  
**Notes to Basic Financial Statements**

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***Inventories***

Inventories are valued at cost (first-in, first-out). Inventory in the General and Special Revenue Funds consists of fuel and expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are used.

***Capital Assets***

Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported on the balance sheet of the fund financial statements.

All purchased capital assets are valued at cost. Donated capital assets are recorded at their acquisition value on the date received. The District maintains a capitalization threshold of \$5,000.

All reported capital assets except land and work in progress are depreciated. Depreciation is computed on the straight line method over the estimated useful life of the assets, generally 3 to 7 years for equipment and vehicles, and 40 years for buildings. Maintenance and repairs of a routine nature that do not add to the value of the asset are charged as expenditures as incurred and are not capitalized.

***Accrued Leave***

Permanent twelve-month employees earn and accrue annual leave. Unused annual leave is accrued at current salary cost as earned by employees.

All regular employees accrue sick leave, which is available for use while remaining in a permanent position. Sick leave pay is recorded as an expenditure during the period it is used. Employees' unused sick leave balances are carried forward.

For governmental funds, the current portion of unpaid compensated absences is the amount that is matured. There is no matured portion as of year-end. The noncurrent portion of the liability is not reported in the fund financial statements. However, the entire accrued leave liability is reported on the government-wide financial statements.

***Pensions / OPEB***

For purposes of measuring the net pension and liabilities, and related deferred outflows of resources and deferred inflows of resources, and pension / Other Postemployment Benefit (OPEB) expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and the Teachers' Retirement Systems (TRS) and additions to/from PERS/TRS fiduciary net position have been determined on the same basis as they are reported by PERS/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.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of the net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. These items are amortized to expense overtime.

# Lower Yukon School District

## Notes to Basic Financial Statements

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In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These items are amortized as a reduction to pension expense overtime.

### ***Fund Balances***

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balances comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance* - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the school board—the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the school board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance* - This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The school board and superintendent have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance* - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

### ***Net Position***

Net position, as reported on the government-wide financial statements, represents the difference between assets and deferred outflows, and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any outstanding borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District does not have restricted net position or debt related to capital assets at June 30, 2018.

# Lower Yukon School District

## Notes to Basic Financial Statements

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### *Management Estimates and Assumptions*

The preparation of financial statements in conformity with generally accepted accounting principles 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.

### **2. Cash and Cash Equivalents**

The District's cash resources for general operations are maintained in a central treasury. In addition, the District maintains accounts for specific purposes such as the Student Activity accounts. Negative cash balances have been reclassified to "due to other funds."

All of the District's cash is held in the form of demand accounts including checking, savings, and short-term certificates of deposit.

### *Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At year end, the District's bank balances totaled \$19,274,253 in governmental funds and \$191,656 in agency funds with a combined bank balance of \$19,465,909. To limit credit risk, the District's cash management policy requires that all deposits be either insured or covered by collateralization agreements. Deposits in each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. All of the District's bank balances were insured by FDIC or collateralized by securities held by the pledging financial institution's trust department or agent in the District's name.

### *Deposits and Investments*

The District's deposits (including certificates of deposit) during the year and at year-end were covered by federal depository insurance or collateral (U.S. government securities) held by the District's agent in the District's name.

The District utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "cash and investments" or in the case of negative equity in the central treasury, is included in "due to other funds."

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**Lower Yukon School District**  
**Notes to Basic Financial Statements**

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***Reconciliation of Deposit and Investment Balances***

The following is a reconciliation of the District's deposit and investment balances to the financial statements as of June 30, 2018:

Bank Deposits and money market funds	\$ 18,399,020
Scholarship accounts	430,804
Investments	15,045,527
<hr/>	
<b>Total Cash and Investments</b>	<b>\$ 33,875,351</b>
<hr/>	
Cash and cash equivalents	\$ 18,829,824
Investments	15,045,527
<hr/>	
<b>Total Cash and Investments</b>	<b>\$ 33,875,351</b>

Investment maturities in general investments are limited as follows:

<i>Investment Type</i>	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-5	5-10
Certificate of Deposits	\$ 4,458,000	\$ -	\$ 4,458,000	-
U.S. Government agencies	7,149,405	1,659,146	5,490,259	-
U.S. Treasury bills	3,325,726	3,325,726	-	-
	14,933,131	4,984,872	9,948,259	-
 Money market	 112,396			
<b>Total Investments</b>	<b>\$ 15,045,527</b>			

Certificate of Deposit accounts are held in several financial institutions. Deposits in each of these financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. All of the District's CD bank balances were insured by FDIC or collateralized by securities held by pledging financial institutions trust department.

**3. Accounts Receivable**

All accounts receivable are considered collectible; therefore, no allowance for uncollectible accounts has been provided.



**Lower Yukon School District**  
**Notes to Basic Financial Statements**

**4. Interfund Receivables, Payables, and Transfers**

A schedule of interfund balances and transfers for the year ended June 30, 2018, follows:

<b>Due From Other Funds</b>	
Due to the General Fund from nonmajor governmental funds for advances to cover operating costs	\$ 1,147,889
Due to the General Fund from the Capital Project Fund for advances to cover capital costs	2,320,288
<b>Total Amount Due From Other Funds</b>	<b>\$ 3,468,177</b>

<b>Transfers</b>	
From the General Fund to Capital Project Funds for project funding	\$ 2,378,839
From the General Fund to nonmajor governmental funds for operating subsidies	1,660,365
<b>Total Amount Due From Other Funds</b>	<b>\$ 4,039,199</b>

**5. Capital Assets**

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Governmental Activities</b>				
Assets not being depreciated - work in progress	\$ 1,719,637	\$ 4,192,160	\$ (4,721,407)	\$ 1,190,390
Assets being depreciated:				
Buildings	317,263,846	4,624,946	-	321,888,792
Equipment	1,504,652	751,964	-	2,256,616
Total assets being depreciated	318,768,498	5,376,910	-	324,145,408
Accumulated depreciation	(80,694,455)	(9,651,075)	-	(90,345,530)
Total capital assets being depreciated, net	238,074,043	(4,274,165)	-	233,799,878
<b>Total Governmental Capital Assets Net of Depreciation</b>	<b>\$ 239,793,680</b>	<b>\$ (82,005)</b>	<b>\$ (4,721,407)</b>	<b>\$ 234,990,268</b>

# Lower Yukon School District

## Notes to Basic Financial Statements

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Depreciation expense was charged to governmental functions as follows for the year ended June 30, 2018:

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Instruction	\$	8,501
Support service instruction		127,314
District administration support services		4,864
Student activities		10,915
Operations and maintenance of plant		9,499,481
<b>Total Depreciation Allocated to Governmental Functions</b>		<b>\$ 9,651,075</b>

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### 6. Defined Benefit (DB) Pension Plans

#### *General Information About the Plans*

The District participates in two defined benefit pension plans. The Teachers' Retirement System (TRS) is a cost-sharing multiple-employer plan which covers teachers and other eligible participants. The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer plan which covers eligible State and local government employees, other than teachers. Both Plans were established and are administered by the State of Alaska to provide pension, postemployment healthcare, death, and disability benefits. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

Both Plans are included in comprehensive annual financial reports that include financial statements and other required supplemental information. Those reports are available via the internet at <http://doa.alaska.gov/drb>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

Both Plans provide for retirement, death and disability, and postemployment healthcare benefits. There are three tiers of employees, based on entry date. For all tiers within the DB pension plans, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. The tiers within the Plans establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other OPEB benefits. A complete benefit comparison chart is available at the website noted above.

Both PERS and TRS DB Plans were closed to new entrants on July 1, 2006. New employees hired after that date participate in the PERS/TRS Defined Contribution (DC) Plans described later in these notes.

# Lower Yukon School District

## Notes to Basic Financial Statements

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### *Historical Context and Special Funding Situation*

Historically, the TRS plan has been a cost-sharing plan, while originally, PERS was an agent-multiple-employer plan. In April 2008, the Alaska Legislature passed legislation converting the PERS agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate for both plans, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against all PERS/TRS eligible wages, including wages paid to participants of the PERS/TRS defined contribution plans described later in these footnotes.

Alaska Statutes 14.25.085 and 39.35.255 require the State of Alaska to contribute to the Plans an amount such that, when combined with the employer contribution, is sufficient to pay each Plans' past service liability contribution rates as adopted by the Alaska Retirement Management Board. As such, both Plans are considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows, and disclosures on this basis. The District records the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

It is important to note that the Alaska Legislature has the power and authority to change the aforementioned statutes through the legislative process.

### *Employee Contribution Rates*

District PERS employees are required to contribute 6.75% of their annual covered salary (9.60% for employees on a nine-month payment contract). Teachers and other certificated employees are required to contribute 8.65% of annual covered salary for TRS.

### *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 contractual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages for PERS and 12.56% of eligible wages for TRS, subject to a wage floor, and other termination events. These rates are applied to all PERS/TRS participating wages, respectively, including those wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employees are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

*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 change results in lower ARM Board Rates than previously adopted.

# Lower Yukon School District

## Notes to Basic Financial Statements

*On-behalf Contribution Rate:* This is the rate normally paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate.

In the governmental fund financial statements, on-behalf contribution amounts have been recognized as revenues and expenditures. In government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a one-year timing lag between the cash transfers and revenue and expense recognition.

*GASB Rate:* This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. Additionally, the GASB Rate disregards all future Medicare Part D payments. For FY17, the calculation uses an 8.00% pension discount rate and a 4.3% healthcare discount rate for PERS and 4.43% for TRS. The GASB Rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

Contribution rates for the year ended June 30, 2018 were determined in the June 30, 2015 actuarial valuation.

<i>PERS</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	17.12%	21.90%	3.01%	29.07%
Postemployment healthcare (see Note 9)	4.88%	3.11%	-%	66.85%
<b>Total PERS Contribution Rates</b>	<b>22.00%</b>	<b>25.01%</b>	<b>3.01%</b>	<b>95.92%</b>

<i>TRS</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	8.40%	24.19%	14.22%	37.86%
Postemployment healthcare (see Note 9)	4.16%	2.59%	-%	64.72%
<b>Total TRS Contribution Rates</b>	<b>12.56%</b>	<b>26.78%</b>	<b>14.22%</b>	<b>102.58%</b>

**Lower Yukon School District**  
**Notes to Basic Financial Statements**

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In 2018, the District was credited with the following contributions to the pension plans:

<i>PERS</i>	District FY17 Measurement Period	District FY18
Employer contributions (including DBUL)	\$ 816,453	\$ 933,962
Nonemployer contributions (on-behalf)	321,325	237,730
<b>Total Contributions</b>	<b>\$ 1,137,778</b>	<b>\$ 1,171,692</b>

In addition, employee contributions to the Plan totaled \$246,182 during the District fiscal year.

<i>TRS</i>	District FY17 Measurement Period	District FY18
Employer contributions (including DBUL)	\$ 474,847	\$ 521,774
Nonemployer contributions (on-behalf)	2,072,499	2,007,876
<b>Total Contributions</b>	<b>\$ 2,547,346</b>	<b>\$ 2,529,650</b>

In addition, employee contributions to the Plan totaled \$423,743 during the District fiscal year.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.***

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability associated with the District were as follows:

	PERS	TRS
District's proportionate share of NPL	\$ 12,296,781	\$ 11,915,143
State's proportionate share of NPL associated with the District	4,582,972	20,790,177
<b>Total Net Pension Liability</b>	<b>\$ 16,879,753</b>	<b>\$ 32,705,320</b>

The total pension liabilities for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 to calculate the net pension liabilities as of that date. The District's proportion of the net pension liabilities were based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating entities, actuarially determined. The District's proportion of the net pension liability measured at June 30, 2017 for PERS was 0.23787 percent, which was a decrease of 0.05053 percent, from its proportion as of the prior measurement date. For TRS the District's proportion was 0.58793 percent, representing a decrease of 0.21487 percent, from the prior year.

**Lower Yukon School District**  
**Notes to Basic Financial Statements**

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For the year ended June 30, 2018, the District recognized pension expense of \$551,882 for PERS and \$237,023 for TRS. In addition, the District recognized on-behalf revenue from the State of Alaska in the amounts of \$363,757 and \$1,689,388 for PERS and TRS, respectively. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (419,803)
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	874,602	-
Changes in proportion and differences between District contributions and proportionate share of contributions	101,860	(3,467,287)
District contributions subsequent to the measurement date	1,455,736	-
<b>Total Deferred Outflows and Deferred Inflows of Resources Related to Pensions</b>	<b>\$ 2,432,198</b>	<b>\$ (3,887,090)</b>

The \$1,455,736 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

*Year Ending June 30,*

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2019	\$ (3,664,105)
2020	835,119
2021	390,866
2022	(472,508)
2023	-
Thereafter	-

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**Lower Yukon School District**  
**Notes to Basic Financial Statements**

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***Actuarial Assumptions***

The total pension liability for the measurement period ended June 30, 2017 (District fiscal year 2018) was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2017. The actuarial assumptions used in the June 30, 2016 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level dollar, closed
Inflation	3.12%
Salary increases	Graded by service, from 8.11% to 3.87% for teachers Graded by age and service, from 8.55% to 4.34% for all others
Allocation methodology	Amounts for FY17 were allocated to employers based on the projected present value of contributions for FY 2019-FY 2039. The liability is expected to go to zero at 2039.
Investment return / Discount rate	8.00%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience, 68% of male and 60% of female post-termination rates for teachers, 60% of male and 65% of female for all others. Deaths are assumed to be nonoccupational 85% of the time for teachers, 50% of the time for others. Post-termination - Based 94% of the male rates and 97% of the female rates for teachers, 96% for all others, of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB with a three-year setback for males and four-year setback for females.

***Long-term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class are summarized in the following table (note that the rates shown below exclude the inflation component):

**Lower Yukon School District**  
**Notes to Basic Financial Statements**

<i>Asset Class</i>	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	8.83%
Global ex-U.S. equity	22%	7.79%
Intermediate treasuries	13%	1.29%
Opportunistic	5%	4.76%
Real assets	17%	4.94%
Absolute return	7%	4.76%
Private equity	9%	12.02%
Cash equivalents	1%	0.63%

***Discount Rate***

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Discount Rate Sensitivity***

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate:

<i>PERS</i>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net pension liability	0.23787%	\$ 16,152,956	\$ 12,296,781	\$ 9,040,389

<i>TRS</i>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net pension liability	0.58793%	\$ 16,795,860	\$ 11,915,143	\$ 7,814,810

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plans' fiduciary net position is available in the separately issued PERS and TRS financial reports.



**Lower Yukon School District**  
**Notes to Basic Financial Statements**

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**7. Defined Contribution (DC) Pension Plans**

Employees hired on or after July 1, 2006 participate in PERS Tier IV or TRS Tier III, defined contribution plans. These Plans are administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plans noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plans are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. These Plans are included in the comprehensive annual financial reports for PERS and TRS, and at the following website, as noted above. <http://doa.alaska.gov/drb>.

Contributions to the DC plans consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the District contribute at 22%. Actual remittances to the TRS system require that the District contribute at 12.56%. After deducting the DC pension plan contributions and related DC OPEB contributions, the remaining remittance (the DBUL) is deposited into the DB plan (pension and/or OPEB) as noted earlier.

***Benefit Terms***

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service.

***Employee Contribution Rate***

Employees are required to contribute 8.0% of their annual covered salary for both PERS and TRS. This amount goes directly to the individual's account.

***Employer Contribution Rates***

For the year ended June 30, 2018, the District was required to contribute 5% of covered salary into PERS and 7% of covered salary for TRS.

The District and employee contributions to PERS for pensions for the year ended June 30, 2018 were \$186,972 and \$299,155, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2018 were \$598,052 and \$683,487, respectively.

District contributions are recognized as pension expense/expenditures.

Employer forfeiture funds are created when a non-vested or partially vested employee terminates employment from the PERS and/or TRS system. The forfeited amount is determined by the years of service with all system participating employers that the employee has worked in, either PERS or TRS. Forfeitures are applied against the defined contribution required employer match. Forfeitures balances available for the District to reduce future match totaled \$741,207 and \$107,256 for the years ended June 30, 2018 for TRS and PERS, respectively.

**Lower Yukon School District**  
**Notes to Basic Financial Statements**

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**8. Defined Benefit Other Postemployment Benefit (OPEB) Plan**

*Defined Benefit OPEB*

As part of its participation in the PERS and TRS DB Plans (Tiers I, II, III for PERS and Tiers I and II for TRS), which are cost-sharing multiple-employer plans, the District participates in the Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD). The ARHCT is self-funded and provides major medical coverage to retirees of the DB Plans. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS and TRS DC Plans (Tier IV for PERS and Tier III for TRS). The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS and TRS. The Plans are administered by the State of Alaska, Department of Administration.

*Employer Contribution Rates*

The District is required to contribute 4.88% of covered payroll into the PERS OPEB plan and 4.16% of covered payroll into the TRS OPEB plan. Employees do not contribute.

In 2018, the District was credited with the following contributions to the OPEB plans:

<i>PERS</i>	District FY17 Measurement Period	District FY18
Employer contributions	\$ 428,735	\$ 309,413
Nonemployer contributions (on-behalf)	-	-
<b>Total Contributions</b>	<b>\$ 428,735</b>	<b>\$ 309,413</b>

<i>TRS</i>	District FY17 Measurement Period	District FY18
Employer contributions	\$ 393,663	\$ 335,742
Nonemployer contributions (on-behalf)	-	-
<b>Total Contributions</b>	<b>\$ 393,663</b>	<b>\$ 335,742</b>

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans*

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liabilities (NOL) that reflected a reduction for State OPEB support provided to the District. The amount recognized by the District for its proportional share, the related State proportion, and the totals were as follows:

# Lower Yukon School District

## Notes to Basic Financial Statements

	PERS	TRS
District's proportionate share of NOL - ARHCT	\$ 2,009,744	\$ 1,077,902
District's proportionate share of NOL - RMP	16,521	(123,338)
District's proportionate share of NOL - ODD	(44,952)	(85,035)
State's proportionate share of NOL associated with the District	749,642	1,890,353
<b>Total Net OPEB Liabilities</b>	<b>\$ 2,730,955</b>	<b>\$ 2,759,882</b>

The total OPEB liabilities for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 to calculate the net OPEB liabilities as of that date. The District's proportion of the net OPEB liabilities were based on a projection of the District's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2016 Measurement Date Employer Proportion	June 30, 2017 Measurement Date Employer Proportion	Change
<b>PERS</b>			
District's proportionate share of the net OPEB liabilities:			
ARHCT	0.28845%	0.237910%	(.05054%)
RMP	0.29145%	0.316810%	.02536%
ODD	0.29145%	0.316810%	.02536%

	June 30, 2016 Measurement Date Employer Proportion	June 30, 2017 Measurement Date Employer Proportion	Change
<b>TRS</b>			
District's proportionate share of the net OPEB liabilities:			
ARHCT	0.79964%	0.58603%	(.21361%)
RMP	2.84735%	2.60206%	(.24529%)
ODD	2.84735%	2.60206%	(.24529%)

As a result of its requirement to contribute to the Plan, the District recognized OPEB expense (revenue) of \$181,651 and \$(15,963) for PERS and TRS, respectively. In addition, the District recognized on-behalf expense of \$117,789 and revenue of \$220,954 for PERS and TRS, respectively, for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

**Lower Yukon School District**  
**Notes to Basic Financial Statements**

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (249,956)
Changes in assumptions	-	-
Change in benefits	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(1,247,605)
Changes in proportion and differences between District contributions and proportionate share of contributions	14,805	(605,777)
District contributions subsequent to the measurement date	645,155	-
<b>Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB Plans</b>	<b>\$ 659,960</b>	<b>\$ (2,103,338)</b>

The \$645,155 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

*Year Ending June 30,*

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2019		\$ (850,638)
2020		(621,204)
2021		(311,051)
2022		(311,051)
2023		850
Thereafter		4,561

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**Lower Yukon School District**  
**Notes to Basic Financial Statements**

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***Actuarial Assumptions***

The total OPEB liability for the measurement period ended June 30, 2017 (District fiscal year 2018) was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2017. The actuarial assumptions used in the June 30, 2016 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

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Actuarial cost method	Entry age normal; level percentage of payroll Level dollar, closed
Amortization method	
Inflation	3.12%
Salary increases	Graded by service, from 8.11% to 3.87% for teachers Graded by service from 8.55% to 4.34% for all others
Allocation Methodology	Amounts for FY17 were allocated to employers based on the projected present value of contributions for FY 2019-FY 2039. The liability is expected to go to zero at 2039.
Investment Return / Discount Rate	8.00%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Healthcare cost trend rates	Pre-65 medical; 8.8% grading down to 4.4% Post-65 medical; 5.8% grading down to 4.0% Prescription drug; 5.4% grading down to 4.0%
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience, 68% of male and 60% of female post-termination rates for teachers, 60% of male and 65% of female for all others. Deaths are assumed to be nonoccupational 85% of the time for teachers, 50% of the time for others. Post-termination - Based 94% of the male rates and 97% of the female rates for teachers, 96% for all others, of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB with a three-year setback for males and four-year setback for females.

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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare 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 by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized in the following table (note that the rates shown below exclude the inflation component):

**Lower Yukon School District**  
**Notes to Basic Financial Statements**

<i>Asset Class</i>	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	8.83%
Global ex-U.S. equity	22%	7.79%
Intermediate treasuries	13%	1.29%
Opportunistic	5%	4.76%
Real assets	17%	4.94%
Absolute return	7%	4.76%
Private equity	9%	12.02%
Cash equivalents	1%	0.63%

***Discount Rate***

The discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

***Discount Rate Sensitivity***

The following presents the District's proportionate share of the net OPEB liabilities calculated using the discount rate of 8.00%, as well as what the District's proportionate share of the net OPEB liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

<i>PERS</i>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net OPEB liabilities:				
ARHCT	0.23791%	\$ 4,301,064	\$ 2,009,744	\$ 82,430
RMP	0.31681%	\$ 77,399	\$ 16,521	\$ (31,015)
ODD	0.31681%	\$ (40,580)	\$ (44,952)	\$ (48,525)

<i>TRS</i>	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net OPEB liabilities:				
ARHCT	0.58603%	\$ 3,284,661	\$ 1,077,902	\$ (753,083)
RMP	2.60206%	\$ 52,874	\$ (123,338)	\$ (257,214)
ODD	2.60206%	\$ (85,452)	\$ (85,035)	\$ (84,827)

# Lower Yukon School District

## Notes to Basic Financial Statements

### *Healthcare Cost Trend Rates Sensitivity*

The following presents the District's proportionate share of the net OPEB liabilities calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net OPEB liabilities 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:

<i>PERS</i>	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liabilities:				
ARHCT	0.23791%	\$ (222,936)	2,009,744	\$ 4,693,962
RMP	0.31681%	\$ (40,869)	16,521	\$ 93,451
ODD	0.31681%	\$ -	(44,952)	\$ -

<i>TRS</i>	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liabilities:				
ARHCT	0.58603%	\$ (1,004,812)	1,077,902	\$ 3,610,786
RMP	2.60206%	\$ (283,911)	(123,338)	\$ 98,774
ODD	2.60206%	\$ -	(85,035)	\$ -

### *OPEB Plan Fiduciary Net Position*

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

## 9. Defined Contribution (DC) OPEB Plans

Defined Contribution Pension Plan participants (PERS Tier IV, and TRS Tier III) participate in the Occupational Death and Disability Plan (ODD), and the Retiree Medical Plan. Information on these plans is included in the comprehensive annual financial reports for the PERS and TRS plans noted above. These plans provide for death, disability, and postemployment healthcare benefits.

### *Employer Contribution Rates*

Employees do not contribute to the DC OPEB plans. Employer contribution rates were as follows for the year ended June 30, 2018:

	PERS Tier IV	TRS Tier III
Retiree medical plan	1.03%	0.91%
Occupational death and disability benefits	0.16%	-
<b>Total Contribution Rates</b>	<b>1.19%</b>	<b>0.91%</b>

# Lower Yukon School District

## Notes to Basic Financial Statements

In addition, PERS and TRS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers* in the plan”. At July 1, 2017, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,084 per year for each full-time employee, and \$1.34 per hour for part-time employees for both PERS and TRS.

### *Annual Postemployment Healthcare Cost*

In 2018, the District contributed \$187,718 in DC OPEB costs to PERS and \$234,098 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

## 10. Commitments

Annual debt service requirements to maturity as related to the Capital lease payable noted in footnote 11 except accrued leave as follows:

<i>Fiscal Year Ending June 30,</i>	Principal	Interest	Total
2019	\$ 51,663	\$ 7,530	\$ 59,193
2020	53,236	5,957	59,193
2021	54,855	4,338	59,193
2022	56,523	2,670	59,193
2023	58,243	950	59,193
	<b>\$ 274,520</b>	<b>\$ 21,445</b>	<b>\$ 295,965</b>

## 11. Long-term Debt

In 2018, the school district entered into agreements for leases to copier machines. Based on the life of the leases, these agreements have been classified as capital leases payables.

A schedule of the changes in accrued leave for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Accrued leave	\$ 366,972	\$ 518,674	\$ 525,328	\$ 360,318	\$ 360,318
Capital lease payable	-	274,520	-	274,520	51,663
<b>Total long-term obligations</b>	<b>\$ 366,972</b>	<b>\$ 793,194</b>	<b>\$ 525,328</b>	<b>\$ 634,838</b>	<b>\$ 411,981</b>



# Lower Yukon School District

## Notes to Basic Financial Statements

### 12. Fund Balances

Fund balances, reported for the major funds and the nonmajor funds in the aggregate, on the governmental funds balance sheet are subject to the following constraints at June 30, 2018:

	General Fund	Capital Project Fund	Nonmajor Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Inventories	\$ 1,161,039	\$ -	\$ -	1,293,599
Prepaid items	1,293,599	-	-	1,161,039
<b>Total nonspendable</b>	<b>2,454,638</b>	<b>-</b>	<b>-</b>	<b>2,454,638</b>
<b>Committed -</b>				
scholarship fund	-	-	430,804	430,804
<b>Assigned:</b>				
Self-insurance	600,000	-	-	600,000
Capital projects	-	11,816,418	-	11,816,418
Student transportation	-	-	4,950	4,950
Hotel fund	-	-	40,124	40,124
<b>Total assigned</b>	<b>600,000</b>	<b>11,816,418</b>	<b>45,074</b>	<b>12,461,492</b>
<b>Unassigned</b>	<b>20,119,664</b>	<b>-</b>	<b>-</b>	<b>20,119,664</b>
<b>Total Fund Balances</b>	<b>\$ 23,174,302</b>	<b>\$ 11,816,418</b>	<b>\$ 475,878</b>	<b>\$ 35,466,598</b>

### 13. Risk Management

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

Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for employee medical costs. The District participates in the Alaska Public Entity Insurance pool (APEI), which provides insurance coverage for property and contents damage, torts, general and automobile liability, and workers' compensation.

The APEI is a public entity risk pool organized to share risks among its members. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. The Association made no supplemental assessments during the year ended June 30, 2018. The District has no coverage for potential losses from environmental damages. Coverage limits and the deductibles on the policies have stayed relatively constant for the past several years.

The District maintains a health and medical benefit program which covers all full-time employees. The District has retained a major portion of the risk for this plan, and, accordingly, is liable for any

# Lower Yukon School District

## Notes to Basic Financial Statements

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employee health claims that are approved for payment. Stop-loss insurance limits the District's liability for individual and aggregate claims. Stop-loss limits were \$150,000 for individual claims and \$10,307,963 for aggregate claims. Health and medical expenditures totaled \$8,650,493 for the year ended June 30, 2018 and consisted of paid claims, stop-loss premiums, and administrative fees. Accruals were made based upon estimates of the health claims at year end including claims incurred but not reported.

Changes in the balances of the claims liabilities for the year ended June 30, 2018 are as follows:

	Balance at Beginning of Year	Health and Medical Expenditures	Amount Paid	Balance at End of Year
2018 health insurance	\$ 2,006,180	\$ (6,462,775)	\$ 6,887,468	\$ 2,430,873

The health insurance liability is included in payroll accruals and liabilities in the financial statements.

### 14. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, would become a liability of the General Fund. The District provides services solely to those residents within the State defined district boundaries. Any drastic changes in the number of enrolled students would have a material effect on funding levels.

The District is subject to other various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the District.

### 15. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined.

*GASB 83 - Certain Asset Retirement Obligations* - Effective for year-end June 30, 2019, with earlier application encouraged - This statement addresses accounting and financial reporting for certain asset retirement obligations that are legally enforceable liabilities associated with the retirement of a tangible capital asset.

*GASB 84 - Fiduciary Activities* - Effective for year-end June 30, 2020, with earlier application encouraged - This statement addresses criteria for identifying and reporting fiduciary activities.

*GASB 87 - Leases* - Effective for year-end June 30, 2021, with earlier application encouraged - This statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

# Lower Yukon School District

## Notes to Basic Financial Statements

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GASB 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* - Effective for year-end June 30, 2019, with earlier application encouraged - This statement addresses note disclosures related to debt, clarifies which liabilities to include when disclosing information related to debt, and defines debt for the purpose of disclosure. It requires additional essential information related to debt be disclosed in the notes, as well as information for direct borrowings and direct placements.

GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period* - Effective for year-end June 30, 2021, with earlier application encouraged - This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB 90 - *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61* - Effective for year-end June 30, 2020, with earlier application encouraged - This statement addresses accounting and financial reporting for a majority equity interest in a legally separate organization. It provides a definition of a majority equity interest and provides guidance for further presentation as either an investment or a component unit, based on specific criteria.

### 16. Subsequent Event

In November 2018, the District's school approved the purchase of a building located in Anchorage, Alaska for \$2,740,000. The purchase is expected to be completed by the end of December 2018. No financing will be required for the purchase.

### 17. Change in Accounting Principle

As discussed in Note 6 to the financial statements, the District participates in the Alaska Public Employees Retirement System (PERS) plan and Teachers Retirement System (TRS) plan. In 2018, the District adopted the provisions of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which, among other accounting and reporting criteria, requires the District to recognize its proportional share of the Net OPEB Liability (and related deferred inflows of resources and deferred outflows of resources), as of the beginning of the District's fiscal year. As a result of the implementation of this statement, the District has recorded an opening balance adjustment to reflect opening balance OPEB liabilities and related accounts and to decrease opening net position as follows:

	Opening Net Position, as Originally Presented	Change in Accounting Principle Adjustment	Opening Net Position (Deficit), as Restated
<b>Governmental Activities</b>	\$ 248,745,846	\$ (4,783,690)	\$ 243,962,156

## Required Supplementary Information

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**Lower Yukon School District**  
**General (School Operating) Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual**

<i>Year Ended June 30, 2018</i>	Budget		Actual	Variance
	Original	Final		With Final Budget
<b>Revenues</b>				
Local sources	\$ 50,000	\$ 50,000	\$ 375,478	\$ 325,478
State sources	32,224,819	29,927,909	29,836,505	(91,404)
Federal sources	22,182,315	21,948,565	23,335,249	1,386,684
<b>Total Revenues</b>	<b>54,457,134</b>	<b>51,926,474</b>	<b>53,547,232</b>	<b>1,620,758</b>
<b>Expenditures</b>				
Current:				
Instruction	18,860,189	18,886,689	18,241,041	645,648
Special education instruction	4,671,902	4,671,903	4,493,645	178,258
Special education support services - students	299,764	299,764	259,629	40,135
Support services - students	1,687,679	1,687,679	1,587,681	99,998
Support services - instruction	9,245,838	8,867,052	8,718,897	148,155
School administration	2,969,145	2,970,145	3,026,382	(56,237)
School administration support services	830,983	830,983	760,845	70,138
District administration	1,435,759	1,441,959	1,297,056	144,903
District administration support services	1,420,797	1,493,745	1,339,553	154,192
Operations and maintenance of plant	10,164,735	10,411,735	9,750,495	661,240
Student activities	1,406,764	1,406,764	1,642,500	(235,736)
<b>Total Expenditures</b>	<b>52,993,555</b>	<b>52,968,418</b>	<b>51,117,724</b>	<b>1,850,694</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,463,579</b>	<b>(1,041,944)</b>	<b>2,429,508</b>	<b>3,471,452</b>
<b>Other Financing Uses</b>				
Transfers out	2,625,000	(2,625,000)	(4,039,199)	(1,414,199)
<b>Net Change in Fund Balance</b>	<b>\$ 4,088,579</b>	<b>\$ (3,666,944)</b>	<b>(1,609,691)</b>	<b>\$ 2,057,253</b>
Fund Balance, beginning			24,783,993	
Fund Balance, ending			<b>\$ 23,174,302</b>	

*See accompanying notes to Required Supplementary Information.*

**Lower Yukon School District**  
**Public Employees' Retirement System (PERS)**  
**Schedule of the District's Information on the Net Pension Liability**

<i>Years Ended June 30,</i>	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 Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.23787%	\$ 12,296,781	\$ 4,582,972	\$ 16,879,753	\$ 7,080,430	174%	63.37%
2017	0.28840%	16,120,326	2,034,167	18,154,493	5,379,571	118%	59.55%
2016	0.30006%	14,553,036	3,895,132	18,448,168	6,461,788	225%	63.96%
2015	0.15481%	7,220,756	6,317,670	13,538,426	6,134,131	118%	62.37%
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2009	*	*	*	*	*	*	*

\* Information for these years is not available.

*See accompanying notes to Required Supplementary Information.*

**Lower Yukon School District**  
**Public Employees' Retirement System (PERS)**  
**Schedule of the District's Contributions**

<i>Years Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 933,962	\$ 933,962	\$ -	\$ 7,407,862	12.61%
2017	816,453	816,453	-	7,080,430	11.53%
2016	696,932	696,932	-	5,379,571	12.96%
2015	687,740	687,740	-	6,461,788	10.64%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*

\* Information for these years is not available.

*See accompanying notes to Required Supplementary Information.*

**Lower Yukon School District**  
**Teachers' Retirement System (TRS)**  
**Schedule of the District's Information on the Net Pension Liability**

<i>Years Ended June 30,</i>	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 Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.58793%	\$ 11,915,143	\$ 20,790,177	\$ 32,705,320	\$ 14,013,698	85%	72.39%
2017	0.80280%	18,330,694	21,788,116	40,118,810	14,059,564	130%	68.40%
2016	0.65158%	12,122,397	19,374,940	31,497,337	14,149,147	86%	73.82%
2015	0.18770%	5,629,378	45,921,161	51,550,539	13,681,170	41%	55.70%
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2009	*	*	*	*	*	*	*

\* Information for these years is not available.

*See accompanying notes to Required Supplementary Information.*



**Lower Yukon School District**  
**Teachers' Retirement System (TRS)**  
**Schedule of the District's Contributions**

<i>Years Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 521,774	\$ 521,774	\$ -	\$ 13,495,394	3.87%
2017	474,847	474,847	-	14,013,698	3.39%
2016	400,164	400,164	-	14,059,564	2.85%
2015	393,930	393,930	-	14,149,147	2.78%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*

\* Information for these years is not available.

*See accompanying notes to Required Supplementary Information.*

**Lower Yukon School District, Alaska**  
**Public Employees Retirement System OPEB Plan**  
**Schedule of the District's Proportionate Share on the Net OPEB Liability**

<i>Years Ended June 30,</i>	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State of Alaska Proportionate Share of the Net OPEB Liability	Total Net OPEB Liability	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
2018	0.23791%	\$ 1,981,313	\$ 749,642	\$ 2,730,955	\$ 7,080,430	38.57%	89.68%
2017	*	*	*	*	*	*	*
2016	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2009	*	*	*	*	*	*	*

\*Information for these years is not available.

*See accompanying notes to Required Supplementary Information.*

**Lower Yukon School District, Alaska**  
**Public Employees' Retirement System OPEB Plan**  
**Schedule of the District's Contributions**

<i>Years Ended June 30,</i>	Contributions				
	Contractually	Relative to the	Contribution	District's	Contributions
	Required Contribution	Contractually Required Contribution	Deficiency (Excess)	Covered Payroll	as a Percentage of Covered Payroll
2018	\$ 309,413	\$ 309,413	\$ -	\$ 7,407,868	4.18%
2017	*	*	*	*	*
2016	*	*	*	*	*
2015	*	*	*	*	*
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*

\*Information for these years is not available.

*See accompanying notes to Required Supplementary Information.*

**Lower Yukon School District, Alaska**  
**Teachers' Retirement System OPEB Plan**  
**Schedule of the District's Proportionate Share on the Net OPEB Liability**

<i>Years Ended June 30,</i>	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State of Alaska Proportionate Share of the Net OPEB Liability	Total Net OPEB Liability	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
2018	0.58603%	\$ 869,529	\$ 1,890,353	\$ 2,759,882	\$ 14,013,698	19.69%	93.75%
2017	*	*	*	*	*	*	*
2016	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2009	*	*	*	*	*	*	*

\*Information for these years is not available.

*See accompanying notes to Required Supplementary Information.*

**Lower Yukon School District, Alaska**  
**Teachers' Retirement System OPEB Plan**  
**Schedule of the District's Contributions**

<i>Years Ended June 30,</i>	Contributions				District's Covered Payroll	Contributions as a Percentage of Covered Payroll
	Contractually Required Contribution	Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)			
2018	\$ 335,742	\$ 335,742	\$ -	\$ 13,495,394	2.49%	
2017	*	*	*	*	*	
2016	*	*	*	*	*	
2015	*	*	*	*	*	
2014	*	*	*	*	*	
2013	*	*	*	*	*	
2012	*	*	*	*	*	
2011	*	*	*	*	*	
2010	*	*	*	*	*	
2009	*	*	*	*	*	

\*Information for these years is not available.

*See accompanying notes to Required Supplementary Information.*

# Lower Yukon School District

## Notes to Required Supplementary Information June 30, 2018

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### 1. Budgetary Comparison Schedules

The budgetary comparison schedule is presented on the modified accrual basis of accounting.

### 2. Public Employees' Retirement System - Schedule of the District's Information on the Net Pension Liability

This table is presented based on the Plan measurement date. For June 30, 2018, the Plan measurement date is June 30, 2017. There were no changes in benefit terms from the prior measurement period. There were no changes in assumptions from the prior measurement period. There were no changes in allocation methodology.

### 3. Public Employees' Retirement System Pension Plan - Schedule of the District's Contributions

This table is based on the District's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

### 4. Teachers' Retirement System - Schedule of the District's Information on the Net Pension Liability

This table is presented based on the Plan measurement date. For June 30, 2018, the Plan measurement date is June 30, 2017. There were no changes in benefit terms from the prior measurement period. There were no changes in assumptions from the prior measurement period. There were no changes in allocation methodology.

### 5. Teachers' Retirement System Pension Plan - Schedule of the District's Contributions

This table is based on the District's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

### 6. Public Employees' Retirement System - Schedule of the District's Proportionate Share on the Net OPEB Liability

This table is presented based on the Plan measurement date. For June 30, 2018, the Plan measurement date is June 30, 2017. There were no changes in benefit terms from the prior measurement period. There were no changes in assumptions from the prior measurement period. There were no changes in allocation methodology.

### 7. Public Employees' Retirement System OPEB Plan - Schedule of the District's Contributions

This table is based on the District's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

# Lower Yukon School District

## Notes to Required Supplementary Information, continued

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### **8. Teachers' Retirement System - Schedule of the District's Proportionate Share on the Net OPEB Liability**

This table is presented based on the Plan measurement date. For June 30, 2018, the Plan measurement date is June 30, 2017. There were no changes in benefit terms from the prior measurement period. There were no changes in assumptions from the prior measurement period. There were no changes in allocation methodology.

### **9. Teachers' Retirement System OPEB Plan - Schedule of the District's Contributions**

This table is based on the District's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

## Supplementary Information

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**Lower Yukon School District  
Nonmajor Governmental Funds  
Combining Balance Sheet**

<i>June 30, 2018</i>	Student Trans- portation	Peer District Support	Food Service	Title VI-B IDEA	Title I-A Basic
<b>Assets</b>					
Cash and investments	\$ 4,950	\$ -	\$ 554	\$ -	-
Accounts receivable - State of Alaska	-	3,397	-	182,309	486,942
<b>Total Assets</b>	<b>\$ 4,950</b>	<b>\$ 3,397</b>	<b>\$ 554</b>	<b>\$ 182,309</b>	<b>\$ 486,942</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 554	\$ 8,897	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	3,397	-	173,412	486,942
<b>Total Liabilities</b>	<b>-</b>	<b>3,397</b>	<b>554</b>	<b>182,309</b>	<b>486,942</b>
<b>Fund Balances</b>					
Committed	-	-	-	-	-
Assigned	4,950	-	-	-	-
<b>Total Fund Balances</b>	<b>4,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,950</b>	<b>\$ 3,397</b>	<b>\$ 554</b>	<b>\$ 182,309</b>	<b>\$ 486,942</b>

**Lower Yukon School District  
Nonmajor Governmental Funds  
Combining Balance Sheet, continued**

<i>June 30, 2018</i>	Title IV-A	Title I-C Migrant Education	Carl Perkins	Title I-A Parent Involve- ment	Title I-A School Improvement District Wide	CRESEL	Suicide Prevention
<b>Assets</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable - State of Alaska	33,136	21,914	36,372	3,517	72,544	638	3,886
<b>Total Assets</b>	<b>\$ 33,136</b>	<b>\$ 21,914</b>	<b>\$ 36,372</b>	<b>\$ 3,517</b>	<b>\$ 72,544</b>	<b>\$ 638</b>	<b>\$ 3,886</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ 10,379	\$ -	\$ 1,323	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	33,136	21,914	25,993	3,517	71,221	638	3,886
<b>Total Liabilities</b>	<b>33,136</b>	<b>21,914</b>	<b>36,372</b>	<b>3,517</b>	<b>72,544</b>	<b>638</b>	<b>3,886</b>
<b>Fund Balances</b>							
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 33,136</b>	<b>\$ 21,914</b>	<b>\$ 36,372</b>	<b>\$ 3,517</b>	<b>\$ 72,544</b>	<b>\$ 638</b>	<b>\$ 3,886</b>

**Lower Yukon School District  
Nonmajor Governmental Funds  
Combining Balance Sheet, continued**

<i>June 30, 2018</i>	Johnson O'Malley	Moore Grant Pre-K	AK Safe Children Act	School Emergency Management	Best Beginnings and Flourishing Futures	Pre-K Bridge	Title II-A Teacher and Principal Traing and Recruitment	Title III-A English Language Acquisition
<b>Assets</b>								
Cash and investments	\$ -	\$ 144,023	\$ 3,489	\$ 1,775	\$ -	\$ -	\$ -	\$ -
Accounts receivable - State of Alaska	3,072	-	-	-	152,376	19,449	52,982	15,590
<b>Total Assets</b>	<b>\$ 3,072</b>	<b>\$ 144,023</b>	<b>\$ 3,489</b>	<b>\$ 1,775</b>	<b>\$ 152,376</b>	<b>\$ 19,449</b>	<b>\$ 52,982</b>	<b>\$ 15,590</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 98,041	\$ -	\$ -	\$ -
Deferred revenue	-	144,023	3,489	1,775	-	-	-	-
Due to other funds	3,072	-	-	-	54,335	19,449	52,982	15,590
<b>Total Liabilities</b>	<b>3,072</b>	<b>144,023</b>	<b>3,489</b>	<b>1,775</b>	<b>152,376</b>	<b>19,449</b>	<b>52,982</b>	<b>15,590</b>
<b>Fund Balances</b>								
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,072</b>	<b>\$ 144,023</b>	<b>\$ 3,489</b>	<b>\$ 1,775</b>	<b>\$ 152,376</b>	<b>\$ 19,449</b>	<b>\$ 52,982</b>	<b>\$ 15,590</b>

**Lower Yukon School District**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet, continued**

<i>June 30, 2018</i>	Indian Education	Educator Rising	Math For Teachers- Valdez	Teacher Housing	Health Kids Kotlik	Hotel	Scholarships	Total Nonmajor Govern- mental Funds
<b>Assets</b>								
Cash and investments	\$ -	\$ -	\$ -	\$ 62,015	\$ 301	\$ 40,124	\$ 430,804	\$ 688,035
Accounts receivable - State of Alaska	167,505	10,900	700	-	-	-	-	1,267,229
<b>Total Assets</b>	<b>\$ 167,505</b>	<b>\$ 10,900</b>	<b>\$ 700</b>	<b>\$ 62,015</b>	<b>\$ 301</b>	<b>\$ 40,124</b>	<b>\$ 430,804</b>	<b>\$ 1,955,264</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ 700	\$ 62,015	\$ -	\$ -	\$ -	\$ 181,909
Deferred revenue	-	-	-	-	301	-	-	149,588
Due to other funds	167,505	10,900	-	-	-	-	-	1,147,889
<b>Total Liabilities</b>	<b>167,505</b>	<b>10,900</b>	<b>700</b>	<b>62,015</b>	<b>301</b>	<b>-</b>	<b>-</b>	<b>1,479,386</b>
<b>Fund Balances</b>								
Committed	-	-	-	-	-	-	430,804	430,804
Assigned	-	-	-	-	-	40,124	-	45,074
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,124</b>	<b>430,804</b>	<b>475,878</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 167,505</b>	<b>\$ 10,900</b>	<b>\$ 700</b>	<b>\$ 62,015</b>	<b>\$ 301</b>	<b>\$ 40,124</b>	<b>\$ 430,804</b>	<b>\$ 1,955,264</b>

**Lower Yukon School District**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

<i>Year Ended June 30, 2018</i>	Student Trans- portation	Food Service	Fresh Fruits and Vegetables	Title VI-B IDEA	Indian Education
<b>Revenues</b>					
Local sources	\$ -	\$ 76,225	\$ -	\$ -	\$ -
State sources	1,958	-	-	-	-
Federal sources:					
Direct	-	-	-	-	854,379
Through other intermediate agencies	-	-	-	-	-
Through the State of Alaska	-	2,174,645	112,511	626,866	-
<b>Total Revenues</b>	<b>1,958</b>	<b>2,250,870</b>	<b>112,511</b>	<b>626,866</b>	<b>854,379</b>
<b>Expenditures</b>					
Instruction	-	-	-	-	818,899
Special education instruction	-	-	-	163,866	-
Special education support services - students	-	-	-	434,574	-
Support services - students	-	-	-	-	-
Support services - instruction	-	-	-	-	-
District administration	-	-	-	-	-
District administration support services	-	-	-	28,426	35,480
Operations and maintenance of plant	-	-	-	-	-
Student transportation - to and from school	3,643	-	-	-	-
Food services	-	3,121,329	112,511	-	-
Expendable trust	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,643</b>	<b>3,121,329</b>	<b>112,511</b>	<b>626,866</b>	<b>854,379</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>(1,685)</b>	<b>(870,459)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources</b>					
Transfers in (out)	-	870,459	-	-	-
<b>Net Change in Fund Balances</b>	<b>(1,685)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, beginning</b>	<b>6,635</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, ending</b>	<b>\$ 4,950</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Lower Yukon School District**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued**

<i>Year Ended June 30, 2018</i>	Title I-A Basic	Title IV-A	Title I-C Migrant Education	Preschool Disabled	Migrant Book	Carl Perkins	Title I-A Parent Involve- ment	Title I-A School Improvement 1003(a)
<b>Revenues</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources:								
Direct	-	-	-	-	-	-	-	-
Through other intermediate agencies	-	-	-	-	-	-	-	-
Through the State of Alaska	2,103,857	50,633	110,044	2,968	9,596	109,688	9,011	75,514
<b>Total Revenues</b>	<b>2,103,857</b>	<b>50,633</b>	<b>110,044</b>	<b>2,968</b>	<b>9,596</b>	<b>109,688</b>	<b>9,011</b>	<b>75,514</b>
<b>Expenditures</b>								
Instruction	1,934,287	-	105,054	-	9,596	104,714	8,603	75,514
Special education instruction	-	-	-	-	-	-	-	-
Special education support services - students	-	-	-	2,833	-	-	-	-
Support services - students	27,980	49,640	-	-	-	-	-	-
Support services - instruction	46,188	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	-
District administration support services	95,402	993	4,990	135	-	4,974	408	-
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Expendable trust	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>2,103,857</b>	<b>50,633</b>	<b>110,044</b>	<b>2,968</b>	<b>9,596</b>	<b>109,688</b>	<b>9,011</b>	<b>75,514</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources</b>								
Transfers in	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Lower Yukon School District

Nonmajor Governmental Funds

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

<i>Year Ended June 30, 2018</i>	Title I-A School Improvement District Wide	CRESEL	Suicide Awareness Prevention and Postvention	Johnson O'Malley	School Emergency Management	Best Beginnings and Flourishing Futures	Title II-A Teacher and Principal Training and Recruitment	Title III-A English Language Acquisition
<b>Revenues</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	37,700	-	4,701	-	-	-
Federal sources:								
Direct	-	-	-	-	-	348,426	-	-
Through other intermediate agency:	-	20,463	-	7,258	-	-	-	-
Through the State of Alaska	144,697	-	-	-	-	-	219,260	127,455
<b>Total Revenues</b>	<b>144,697</b>	<b>20,463</b>	<b>37,700</b>	<b>7,258</b>	<b>4,701</b>	<b>348,426</b>	<b>219,260</b>	<b>127,455</b>
<b>Expenditures</b>								
Instruction	54,301	20,463	-	7,258	-	218,610	68,328	124,956
Special education instruction	-	-	-	-	-	-	-	-
Special education support services - s	-	-	-	-	-	-	-	-
Support services - students	-	-	37,700	-	-	-	-	-
Support services - instruction	90,396	-	-	-	-	98,372	94,621	-
District administration	-	-	-	-	-	15,644	-	-
District administration support service	-	-	-	-	-	15,800	56,311	2,499
Operations and maintenance of plant	-	-	-	-	4,701	-	-	-
Student transportation - to and from s	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Expendable trust	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>144,697</b>	<b>20,463</b>	<b>37,700</b>	<b>7,258</b>	<b>4,701</b>	<b>348,426</b>	<b>219,260</b>	<b>127,455</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources</b>								
Transfers in	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Lower Yukon School District**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued**

<i>Year Ended June 30, 2018</i>	Math For Teachers- Valdez	Teacher Housing	Health Kids Kotlik	Hotel	Scholarships	Peer District Support	Pre-K Bridge	Educator Rising	Total Nonmajor Govern- mental Funds
<b>Revenues</b>									
Local sources	\$ -	\$ 760,591	\$ 437	\$ 2,175	\$ -	\$ -	\$ -	\$ -	\$ 839,428
State sources	-	-	-	-	-	3,397	56,594	5,606	109,956
Federal sources:									
Direct	-	-	-	-	-	-	-	-	1,202,805
Through other intermediate agencies	700	-	-	-	-	-	-	16,805	45,226
Through the State of Alaska	-	-	-	-	-	-	-	-	5,876,745
<b>Total Revenues</b>	<b>700</b>	<b>760,591</b>	<b>437</b>	<b>2,175</b>	<b>-</b>	<b>3,397</b>	<b>56,594</b>	<b>22,411</b>	<b>8,074,160</b>
<b>Expenditures</b>									
Instruction	-	-	437	-	-	-	56,594	22,411	3,630,025
Special education instruction	-	-	-	-	-	-	-	-	163,866
Special education support services - studen	-	-	-	-	-	-	-	-	437,407
Support services - students	-	-	-	-	-	-	-	-	115,320
Support services - instruction	700	-	-	-	-	-	-	-	330,277
District administration	-	-	-	-	-	-	-	-	15,644
District administration support services	-	-	-	-	-	3,397	-	-	248,815
Operations and maintenance of plant	-	1,550,497	-	8,290	-	-	-	-	1,563,488
Student transportation - to and from school	-	-	-	-	-	-	-	-	3,643
Food services	-	-	-	-	-	-	-	-	3,233,840
Expendable trust	-	-	-	-	7,335	-	-	-	7,335
<b>Total Expenditures</b>	<b>700</b>	<b>1,550,497</b>	<b>437</b>	<b>8,290</b>	<b>7,335</b>	<b>3,397</b>	<b>56,594</b>	<b>22,411</b>	<b>9,749,660</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>-</b>	<b>(789,906)</b>	<b>-</b>	<b>(6,115)</b>	<b>(7,335)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,675,500)</b>
<b>Other Financing Sources</b>									
Transfers in	-	789,906	-	-	-	-	-	-	1,660,365
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,115)</b>	<b>(7,335)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,135)</b>
<b>Fund Balances, beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,239</b>	<b>438,139</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>491,013</b>
<b>Fund Balances, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,124</b>	<b>\$ 430,804</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 475,878</b>



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## **General (School Operating) Fund**

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To account for all ordinary recurring operations of the District, including all transactions which are not required to be accounted for in another fund.

**Lower Yukon School District**  
**General (School Operating) Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
Local sources:			
Earnings on investments	\$ 20,000	\$ 69,877	\$ 49,877
Other local revenues	30,000	305,601	275,601
<b>Total local sources</b>	<b>50,000</b>	<b>375,478</b>	<b>325,478</b>
State sources:			
Foundation program	27,740,774	27,586,177	(154,597)
Other state revenue	-	4,722	4,722
TRS on-behalf	2,020,371	2,007,876	(12,495)
PERS on-behalf	166,764	237,730	70,966
<b>Total state sources</b>	<b>29,927,909</b>	<b>29,836,505</b>	<b>(91,404)</b>
Federal sources:			
Direct - impact aid	16,030,573	17,479,376	1,448,803
E-rate	5,917,992	5,855,873	(62,119)
<b>Total federal sources</b>	<b>21,948,565</b>	<b>23,335,249</b>	<b>1,386,684</b>
<b>Total Revenues</b>	<b>51,926,474</b>	<b>53,547,232</b>	<b>1,620,758</b>
<b>Expenditures</b>			
Instruction:			
Salaries:			
Certificated	9,824,155	9,360,953	463,202
Non-certificated	1,081,909	1,136,570	(54,661)
Employee benefits	7,193,408	6,838,411	354,997
Transportation allowance	137,100	90,745	46,355
Professional and technical services	12,000	-	12,000
Staff travel	3,500	38,126	(34,626)
Student travel	244,900	289,671	(44,771)
Supplies, materials and media	358,617	455,795	(97,178)
Tuition and stipends	-	4,950	(4,950)
Other expenditures	11,100	3,745	7,355
Equipment	20,000	22,075	(2,075)
<b>Total instruction</b>	<b>18,886,689</b>	<b>18,241,041</b>	<b>645,648</b>

**Lower Yukon School District**  
**General (School Operating) Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual, continued**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Expenditures, continued</b>			
Special education instruction:			
Salaries:			
Certificated	\$ 1,217,045	\$ 1,204,147	\$ 12,898
Non-certificated	1,246,085	1,227,167	18,918
Employee benefits	2,182,248	2,043,863	138,385
Transportation allowance	15,650	11,342	4,308
Staff travel	-	2,125	(2,125)
Supplies, materials and media	10,875	4,501	6,374
Other expenditures	-	500	(500)
<b>Total special education instruction</b>	<b>4,671,903</b>	<b>4,493,645</b>	<b>178,258</b>
Special education support services - students:			
Salaries:			
Certificated	127,563	119,223	8,340
Non-certificated	47,454	42,618	4,836
Employee benefits	106,747	95,189	11,558
Transportation allowance	1,000	653	347
Staff travel	12,000	1,930	10,070
Supplies, materials and media	5,000	16	4,984
<b>Total special education support services - students</b>	<b>299,764</b>	<b>259,629</b>	<b>40,135</b>
Support services - students:			
Salaries:			
Certificated	386,193	433,903	(47,710)
Non-certificated	426,239	399,772	26,467
Employee benefits	672,015	674,381	(2,366)
Transportation allowance	4,100	2,854	1,246
Professional and technical services	50,000	29,520	20,480
Staff travel	42,000	8,056	33,944
Student travel	60,000	25,397	34,603
Supplies, materials and media	47,132	13,798	33,334
<b>Total support services - students</b>	<b>1,687,679</b>	<b>1,587,681</b>	<b>99,998</b>

**Lower Yukon School District**  
**General (School Operating) Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual, continued**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Expenditures, continued</b>			
Support services - instruction:			
Salaries:			
Certificated	\$ 361,985	\$ 372,364	\$ (10,379)
Non-certificated	203,374	179,280	24,094
Employee benefits	330,513	324,450	6,063
Transportation allowance	4,000	2,539	1,461
Professional and technical services	230,000	258,042	(28,042)
Staff travel	117,000	101,049	15,951
Utility services	6,674,780	6,612,780	62,000
Other purchased services	5,000	63,850	(58,850)
Supplies, materials and media	594,400	529,805	64,595
Other expenditures	346,000	274,738	71,262
<b>Total support services - instruction</b>	<b>8,867,052</b>	<b>8,718,897</b>	<b>148,155</b>
School administration:			
Certificated salaries	1,878,072	1,870,442	7,630
Employee benefits	1,006,298	1,017,692	(11,394)
Transportation allowance	17,600	12,826	4,774
Professional and technical services	15,000	15,734	(734)
Staff travel	25,000	56,555	(31,555)
Utility services	-	3,245	(3,245)
Supplies, materials and media	18,175	43,176	(25,001)
Other expenditures	10,000	6,712	3,288
<b>Total school administration</b>	<b>2,970,145</b>	<b>3,026,382</b>	<b>(56,237)</b>
School administration support services:			
Non-certificated salaries	399,639	369,344	30,295
Employee benefits	417,226	390,305	26,921
Supplies, materials and media	14,118	1,196	12,922
<b>Total school administration support services</b>	<b>830,983</b>	<b>760,845</b>	<b>70,138</b>

**Lower Yukon School District**  
**General (School Operating) Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual, continued**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Expenditures, continued</b>			
District administration:			
Salaries:			
Certificated	\$ 145,000	\$ 157,740	\$ (12,740)
Non-certificated	334,614	317,915	16,699
Employee benefits	440,672	431,213	9,459
Professional and technical services	195,000	120,514	74,486
Staff travel	178,255	143,397	34,858
Utility services	3,418	2,947	471
Other purchased services	-	246	(246)
Supplies, materials and media	99,000	65,803	33,197
Other expenditures	46,000	57,281	(11,281)
<b>Total district administration</b>	<b>1,441,959</b>	<b>1,297,056</b>	<b>144,903</b>
District administration support services:			
Salaries:			
Certificated	120,940	120,548	392
Non-certificated	589,903	567,238	22,665
Employee benefits	516,704	458,389	58,315
Transportation allowance	2,000	1,233	767
Professional and technical services	75,500	114,415	(38,915)
Staff travel	47,250	37,462	9,788
Utility services	-	1,897	(1,897)
Other purchased services	10,000	4,090	5,910
Insurance and bond premiums	179,948	180,133	(185)
Supplies, materials and media	23,000	10,229	12,771
Other expenditures	48,500	43,122	5,378
Indirect costs recovery	(120,000)	(199,203)	79,203
<b>Total district administration support services</b>	<b>1,493,745</b>	<b>1,339,553</b>	<b>154,192</b>

**Lower Yukon School District**  
**General (School Operating) Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual, continued**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Expenditures, continued</b>			
Operations and maintenance of plant:			
Non-certificated salaries	\$ 1,978,308	\$ 2,226,704	\$ (248,396)
Employee benefits	1,725,806	1,595,500	130,306
Transportation allowance	1,000	653	347
Professional and technical services	10,000	289	9,711
Staff travel	76,000	105,177	(29,177)
Utilities services	801,000	577,047	223,953
Energy	3,830,000	2,777,515	1,052,485
Other purchased services	708,240	966,154	(257,914)
Insurance and bond premiums	640,881	598,595	42,286
Supplies, materials and media	608,500	859,356	(250,856)
Other expenditures	10,000	14,820	(4,820)
Equipment	22,000	28,685	(6,685)
<b>Total operations and maintenance of plant</b>	<b>10,411,735</b>	<b>9,750,495</b>	<b>661,240</b>
Student activities:			
Salaries:			
Certificated	147,000	164,650	(17,650)
Non-certificated	67,205	67,642	(437)
Employee benefits	95,009	117,229	(22,220)
Professional and technical services	57,000	600	56,400
Staff travel	9,000	2,570	6,430
Student travel	950,500	1,161,117	(210,617)
Other purchased services	3,000	28,765	(25,765)
Supplies, materials and media	67,000	89,276	(22,276)
Other expenditures	11,050	10,651	399
<b>Total student activities</b>	<b>1,406,764</b>	<b>1,642,500</b>	<b>(235,736)</b>
<b>Total Expenditures</b>	<b>52,968,418</b>	<b>51,117,724</b>	<b>1,850,694</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(1,041,944)</b>	<b>2,429,508</b>	<b>3,471,452</b>

**Lower Yukon School District**  
**General (School Operating) Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual, continued**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Other Financing Uses</b>			
Transfers out:			
Special Revenue Funds:			
Teacher Housing	\$ (1,225,000)	\$ (789,906)	\$ 435,094
Food Service	(1,400,000)	(870,459)	529,541
Capital Project Funds	-	(2,378,834)	(2,378,834)
<b>Total Other Financing Uses</b>	<b>(2,625,000)</b>	<b>(4,039,199)</b>	<b>(1,414,199)</b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (3,666,944)</u></b>	<b>(1,609,691)</b>	<b><u>\$ 2,057,253</u></b>
<b>Fund Balance, beginning</b>		<b><u>24,783,993</u></b>	
<b>Fund Balance, ending</b>		<b><u>\$ 23,174,302</u></b>	



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## Special Revenue Funds

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To account for the proceeds of specific revenue sources or to finance specific activities required by administrative regulations.

**Lower Yukon School District**  
**Student Transportation Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From state sources	\$ 1,958	\$ 1,958	\$ -
<b>Expenditures</b>			
Student transportation - to and from school - student travel	1,958	3,643	(1,685)
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	(1,685)	<u>\$ (1,685)</u>
Fund Balance, beginning		<u>6,635</u>	
Fund Balance, ending		<u>\$ 4,950</u>	

**Lower Yukon School District**  
**Food Service Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
Local sources - other local revenue	\$ 67,000	\$ 76,225	\$ 9,225
Federal sources through the State of Alaska	1,601,839	2,174,645	572,806
<b>Total Revenues</b>	<b>1,668,839</b>	<b>2,250,870</b>	<b>582,031</b>
<b>Expenditures</b>			
Operations and maintenance of plant - energy	19,267	-	19,267
Food services:			
Non-certificated salaries	906,113	900,399	5,714
Employee benefits	899,303	933,838	(34,535)
Transportation allowance	1,000	653	347
Staff travel	16,292	12,254	4,038
Utility Services	-	95	(95)
Supplies, materials and media	1,226,282	1,273,810	(47,528)
Other expenditures	582	280	302
<b>Total food services</b>	<b>3,049,572</b>	<b>3,121,329</b>	<b>(71,757)</b>
<b>Total Expenditures</b>	<b>3,068,839</b>	<b>3,121,329</b>	<b>(52,490)</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>(1,400,000)</b>	<b>(870,459)</b>	<b>(529,541)</b>
<b>Other Financing Sources</b>			
Transfers in	1,400,000	870,459	(529,541)
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Lower Yukon School District**  
**Fresh Fruits and Vegetables Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - through the State of Alaska	\$ 112,511	\$ 112,511	\$ -
<b>Expenditures</b>			
Food services - supplies, materials and media	112,511	112,511	-
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning		<u>-</u>	
Fund Balance, ending		<u>\$ -</u>	

**Lower Yukon School District**  
**Title VI-B IDEA Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - through the State of Alaska	\$ 717,520	\$ 626,866	\$ (90,654)
<b>Expenditures</b>			
Special education instruction:			
Salaries:			
Certificated	10,000	1,276	8,724
Non-certificated	63,153	32,214	30,939
Employee benefits	60,000	35,609	24,391
Professional and technical services	20,063	20,063	-
Staff travel	44,000	43,861	139
Student travel	30,000	-	30,000
Supplies, materials and media	30,000	30,843	(843)
<b>Total special education instruction</b>	<b>257,216</b>	<b>163,866</b>	<b>93,350</b>
Special education support services - students:			
Professional and technical services	385,267	414,177	(28,910)
Staff travel	6,000	5,565	435
Supplies, materials and media	30,000	8,377	21,623
Other Expenditures	6,500	6,455	45
<b>Total special education support services - students</b>	<b>427,767</b>	<b>434,574</b>	<b>(6,807)</b>
District administration support services - Indirect costs			
	32,537	28,426	4,111
<b>Total Expenditures</b>	<b>717,520</b>	<b>626,866</b>	<b>90,654</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Lower Yukon School District**  
**Indian Education Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - direct	\$ 850,006	\$ 854,379	\$ 4,373
<b>Expenditures</b>			
Instruction:			
Non-certificated salaries	359,631	377,294	(17,663)
Employee benefits	440,000	437,566	2,434
Supplies, materials and media	10,000	4,039	5,961
<b>Total instruction</b>	<b>809,631</b>	<b>818,899</b>	<b>(9,268)</b>
District administration support services - indirect costs	40,375	35,480	4,895
<b>Total Expenditures</b>	<b>850,006</b>	<b>854,379</b>	<b>(4,373)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Lower Yukon School District**  
**Title I-A Basic Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - through the State of Alaska	\$ 2,821,236	\$ 2,103,857	\$ (717,379)
<b>Expenditures</b>			
Instruction:			
Salaries -			
Non-certificated	935,000	710,177	224,823
Employee benefits	1,048,804	788,597	260,207
Supplies, materials and media	363,000	239,106	123,894
Other expenditures	200,000	196,407	3,593
<b>Total instruction</b>	<b>2,546,804</b>	<b>1,934,287</b>	<b>612,517</b>
Support services - students:			
Certificated salaries	65,000	14,698	50,302
Employee benefits	19,500	13,282	6,218
<b>Total support services - students</b>	<b>84,500</b>	<b>27,980</b>	<b>56,520</b>
Support services - instruction:			
Certificated salaries	33,000	32,727	273
Employee benefits	14,000	13,161	839
Staff travel	15,000	300	14,700
<b>Total support services - instruction</b>	<b>62,000</b>	<b>46,188</b>	<b>15,812</b>
District administration support services - indirect costs			
	127,932	95,402	32,530
<b>Total Expenditures</b>	<b>2,821,236</b>	<b>2,103,857</b>	<b>717,379</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning</b>		<b>-</b>	
<b>Fund Balance, ending</b>		<b>\$ -</b>	



**Lower Yukon School District**  
**Title IV-A Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - through the State of Alaska	\$ 81,096	\$ 50,633	\$ (30,463)
<b>Expenditures</b>			
Support services students:			
Non-certificated salaries	35,000	23,884	11,116
Employee benefits	43,006	24,846	18,160
Staff travel	1,500	910	590
<b>Total support services students</b>	<b>79,506</b>	<b>49,640</b>	<b>29,866</b>
District administration support services - indirect costs	1,590	993	597
<b>Total Expenditures</b>	<b>81,096</b>	<b>50,633</b>	<b>30,463</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, beginning</b>		<b>-</b>	
<b>Fund Balance, ending</b>		<b>\$ -</b>	

**Lower Yukon School District**  
**Title I-C Migrant Education Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - through the State of Alaska	\$ 119,149	\$ 110,044	\$ (9,105)
<b>Expenditures</b>			
Instruction:			
Non-certificated salaries	56,513	51,715	4,798
Employee benefits	57,233	53,339	3,894
<b>Total instruction</b>	<b>113,746</b>	<b>105,054</b>	<b>8,692</b>
District administration support services - indirect costs	5,403	4,990	413
<b>Total Expenditures</b>	<b>119,149</b>	<b>110,044</b>	<b>9,105</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Lower Yukon School District**  
**Preschool Disabled Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - through the State of Alaska	\$ 3,018	\$ 2,968	\$ (50)
<b>Expenditures</b>			
Special education instruction - professional and technical services	2,883	2,833	50
District administration support services - indirect costs	135	135	-
<b>Total Expenditures</b>	<b>3,018</b>	<b>2,968</b>	<b>50</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Lower Yukon School District**  
**Migrant Book Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - through the State of Alaska	\$ 9,600	\$ 9,596	\$ (4)
<b>Expenditures</b>			
Instruction - supplies, materials and media	9,600	9,596	4
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning		<u>-</u>	
Fund Balance, ending		<u>\$ -</u>	

**Lower Yukon School District**  
**Carl Perkins Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - through the State of Alaska	\$ 109,688	\$ 109,688	\$ -
<b>Expenditures</b>			
Instruction:			
Staff travel	3,193	1,877	1,316
Student travel	101,521	102,837	(1,316)
<b>Total instruction</b>	<b>104,714</b>	<b>104,714</b>	<b>-</b>
District administration support services - indirect costs	4,974	4,974	-
<b>Total Expenditures</b>	<b>109,688</b>	<b>109,688</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Lower Yukon School District**  
**Title I-A Parent Involvement Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - through the State of Alaska	\$ 29,552	\$ 9,011	\$ (20,541)
<b>Expenditures</b>			
Instruction - supplies, materials and media	28,212	8,603	19,609
District administration support services - indirect costs	1,340	408	932
<b>Total Expenditures</b>	<b>29,552</b>	<b>9,011</b>	<b>20,541</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Lower Yukon School District**  
**Title I-A School Improvement 1003(a) Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - through the State of Alaska	\$ 102,126	\$ 75,514	\$ (26,612)
<b>Expenditures</b>			
Instruction:			
Professional and technical services	7,820	7,820	-
Staff travel	24,524	420	24,104
Supplies, materials and media	69,782	67,274	2,508
<b>Total instruction</b>	<b>102,126</b>	<b>75,514</b>	<b>26,612</b>
<b>Total Expenditures</b>	<b>102,126</b>	<b>75,514</b>	<b>26,612</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

## Lower Yukon School District

Title I-A School Improvement - District Wide Special Revenue Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - through the State of Alaska	\$ 200,000	\$ 144,697	\$ (55,303)
<b>Expenditures</b>			
Instruction:			
Certificated salaries	3,000	2,693	307
Employee benefits	1,334	1,334	-
Supplies, materials and media	88,711	50,274	38,437
<b>Total instruction</b>	<b>93,045</b>	<b>54,301</b>	<b>38,744</b>
Support services - instruction:			
Certificated Salaries	11,000	11,083	(83)
Employee benefits	2,912	2,912	-
Professional and technical services	14,800	2,210	12,590
Staff travel	77,908	73,856	4,052
Supplies, materials and media	335	335	-
<b>Total support services - instruction</b>	<b>106,955</b>	<b>90,396</b>	<b>16,559</b>
<b>Total Expenditures</b>	<b>200,000</b>	<b>144,697</b>	<b>55,303</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	



**Lower Yukon School District**  
**CRESEL Special Revenue Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

<i>Year Ended June 30, 2018</i>	Actual
<b>Revenues</b>	
From federal sources - through other intermediate agencies	\$ 20,463
<b>Expenditures</b>	
Instruction:	
Non-certificated salaries	583
Employee benefits	56
Staff travel	9,460
Supplies, materials and media	1,587
Other expenditures	8,777
Total instruction	20,463
<b>Total Expenditures</b>	<b>20,463</b>
<b>Net Change in Fund Balance</b>	<b>-</b>
<b>Fund Balance, beginning</b>	<b>-</b>
<b>Fund Balance, ending</b>	<b>\$ -</b>

**Lower Yukon School District**  
**Suicide Awareness, Prevention and Postvention Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From state sources	\$ 37,700	\$ 37,700	\$ -
<b>Expenditures</b>			
Support services - students:			
Non-certificated salaries	2,777	2,777	-
Employees benefits	281	281	-
Professional and technical services	12,000	12,000	-
Staff travel	3,819	3,819	-
Student travel	11,235	11,235	-
Supplies, materials and media	7,588	7,588	-
Total support services - students	37,700	37,700	-
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Lower Yukon School District**  
**Johnson O'Malley Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
From federal sources pass through other intermediate agencies	\$ 7,258	\$ 7,258	\$ -
<b>Expenditures</b>			
Instruction:			
Non-certificated salaries	6,627	6,627	-
Employee benefits	631	631	-
<b>Total Expenditures</b>	<b>7,258</b>	<b>7,258</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Lower Yukon School District**  
**School Emergency Management Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From state sources	\$ 4,701	\$ 4,701	\$ -
<b>Expenditures</b>			
Operations and maintenance of plant - supplies, materials, and media	4,701	4,701	-
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund Balance, beginning</b>		<u>-</u>	
<b>Fund Balance, ending</b>		<u>\$ -</u>	

**Lower Yukon School District**  
**Best Beginnings and Flourishing Futures Special Revenue Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

<i>Year Ended June 30, 2018</i>	Actual
<b>Revenues</b>	
From federal direct	\$ 348,426
<b>Expenditures</b>	
Instruction:	
Certificated salaries	8,000
Non-certificated salaries	50,198
Employees benefits	42,961
Staff travel	8,661
Student travel	84,399
Supplies, materials, and media	20,381
Equipment	4,010
Total instruction	218,610
Support Services - instruction:	
Certificated salaries	62,196
Employees benefits	7,767
Professional and technical services	1,930
Staff travel	26,479
Total support services - instruction	98,372
District Administration:	
Certificated salaries	9,957
Employees benefits	3,062
Professional and technical services	2,625
Total district administration	15,644
District administration support services - indirect costs	15,800
<b>Net Change in Fund Balance</b>	<b>-</b>
<b>Fund Balance, beginning</b>	<b>-</b>
<b>Fund Balance, ending</b>	<b>\$ -</b>

## Lower Yukon School District

## Title II-A Teacher and Principal Training and Recruitment Special Revenue Fund

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

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - through the State of Alaska	\$ 225,632	\$ 219,260	\$ (6,372)
<b>Expenditures</b>			
Instruction:			
Certificated salaries	47,483	47,483	-
Employee benefits	20,518	20,518	-
Transportation allowance	450	327	123
<b>Total instruction</b>	<b>68,451</b>	<b>68,328</b>	<b>123</b>
Support services - instruction:			
Certificated salaries	44,517	43,636	881
Employee benefits	19,482	17,486	1,996
Transportation allowance	450	-	450
Staff travel	30,000	30,999	(999)
Other expenditures	2,500	2,500	-
<b>Total support services - instruction</b>	<b>96,949</b>	<b>94,621</b>	<b>2,328</b>
District administration support services:			
Professional and technical services	25,000	23,070	1,930
Staff travel	20,000	18,298	1,702
Other expenditures	5,000	5,000	-
Indirect costs	10,232	9,943	289
<b>Total district administration support services</b>	<b>60,232</b>	<b>56,311</b>	<b>3,921</b>
<b>Total Expenditures</b>	<b>225,632</b>	<b>219,260</b>	<b>6,372</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Lower Yukon School District**  
**Title III-A English Language Acquisition Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources - through the State of Alaska	\$ 127,455	\$ 127,455	\$ -
<b>Expenditures</b>			
Instruction - supplies, materials and media	124,956	124,956	-
District administration support services - indirect costs	2,499	2,499	-
<b>Total Expenditures</b>	<b>127,455</b>	<b>127,455</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Lower Yukon School District**  
**Math For Teachers-Valdez Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From federal sources pass through other intermediate agencies	\$ 700	\$ 700	\$ -
<b>Expenditures</b>			
Support services - instruction:			
staff travel	700	700	-
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund Balance, beginning</b>		<u>-</u>	
<b>Fund Balance, ending</b>		<u>\$ -</u>	



**Lower Yukon School District**  
**Teacher Housing Special Revenue Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Actual
<b>Revenues</b>	
From local sources	\$ 760,591
<b>Expenditures</b>	
Operations and maintenance of plant:	
Non-certificated salaries	309,713
Employee benefits	191,764
Staff travel	4,260
Utility services	205,190
Energy	409,066
Other purchased services	77,074
Supplies, materials and media	353,430
<b>Total Expenditures</b>	1,550,497
<b>Deficiency of Revenues Over Expenditures</b>	(789,906)
<b>Other Financing Sources</b>	
Transfers in	789,906
<b>Net Change in Fund Balance</b>	-
<b>Fund Balance, beginning</b>	-
<b>Fund Balance, ending</b>	\$ -

**Lower Yukon School District**  
**Health Kids Kotlik Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
Local sources - other local revenue	\$ 437	\$ 437	\$ -
<b>Expenditures</b>			
Instruction - supplies, materials and media	437	437	-
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning		<u>-</u>	
Fund Balance, ending		<u>\$ -</u>	

**Lower Yukon School District**  
**Hotel Special Revenue Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

<i>Year Ended June 30, 2018</i>	Actual
<b>Revenues</b>	
From local sources - other	\$ 2,175
<b>Expenditures</b>	
Operations and maintenance of plant:	
Non-certificated salaries	3,277
Employee benefits	347
Utility services	1,608
Supplies, materials and media	3,058
<b>Total Expenditures</b>	<b>8,290</b>
<b>Net Change in Fund Balance</b>	<b>(6,115)</b>
<b>Fund Balance, beginning</b>	<b>46,239</b>
<b>Fund Balance, ending</b>	<b>\$ 40,124</b>

**Lower Yukon School District**  
**Scholarships Special Revenue Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

<i>Year Ended June 30, 2018</i>	Actual
<b>Expenditures</b>	
Expendable trust - tuition and stipends	\$ 7,335
<b>Net Change in Fund Balance</b>	(7,335)
<b>Fund Balance, beginning</b>	438,139
<b>Fund Balance, ending</b>	\$ 430,804

**Lower Yukon School District**  
**Peer District Support Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
State sources	\$ 3,397	\$ 3,397	\$ -
<b>Expenditures</b>			
District administrative support services:			
Non-certificated salaries	1,858	1,858	-
Employee benefits	585	585	-
Staff travel	800	800	-
Indirect costs	154	154	-
<b>Total Expenditures</b>	<b>3,397</b>	<b>3,397</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Lower Yukon School District**  
**Pre-K Bridge Grant Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
From state sources	\$ 56,594	\$ 56,594	\$ -
<b>Expenditures</b>			
Instruction:			
Certificated salaries	29,040	29,040	-
Non-certificated salaries	16,684	16,684	-
Employee benefits	8,977	8,977	-
Supplies, materials and media	1,893	1,893	-
<b>Total Expenditures</b>	<b>56,594</b>	<b>56,594</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

**Lower Yukon School District**  
**Educator Rising Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2018</i>	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
State sources	\$ 5,606	\$ 5,606	\$ -
Federal Sources - passed through other intermediate agencies	16,805	16,805	-
<b>Total Revenues</b>	<b>22,411</b>	<b>22,411</b>	<b>-</b>
<b>Expenditures</b>			
Instruction - student travel	22,411	22,411	-
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance, beginning		-	
Fund Balance, ending		<b>\$ -</b>	

## Capital Project Fund

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The Capital Project Fund was established to account for the financial resources expended to acquire or construct major capital assets of a relatively permanent nature. Such financial resources include grants and operating transfers from other funds.



## Lower Yukon School District

Capital Project Fund  
Combining Balance Sheet

<i>June 30, 2018</i>	General Impact Aid Capital Project	Major Repairs and Maint- enance	Nunam Iqua School Repair	Kotlik Fire Disaster	Scammon Bay Teacher Housing	Emmonak Teacher Housing	Hamilton Building Project	Total Capital Projects
<b>Assets</b>								
Cash and investments	\$ 377,453	\$ 9,894,629	\$ 53,902	\$ -	\$ 1,900,842	\$ 313,979	\$ -	\$ 12,540,805
Accounts receivable - State of Alaska	-	-	-	2,306,530	-	-	36,192	2,342,722
<b>Total Assets</b>	<b>\$ 377,453</b>	<b>\$ 9,894,629</b>	<b>\$ 53,902</b>	<b>\$ 2,306,530</b>	<b>\$ 1,900,842</b>	<b>\$ 313,979</b>	<b>\$ 36,192</b>	<b>\$ 14,883,527</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ 168,176	\$ 53,902	\$ 22,434	\$ 491,230	\$ 11,079	\$ -	\$ 746,821
Due to other funds	-	-	-	2,284,096	-	-	36,192	2,320,288
<b>Total Liabilities</b>	<b>-</b>	<b>168,176</b>	<b>53,902</b>	<b>2,306,530</b>	<b>491,230</b>	<b>11,079</b>	<b>36,192</b>	<b>3,067,109</b>
<b>Fund Balances</b>								
Assigned	377,453	9,726,453	-	-	1,409,612	302,900	-	\$ 11,816,418
<b>Total Liabilities and Fund Balances</b>	<b>\$ 377,453</b>	<b>\$ 9,894,629</b>	<b>\$ 53,902</b>	<b>\$ 2,306,530</b>	<b>\$ 1,900,842</b>	<b>\$ 313,979</b>	<b>\$ 36,192</b>	<b>\$ 14,883,527</b>

**Lower Yukon School District**  
**Capital Project Fund**  
**Combining Statement of Revenues, Expenditures and Changes**  
**in Fund Balances**

<i>Year Ended June 30, 2018</i>	General Impact Aid Capital Project	Major Repairs and Maint- enance	Nunam Iqua School Repair	Pitkas Point Soil Remediation	Kotlik Fire Disaster	Scammon Bay Teacher Housing	Emmonak Teacher Housing	Hamilton Building Project	Total Capital Projects
<b>Revenues</b>									
Local sources	\$ -	\$ 80,000	\$ -	\$ -	\$ 1,109,727	\$ -	\$ -	\$ -	\$ 1,189,727
State sources	-	-	-	-	1,763,572	-	-	41,552	1,805,124
Federal sources	13,010	-	-	-	-	-	-	-	13,010
<b>Total Revenues</b>	<b>13,010</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>2,873,299</b>	<b>-</b>	<b>-</b>	<b>41,552</b>	<b>3,007,861</b>
<b>Expenditures</b>									
Operations and maintenance of plant:									
Equipment	-	5,487	-	-	-	-	-	-	5,487
Construction and facilities acquisition:									
Professional and technical service:	-	144	123,096	71,683	263,660	188,338	107,763	13,340	768,024
Staff travel	-	-	-	-	696	2,250	412	-	3,358
Other purchased services	140,355	125,000	25,277	12,623	537,831	483	9,690	1,237	852,496
Supplies, materials and media	-	23,923	36	-	171	44,742	3,682	-	72,554
Design services	-	350,135	-	-	-	-	-	-	350,135
Capital outlay	-	-	-	-	1,294,050	901,462	1,278,297	-	3,473,809
<b>Total Expenditures</b>	<b>140,355</b>	<b>504,689</b>	<b>-</b>	<b>84,306</b>	<b>2,096,408</b>	<b>1,137,275</b>	<b>1,399,844</b>	<b>14,577</b>	<b>5,525,863</b>
<b>Excess (Deficiency) of Revenues</b>									
<b>Over Expenditures</b>	<b>(127,345)</b>	<b>(424,689)</b>	<b>(148,409)</b>	<b>(84,306)</b>	<b>776,891</b>	<b>(1,137,275)</b>	<b>(1,399,844)</b>	<b>26,975</b>	<b>(2,518,002)</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in (out)	-	2,949,985	148,409	84,306	(776,891)	-	-	(26,975)	2,378,834
<b>Net Change in Fund Balances</b>	<b>(127,345)</b>	<b>2,525,296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,137,275)</b>	<b>(1,399,844)</b>	<b>-</b>	<b>(139,168)</b>
<b>Fund Balances, beginning</b>	<b>504,798</b>	<b>7,201,157</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,546,887</b>	<b>1,702,744</b>	<b>-</b>	<b>11,955,586</b>
<b>Fund Balances, ending</b>	<b>\$ 377,453</b>	<b>\$ 9,726,453</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,409,612</b>	<b>\$ 302,900</b>	<b>\$ -</b>	<b>\$ 11,816,418</b>

**Lower Yukon School District**  
**General Impact Aid Capital Project Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

*Year Ended June 30, 2018*

<b>Revenues</b>	
Federal sources - direct	\$ 13,010
<b>Expenditures</b>	
Construction and facilities acquisition - other purchased services	140,355
<b>Total Expenditures</b>	<b>140,355</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>(127,345)</b>
<b>Net Change in Fund Balance</b>	<b>(127,345)</b>
<b>Fund Balance, beginning</b>	<b>504,798</b>
<b>Fund Balance, ending</b>	<b>\$ 377,453</b>

**Lower Yukon School District**  
**Major Repairs and Maintenance Capital Project Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

*Year Ended June 30, 2018*

<b>Revenues</b>	
From local sources	\$ 80,000
<b>Expenditures</b>	
Operations and maintenance of plant - equipment	5,487
Construction and facilities acquisition:	
Professional and technical services	144
Other purchased services	125,000
Supplies, materials, and media	23,923
Equipment	350,135
Total construction and facilities acquisition	499,202
<b>Total Expenditures</b>	<b>504,689</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(424,689)</b>
<b>Other Financing Sources (Uses)</b>	
Transfers in	3,003,866
Transfers out	(53,881)
<b>Net Other Financing Sources (Uses)</b>	<b>2,949,985</b>
<b>Net Change in Fund Balance</b>	<b>2,525,296</b>
<b>Fund Balance, beginning</b>	<b>7,201,157</b>
<b>Fund Balance, ending</b>	<b>\$ 9,726,453</b>

**Lower Yukon School District**  
**Nunam Iqua School Capital Project Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

*Year Ended June 30, 2018*

**Expenditures**

Construction and  
facilities acquisition:

Professional and technical services	\$	123,096
Other purchased services		25,277
Supplies, materials and media		36

Total construction and facilities acquisition	148,409
---	---------

Deficiency of Revenues Over  
Expenditures

(148,409)

**Other Financing Sources**

Transfers in	148,409
--------------	---------

Net Change in Fund Balance

-

Fund Balance, beginning

-

Fund Balance, ending

\$

-

**Lower Yukon School District**  
**Pitkas Point Soil Remediation Capital Project Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

*Year Ended June 30, 2018*

**Expenditures**

Construction and  
facilities acquisition:

Professional and technical services	\$	71,683
Other purchased services		12,623

Total construction and facilities acquisition		84,306
---	--	--------

Deficiency of Revenues Over  
Expenditures

(84,306)

**Other Financing Sources**

Transfers in		84,306
--------------	--	--------

Net Change in Fund Balance

-

Fund Balance, beginning

-

Fund Balance, ending

\$

-

**Lower Yukon School District**  
**Kotlik Fire Disaster Capital Project Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

*Year Ended June 30, 2018*

<b>Revenues</b>	
From local sources	\$ 1,109,727
State sources	1,763,572
<b>Total Revenues</b>	<b>2,873,299</b>
<b>Expenditures</b>	
Construction and facilities acquisition:	
Professional and technical services	263,660
Staff travel	696
Other purchased services	537,831
Supplies, materials, and media	171
Other capital outlay expenses	1,294,050
<b>Total construction and facilities acquisition</b>	<b>2,096,408</b>
<b>Excess of Revenues Over Expenditures</b>	<b>776,891</b>
<b>Other Financing Uses</b>	
Transfers out	(776,891)
<b>Net Change in Fund Balance</b>	<b>-</b>
<b>Fund Balance, beginning</b>	<b>-</b>
<b>Fund Balance, ending</b>	<b>\$ -</b>

**Lower Yukon School District**  
**Scammon Bay Teacher Housing Capital Project Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

*Year Ended June 30, 2018*

**Expenditures**

Construction and facilities acquisition:	
Professional and technical services	\$ 188,338
Staff travel	2,250
Other purchased services	483
Supplies, materials, and media	44,742
Other capital outlay expenses	901,462
<b>Total Expenditures</b>	<b>1,137,275</b>
<b>Net Change in Fund Balance</b>	<b>(1,137,275)</b>
<b>Fund Balance, beginning</b>	<b>2,546,887</b>
<b>Fund Balance, ending</b>	<b>\$ 1,409,612</b>



**Lower Yukon School District**  
**Emmonak Teacher Housing Capital Project Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

*Year Ended June 30, 2018*

**Expenditures**

Construction and facilities acquisition:

Professional and technical services	\$ 107,763
Staff travel	412
Other purchased services	9,690
Supplies, materials, and media	3,682
Other capital outlay expenses	1,278,297

**Total Expenditures** 1,399,844

**Net Change in Fund Balance** (1,399,844)

**Fund Balance, beginning** 1,702,744

**Fund Balance, ending** \$ 302,900

**Lower Yukon School District**  
**Hamilton Building Capital Project Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**

*Year Ended June 30, 2018*

**Revenues**

From state sources	\$	41,552
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**Expenditures**

Construction and facilities acquisition:		
Professional and technical services	13,340	
Other purchased services	1,237	

Total construction and facilities acquisition		14,577
---	--	--------

**Excess of Revenues Over**

Expenditures		26,975
--------------	--	--------

**Other Financing Uses**

Transfers out		(26,975)
---------------	--	----------

**Net Change in Fund Balance**

-

**Fund Balance, beginning**

-

**Fund Balance, ending**

\$

-

**Lower Yukon School District**  
**Schedule of Compliance - AS 14.17.505**  
**Year Ended June 30, 2018**

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Total fund balance - School Operating Fund	\$	23,174,302
less exemptions per 4 AAC 09.160(a):		
Inventory		(1,161,039)
Prepaid items		(1,293,599)
Self insurance		(600,000)
Federal impact aid received		(15,669,125)
		<hr/>
<b>Fund Balance Subject to 10% Limitation</b>	<b>\$</b>	<b>4,450,539</b>
		<hr/>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	<u>\$</u>	<u>4,450,539</u>	<u>8.71%</u>
Current year expenditures	\$	51,117,724	

**Lower Yukon School District**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

<i>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</i>	Federal CFDA Number	Pass Through Entity Number	Provided to Sub-Recipients	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Child Nutrition Cluster:				
Passed through the State of Alaska, Department of Education and Early Development:				
School Breakfast Program	10.553	FY18 0320-01	\$ -	\$ 551,953
National School Lunch Program	10.555	FY18 0320-01	-	1,443,667
National School Lunch Program - Commodities	10.555	FY18	-	159,425
Total CFDA 10.555			-	1,603,092
Total Child Nutrition Cluster			-	2,155,045
Passed through the State of Alaska, Department of Education and Early Development:				
State Administrative Expenses for Child Nutrition	10.560	FD18.LYSD.01	-	19,600
Fresh Fruits & Vegetables Program	10.582	FF18.LYSD.01	-	21,000
Fresh Fruits & Vegetables Program	10.582	FF18.LYSD.02	-	91,511
Total CFDA 10.582			-	112,511
<b>Total U.S. Department of Agriculture</b>			-	2,287,156
<b>U.S. Department of Education</b>				
Title I Grants to Local Educational Agencies - passed through the State of Alaska, Department of Education and Early Development:				
Title I-A Basic	84.010	IP 18.LYSD.01	-	2,103,857
Title I-A Parent Involvement	84.010	IP 18.LYSD.01	-	9,011
Title I-A School Improvement 1003(a) Focus FY17 rollover	84.010	PF 18.LYSD.03	-	75,514
Title I-A School Improvement 1003(a) Focus FY18	84.010	PF 18.LYSD.04	-	144,697
Total CFDA 84.010			-	2,333,079
Student Support and Academic Enrichment Program	84.424	IP 18.LYSD.01	-	50,633
Migrant Education State Grant Program - passed through the State of Alaska, Department of Education and Early Development:				
Migrant Book	84.011	MB 18.LYSD.01	-	9,596
Title I-C, Migrant Education	84.011	IP 18.LYSD.01	-	110,044
Total Migrant Education State Grant Program			-	119,640
Special Education Cluster (IDEA):				
Special Education Grants to States - passed through the State of Alaska, Department of Education and Early Development -				
Title VI-B IDEA	84.027	SE 18.LYSD.01	-	626,866
Special Education Preschool Grants - Passed through the State of Alaska, DEED - Preschool Disabled (Section 619)				
	84.173	SE 18.LYSD.01	-	2,968
<b>Total Special Education Cluster (IDEA)</b>			-	629,834

**Lower Yukon School District**  
**Schedule of Expenditures of Federal Awards, continued**  
**For the Year Ended June 30, 2018**

<i>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass Through Entity Number</i>	<i>Provided to Sub-Recipients</i>	<i>Total Federal Expenditures</i>
U.S. Department of Education, continued				
Impact Aid	84.041		\$ -	\$ 17,492,386
Indian Education Grants to Local Educational Agencies	84.060		-	854,379
Direct - Alaska Native Educational Program: Type B Best Beginnings and Flourishing Futures	84.356		-	348,426
Alaska Native Education Program: Passed through University of Alaska Fairbanks - Educator Rising	84.356	S356A150061	-	5,905
<b>Total CFDA 84.356</b>			<b>-</b>	<b>354,331</b>
Career and Technical Education Basic Grants to States - Passed through the State of Alaska, Department of Education and Early Development - Career Technical Education	84.048	EK 18.LYSD.01	-	109,688
Passed through the University of Alaska Fairbanks - Educator Rising	84.048	EL 18.157.05	-	10,900
<b>Total CDFA 84.048</b>			<b>-</b>	<b>120,588</b>
Improving Teacher Quality State Grants - passed through the State of Alaska, Department of Education and Early Development - Title II-A Teacher and Principal Training and Recruitment	84.367	IP 18.LYSD.01	-	219,260
Passed through Prince William Sound College - Math for Teachers - Valdez	84.367	HE 18.156.03	-	700
<b>Total CFDA 84.367</b>			<b>-</b>	<b>219,960</b>
English Language Acquisition State Grants - passed through the State of Alaska, Department of Education and Early Development - Title III-A English Language Acquisition	84.365	IP 18.LYSD.01	-	127,455
Investing in Innovation Fund - passed through Association of Alaska School Board CRESEL	84.411	CRESEL	-	20,463
<b>Total U.S. Department of Education</b>			<b>-</b>	<b>22,322,748</b>
U.S. Department of Interior Indian Education Assistance to Schools - passed through Nunam Iqua Traditional Council - Johnson O'Malley	15.130	17-13-2	-	7,258
<b>Total U.S. Department of Interior</b>			<b>-</b>	<b>7,258</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ -</b>	<b>\$ 24,617,162</b>

*The accompanying notes are an integral part of this schedule.*

**Lower Yukon School District**  
**Schedule of State Financial Assistance**  
**Year Ended June 30, 2018**

Name of Award	Grant Number	Total Grant Award	State Share of Expenditures
<b>Department of Education and Early Development</b>			
*Public Schools Funding (Foundation)	FY18	\$ 27,586,177	\$ 27,586,177
Transportation Program	FY18	1,958	1,958
Peer District Support	PD 18 LYSD 01	3,397	3,397
Suicide prevention	SP 18.LYSD.01	37,700	37,700
Pre-K Bridge	ME 18.LYSD.01	56,594	56,594
Emergency Management	EP 17.LYSD.01	4,701	4,701
<b>Total Department of Education and Early Development</b>			<u>27,690,527</u>
<b>Department of Administration</b>			
*PERS on Behalf	FY18	2,007,876	2,007,876
TRS on Behalf	FY18	237,730	237,730
<b>Total Department of Administration</b>			<u>2,245,606</u>
<b>State of Alaska Department of Homeland Security</b>			
PW 531 Hamilton Building	AK 16-259	475,027	41,552
*PW 532 Kotlik Fire Disaster	AK 16-259	1,779,034	1,763,572
<b>Total State of Alaska Department of Homeland Security</b>			<u>1,805,124</u>
<b>University of Alaska Anchorage</b>			
Educator Rising	P0521023	5,898	5,606
<b>Total State Financial Assistance</b>			<u>\$ 31,746,863</u>

\*Denotes a major program

*The accompanying notes are an integral part of this schedule.*

# Lower Yukon School District

## Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance For the Year Ended June 30, 2018

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### Schedule of Expenditures of Federal Awards

#### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Lower Yukon School District under programs of the federal government for the year ended June 30, 2018. 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 Lower Yukon School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Lower Yukon School District.

#### 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.

#### 3. Indirect Cost Rate

Lower Yukon School District has elected not to use the 10-percent de minimis indirect rate allowed under the Uniform Guidance.

#### 4. Schedule of State Financial Assistance

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Lower Yukon School District under programs of the State of Alaska for the year ended June 30, 2018. 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 Lower Yukon School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Lower Yukon School District. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

**Single Audit Section**

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## Independent Auditor's 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*

Members of the School Board  
Lower Yukon School District  
Mountain Village, 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 Lower Yukon School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Lower Yukon School District's basic financial statements, and have issued our report thereon dated December 5, 2018.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lower Yukon School District's internal control over financial reporting (internal control) to determine the 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 Lower Yukon School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lower Yukon School District's internal control.

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lower Yukon 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 determination of financial statement amounts. 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 result 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 Lower Yukon School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BDO USA, LLP*

Anchorage, Alaska  
December 5, 2018



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## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

Members of the School Board  
Lower Yukon School District  
Mountain Village, Alaska

### **Report on Compliance for Each Major Federal Program**

We have audited Lower Yukon School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lower Yukon School District's major federal programs for the year ended June 30, 2018. Lower Yukon School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

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

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

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

#### ***Opinion on Each Major Federal Program***

In our opinion, Lower Yukon 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, 2018.

## Report on Internal Control Over Compliance

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

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

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

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

*BDO USA, LLP*

Anchorage, Alaska  
December 5, 2018



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## **Independent Auditor's 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***

Members of the School Board  
Lower Yukon School District  
Mountain Village, Alaska

### **Report on Compliance for Each Major State Program**

We have audited Lower Yukon School District's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of Lower Yukon School District's major state programs for the year ended June 30, 2018. Lower Yukon School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of state financial assistance.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

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

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

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

#### ***Opinion on Each Major State Program***

In our opinion, Lower Yukon School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* which are described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major state program is not modified with respect to these matters.

Lower Yukon School District's response to the noncompliance findings identified in our audit as described in the accompanying corrective action plan. Lower Yukon School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001, that we consider to be a significant deficiency.

Lower Yukon School District's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. Lower Yukon School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

BDO USA, LLP

Anchorage, Alaska  
December 5, 2018

# Lower Yukon School District

## Schedule of Findings and Questioned Costs Year Ended June 30, 2018

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

***Financial Statements***

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

Internal control over financial reporting:

Material weakness(es) identified?     yes   X   no  
 Significant deficiency(ies) identified?     yes   X   (none reported)

Noncompliance material to financial statements noted?     yes   X   no

***Federal Awards***

Internal control over major federal programs:

Material weakness(es) identified?     yes   X   no  
 Significant deficiency(ies) identified?     yes   X   (none reported)

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)     yes   X   no

Identification of major federal programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
84.041	Impact Aid	U.S. Department of Education
84.060	Indian Education	U.S. Department of Education

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

Auditee qualified as low-risk auditee?   X   yes     no

***State Financial Assistance***

Internal control over major state programs:

Material weakness(es) identified?     yes   X   no  
 Significant deficiency(ies) identified?   X   yes     (none reported)

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

Dollar threshold used to distinguish a state major program: \$ 500,000



# Lower Yukon School District

## Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2015

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### Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

### Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516 (a)) that are required to be reported.

### Section IV - State Award Findings and Questioned Costs

#### Finding 2018-001      Foundation Student Counts - Significant Deficiency

State Agency: Alaska Department of Education & Early Development

Grant Name: Public School Funding

Grant Number: FY18

<i>Criteria</i>	Per the State of Alaska Oasis handbook for school districts "students with unexcused absences of more than ten consecutive days shall be exited on the day after the tenth day of the unexcused absence".
<i>Condition</i>	One student had more than 10 consecutive unexcused absences and was not unenrolled from school district in a timely manner resulting in program noncompliance.
<i>Questioned Costs</i>	Lower Yukon School District reported one student on annual report that was not eligible. The value awarded by the state for the ineligible student was \$5,930.
<i>Context</i>	The auditor tested a sample of 40 students. Evidence for one of the samples showed that a student was improperly included on OASIS report.
<i>Effect</i>	As a result, one of the students was not properly unenrolled until after year end.
<i>Cause</i>	Lack of skills and abilities related to home school site coordinator.
<i>Recommendation</i>	The District should properly review the student counts and underlying records prior to submission to the State of Alaska.
<i>Views of responsible corrective actions</i>	See the corrective action plan.

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# LOWER YUKON SCHOOL DISTRICT

P.O. Box 32089 • Mountain Village, Alaska 99632

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**George Smith**  
Chairman

**Hannibal Anderson**  
Superintendent

**Contact:** Andrew Leavitt  
Director of Budget and Finance  
Lower Yukon School District  
907-591-2411

## State Award Findings and Questioned Costs

### **Finding 2018-001 Foundation Student Counts**

**Programs:** Alaska Department of Education & Early Development – Public School Funding

#### *Corrective action*

*Plan: The employee responsible has since retired and is no longer involved in the count reconciliation. We have added a centralized review and are working more closely with the homeschool coordinators to ensure this does not happen again.*

**Completion Date:** October 2018

*CHILDREN FIRST*

Alakanuk Emmonak Hooper Bay Kotlik Marshall Mt. Village Pilot Station Russian Mission Scammon Bay Sheldon Point