

Debby Nipik Edwardson
Chairperson
At-Large

Doreen Ayalhuq Leavitt
Vice Chairperson
ICAS

Roxanne Aaluk Brower
Secretary
ASRC

Heather Qannik Dingman
Treasurer
Utqiagvik

Kristen Kunnaana Morry
Anaktuvuk Pass

Patricia Injilluk Lloyd
Atqasuk

Alicia Pagualak Solomon
Kaktovik

Robyn Niayuq Burke
NSBSD

Cilia Attungowruk
Point Lay

Harlee Aumaqpaq Harvey
Point Hope

Jeremy Kakianaaq Kasak
Nuiqsut

VACANT
Wainwright

President's Office

Justina Avu Wilhelm
President

Clarissa Pelia
Executive Assistant to the
President & Board
Secretary

Board of Trustees – Regular Agenda
November 26, 2024

Dr. Albert Hall Conference Room | 9:00am
Zoom Call-In #: 833 548 0282 US Toll-free / Meeting ID: 367 814 7775
Zoom Passcode: #Winter24

1. **Call to Order – Isagutiniq**
2. **Roll Call – Inmagaagniq**
3. **Invocation/Moment of Silence – Anjaayyun**
4. **Oath of Office – Unniqsuqtiun**
 - Cilia Attungowruk
5. **Approval of the Agenda – Akuqtuġniġit Kasimmatiksrat**

(The consent agenda containing all items considered to be routine and non-controversial by the board, to be approved by one motion, unless a trustee member requests consideration in the agenda's sequence.)
6. **Special Recognitions**
 - Chairperson Edwardson
 - Trustee AguvlukNashookpuk
7. **Community Announcements**
 - a. Board
 - b. Public - Three minutes per individual
 - c. Student Body
 - d. Faculty Association
 - e. President
8. **Approval of Minutes* – September 12, 2024 – Akuqtuqtuġniġit Kasimangit***
9. **Old Business – Savaat Igliqtuat**
10. **New Business – Nutaat Savaat**
 - a. President's Report
 - b. Approval of the Audit memo*
 - c. Approval of 1st Quarter Finance Report*
 - d. Approval of Resolution 2024-05
FY 26 Budget Recommendation
11. **Action Items for Spring 2025 Meeting**
12. **Schedule of the Next Meeting**
 - IC & NSBSD Joint Meeting Date:
 - Spring 2025 Meeting Dates: March 11-12th, 2025
13. **Executive Session**
 - President & Board Evaluations | Dr. Holloway
14. **Reflection & Closing Comments**
15. **Informational Items**
16. **Adjournment – Aġiuniq**

OATH OF OFFICE

I, Cilia Attungowruk, do solemnly swear (or affirm) that I will support the Constitution of the United States and State of Alaska and the Laws and Ordinances of the North Slope Borough, State of Alaska, and that I will faithfully and honestly perform the duties of the office of the Iḷisaġvik College Board of Trustees, to the best of my ability.

Cilia Attungowruk
Iḷisaġvik College Board of Trustee Member

Subscribed and sworn in before me this twenty sixth day of November 2024

Debby Edwardson, Chairperson
Iḷisaġvik College Board of Trustees

Iiisaǵvik College
Board of Trustees Regular Meeting
September 11, 2024 | 9:00 AM
Dr. Tom Albert Conference Hall

I. Call to Order & Roll Call: Treasurer Dingman called the meeting to order at 9:05 am.

Trustees present:

Debby Edwardson, Chairperson, At-Large
Roxanne Brower, Secretary, ASRC
Heather Dingman, Treasurer, Utqiagvik
Patricia Lloyd, Atqasuk
Robyn Burke, NSBSD
Harlee Harvey, Point Hope

Telephonically:

Alicia Solomon, Kaktovik
Jeremy Kasak, Nuiqsut
Kristen Morry, Anaktuvuk Pass

Excused:

Doreen Leavitt, Vice Chairperson, ICAS

Unexcused:

Also in attendance:

Ann Marie Clark, Chief Financial Officer
Amanda Sialofi, Dean of Administration
Caitlin Walls, Executive Director of Institutional Advancement
Christine Coll, Manager of Student Success
Emily Gueco, Institutional Research Coordinator
Hal Haynes Jr., Dean of Students
Peter Snow, Dean of Academic Affairs
Fa'amamata Tufele, Registrar
Faith Muavae, Student Government Representative
Frieda Nageak, External Affairs Coordinator
Jerrold Ogden, Assistant Professor
Justina Wilhelm, President
Kristopher Mathis, Manager, Adult Education
Robert Ogle, IT Manager
Serena Nesteby, Advancement Officer
Simon Aina, Associate Dean of Students
Teresa Williams, Director of Tuzzy Library

III. Invocation/Moment of Silence: President Wilhem led the invocation.

IV. Oath of Office: N/A.

V. Consent Agenda: Chairperson Edwardson presented the consent agenda containing all items considered routine and non-controversial by the board, to be approved by one motion unless a trustee member requests consideration in the agenda's sequence. Motion to approve the consent agenda by Trustee Dingman seconded by Trustee Burke. The motion has passed.

- a) Meeting Minutes – June 13, 2024
- b) Approval of 4th Quarter Finance Report

VII. Community Announcements: None.

1. **Board:** Trustees greeted everyone and provided updates on the overall activities that have taken place or upcoming activities taking place in their respective communities.
2. **Public:** None.
3. **Student Body:** None.
4. **Faculty Association:** None.
5. **President:** None.

IX. Old Business: None

X. New Business:

A. President's Report: Motion to approve the President's report by Trustee Brower seconded by Trustee Solomon. The motion has passed.

XI. Action Items for Winter 2024 Meeting:

X11. Reflections on Regular Meeting: Trustees reflected on the meeting: how it went, what went well, and what could have been done better.

X111. Informational Items: As presented.

XIV. Adjournment: The meeting adjourned at 12:11 p.m.

ATTEST:

**Debby Edwardson, Chairperson
Iḷisaḡvik College**

**Roxanne Brower, Secretary
Iḷisaḡvik College**



MEMORANDUM

TO: Ilisaġvik College Board of Trustees
FROM: Justina Wilhelm, President
DATE: November 11, 2024
SUBJECT: President's Report Winter2024 (Sep 2024- Nov 2024)

Follow up from Fall 2024

1. Workforce Development (Email sent to BoT 11/11/24)
 - a. North Slope Village cancellations & completions
 - b. Workforce Roundtables update
 - c. CDL/ADL informational resource
2. Dual Credit Summary by Village (reported during workshop)
3. Construction Trades update & look ahead: Greg Jones, Assistant Professor of Construction Technology, has provided the following update on the College's ongoing collaboration with the North Slope Borough School District in the areas of Construction Trades and Workforce Development:

FALL SEMESTER, 2024 – Greg Jones and Alex Dattilo, Workforce Development Manager, have been meeting regularly with Jim Dube of NSBSD. They have scheduled 1.) a Beginning Welding intensive class and 2.) a Wilderness Survival intensive class from November 17-21. Greg will teach the welding section with 10 students and Alex will teach the Wilderness Survival section with 10 students serving a total of 20 NSBSD students this fall. Greg Jones is planning to travel to Anaktuvuk Pass November 4-6 to recruit Nunamiut students and promote the Construction Technology Program.

SPRING SEMESTER, 2025 –The College and NSBSD are currently collaborating on spring offerings.

4. Social Media Marketing Outreach-
 - a. Village travel survey
 - b. Construction Trades materials
 - c. Drivers Ed & CDL materials
 - d. Social Media- Inupiarauqta Challenge
5. External Affairs Outreach
 - a. VRR contact list
 - b. Inu Fine Arts Festival Info- email sent

- c. CAO Edwardson Nunaaqiurat Tumitchianjit Update- invite sent

Presidential Priorities (Driven by: Strategic Plan, Employee Engagement Survey, Student Satisfaction Survey, and Board Priorities)

FY25: July 2024-June 2027

- i. **Iḷisaġvik College’s Strategic Plan**
 - a. Facilitate and support the strategic plan of Iḷisaġvik College as set by the Iḷisaġvik College Board of Trustees. Our current Strategic Plan is located on our [website](#).

- ii. **Board of Trustees**
 - a. New Board of Trustee Orientation PPT updated
 - b. Board Mentor/Mentee Guidelines created
 - c. Yearly Board Evaluations (Fall/Winter). Online BoardSource platform for Board and CEO.
Complete by Fall 2024 – schedule as follows:
 - Board Assessments open in October 2024
 - Presidents Evaluation open in November 2024
 - Review & Finalize during the Winter Board meeting in Nov/Dec 2024.

 - d. The Board will read Board Agreements at the beginning of each meeting and will evaluate their board meeting at the end of the meeting via Survey Monkey. The Evaluation re-cap will be provided to the Board Chair after every meeting.
 - e. The Board will invite Faculty and the Student Body for separate luncheons at one of their meetings during the year. In the summer, the Board will engage with summer camp students if possible.
 - f. The Board will reference the [“Trustee Desired Outcomes & Reference Guide”](#) to assist with their board advocacy efforts. Trustees will report out at least one activity during each regular workshop meeting.
 - g. NSBSD/Board of Trustees Joint Meeting- annual meetings- Scheduled for 3/2025 (tentative)

- iii. **Nunaaqiurat Tumitchianjit**
 - a. The Steering Committee met on October 3rd, 2024, 9am-3pm and the discussion notes can be accessed [here](#).
 - b. The [Google Drive](#) has recent updates and reports with the June 2024 meetin [PDF is here](#)).
 - c. Future Steering Committee & Work Group Champion Meetings
 - i. **February 20, 2025** – Tentative to be held in Anchorage w/zoom option.
 - ii. **June 9, 2025** - held in Utqiaġvik with Zoom attendee option.
 - d. **Work Groups**
 - i. Social & Emotional Wellbeing- Trustee Lloyd, Christine Coll (IC Staff)
 - ii. Student Outcomes- Trustee Brower, Trustee Lloyd, Frieda Nageak (IC Staff)
 - iii. Qatqiññaġvit Program- Trustee Kasak, Peter Snow (IC Staff)
 - iv. Harry K Brower Jr Tech. Training Ctr.- Trustee Kasak, Ann Marie Clark (IC Staff)
 - v. Iñupiaq Education: Jerica Leavitt (IC Faculty), Nicole Evans (IC Staff)

- iv. **Students**

- a. Ikayuusiaq Student Emergency Fund- The purpose of the Ikayuusiaq Student Emergency Fund is to provide limited, last-resort, financial assistance to currently enrolled students who are experiencing a sudden emergency, accident, or unforeseen event that requires additional emergency monetary assistance. Award amounts may be up to \$500 and are only awarded once per year, per student
- b. 18 current residential students, 50% are previous summer camp students
- c. Hosted College of Menomonee staff and faculty on campus
- d. SMARTS in collaboration with A&R department, we have followed up with the new students who applied for admission. There are 72 (combination of Freshmen, Re-admitted and Transfer) new students who were successfully admitted and 49 (both part time and full time) students registered. We also followed up 39 incomplete students who were still in the applicant status.
- e. Middle School Glimpse in full swing
- f. College Bound-Oct 28th-Oct 31st
- g. Student Government Association- President Jennifer Felder, Vice President Audrey Saganna Jr., Secretary Lillian Itta and Treasurer Lynnelle Panik
- h. 2025 Summer Camp [Call for Proposals](#) are currently open.
- i. 2024 Summer Camps **13 Total Camps- 132 TOTAL Campers**
 - i. Allied Health HS: 11 Students
 - ii. Community Environmental Monitoring Camp: 12
 - iii. Allied Health MS: 11 Students
 - iv. Drivers Ed Course 1: 5 Students
 - v. Drivers Ed 2nd Course: 4 Students
 - vi. Drivers Ed Course 3: 5 Students
 - vii. Young Engineers Camp: 5 Students
 - viii. Arctic Education Foundation Culture Camp:27 Students
 - ix. Construction Trade MS: 7 Students
 - x. Construction Trade HS : 2 Students
 - xi. STEM Camp- 16 Students
 - xii. Qayak Camp 10 MS Students, 15 HS Students (+STEM STUDENTS)
 - xiii. INU 210 Camp: 9 Students

Student Services-

- i. Working on ETS and Praxis testing sites
 - ii. Friday September 17- Met with community Elders and learned from them what ways they would like to support students and vice versa.
 - i. Met with Program director of the Ida Okpeaha Senior Center, Bonnie to get Aapa and Aaka program running up again.
- v. **Marketing Outreach**
 - Projects & Tasks Completed
 - i. Accreditation Report Support
 - ii. Advising Guidebook

- iii. Welding Video
- iv. E&Y/AFN, Dental Health Photo Session
- v. Spring course schedules
- vi. Flyers for Workforce Development
- vii. Course Catalog- new format instituted

Social Media

- i. [When should we visit](#)
- ii. [Student Spotlight- Summer camper to student](#)
- iii. [IC Scholar Highlight](#)
- iv. [Dual Enrollment Info Sessions](#)
- v. [Elders & Youth and AFN](#)
- vi. [Glimpse](#)
- vii. [Basic Small Engine Repair](#)

vi. **Tuzzy Library**

Outreach

- i. Library open hours:
 - a. Monday/Wednesday/Friday - Noon to 6pm
 - b. Tuesday/Thursday - 11am to 7pm
 - c. Saturday - 11am to 5pm
- ii. Storytime and Crafternoon - Saturdays Storytime at 1pm and Crafternoon at 1:30pm
- iii. Needle Stories (Fiber Arts Group) - Saturday, 11/2
- iv. Chess Club – 11/9
- v. Board Game Day – 11/16
- vi. Friends of Tuzzy Library Book Club - tbd
- vii. Friends of Tuzzy Library Board Meeting - tbd

Tuzzy Administration

- i. Water is not available due to water/pipe replacements.
- ii. Received new furniture for Tuzzy
- iii. Staff attended National Museum of the American Indian Archival Workshop at Aleutian Pribilof Islands Association in Anchorage.
- i. Renewed several subscriptions with EBSCO, New York Times, and ScannX (for the book scanner)

vii. **Facilities Planning**

a. Current NARL Campus

- i. Still awaiting the NARL Lease from NSB/UIC
- ii. In the process of purchasing Verkada security cameras
- iii. Boiler and thermostats are being updated by a UIC Contractor
- iv. New furniture for the student services area
- v. IT updated Meraki firewalls and server

b. New Facility | New Ilisagvik College Campus (NICC)

- i. UIC Communications
 - a. President Wilhelm met with President/CEO Pearl Brower and is scheduled to present to the UIC Board of Directors in November.

- ii. Administration continues to work USDA regarding the \$5m designated funds. Still awaiting site control from UIC to proceed.

viii. **Finances**

a. Finance Office

- a. FY24 Audit is wrapping up with the report due by 10/31/24
- b. FY25 The NSB changed their payment process; to date we have received 75% of our appropriated amount. Although we are still waiting to hear anything about our request for supplemental funding.

b. Grants & Institutional Advancement

- i. Iñisaġvik College has 44 active grant awards totaling \$16.4 million in funding with \$7.44 million remaining under the awards (unspent). Iñisaġvik currently has eight (8) pending proposals that are being reviewed by grantors.
- ii. So far in CY24 (January 1, 2024, to June 30, 2024), Iñisaġvik has received a total of \$342,450 in cash contributions and \$1,379,568 in in-kind donations (Quintillion, Achieving the Dream, and Cisco Systems). We gained 12 new donors and expect to see contributions increase throughout the end of the year, especially with a wider reach on social media and our Pick.Click.Give campaigning.
- iii. As of June 30, 2024, the total in the endowment accounts was \$12,715,350.28. The portfolio gains and contributions since the start of the fiscal year (July 1, 2023) is \$1,740,792.83.
- iv. The Iñisaġvik College Foundation Board of Directors last met on June 14, 2024, and is scheduled to meet September 13, 2024
- v. Pick.Click.Give: For the sixth year in a row, Barrow Mechanical and Ace Hardware Top of the World matched our Pick.Click.Give. contributions. As of August 1, 2024, 98 Alaskans have pledged \$9,475, with a total of \$18,950 expected from PFD contributions, thanks to the Pick.Click.Give. matching support. Residents can add or adjust their pledges through August 31, 2024. Please share widely that Iñisaġvik College Foundation accepts pledges via Pick.Click.Give. and that we have a generous 1:1 match from our corporate partners, which doubles each individual's donation.

Academic Affairs

Faculty & Staff Recognitions

Welcome new faculty members: Gregory Jones, CTT, Keshav Bidar, IT/OM, Clark Leichte, Business Faculty, welcome Rose Sotto, Administration Assistant

a. Greg Jones, Construction Trades Technology Faculty

- i. (CTT 172) Fundamentals of Crew Leadership class finished and (WMT 101) Welding Level 1, currently going on
- ii. Working on curriculum for and scheduling dual credit class

b. Dr. Linda Nicholas Figueroa, Biology and Chemistry Faculty

- i. Attended the American Indian Science and Engineering Society (AISES) annual conference with one student who presented her research. Oct 1 - 7, San Antonio, TX
- ii. Submitted a proposal to INBRE to run summer science camps in Point Hope and Kaktovik

c. Kisav Bidar, IT/OM Faculty

- i. Assisted enrollment team at Tuzzy library and provided continuous support later via email communication particularly with Professor Kimberlee Brent, Dr. Linda Nicholas-Figueroa, and Registrar Fa'amamata K. Tufele.
- ii. Attending meetings with Business Program faculty members in redesigning Business program. Office Management (OM) overlaps with both Business and Information Technology (IT)

d. Clark Leichte, Business Faculty-

- i. Clarke Leichte inquired with the American Indigenous Business Leaders regarding creation of an AIBL Chapter at Ilisagvik College. The mission of AIBL is to increase the representation of American Indians and Alaska Natives in business and entrepreneurial ventures through education and leadership development opportunities.

b. Ed Mcalvanah, Business Faculty

- i. Discussed proposed changes to degrees and certificates in the Business program. Currently, reviewing course descriptions and enrollment/graduation history. Had further discussions with the American Indigenous Business Leaders (AIBL) about requirements and expectations. Arranged meeting with Student Government to discuss additional of AIBL as a student organization.

c. Jerica Leavitt, Iñupiaq Studies

- i. Attended NWCCU EIE prep meetings
- ii. Wrote up a blog for the AICF Cultural Knowledge Teacher Series on Ira Frankson titled, "Bringing
- iii. Balaen Basketry into the Future with Ira Ilupak Frankson." It will be published on the AICF website
- iv. Tribal Education Committee Meetings (ICAS), 7/26/24, 8/16/24

d. Kimberlee Brent, M.Ed. Assistant Professor of Education, Dual Credit Coordinator & Advisor

- i. Supporting Dual Credit students for Fall 2024 semester, Assisting with Advising Guidelines Handbook.

e. Dr. Sarah Shoffstall-Cone, Dental Health Therapy,

- i. Presented to the Academic Council – DHAT Course information

9. Office of the Dean of Academic Affairs

- i. Led the NWCCU Site Visit scheduled for October 9-11, 2024.
- ii. Data Sovereignty Statement presentation by Dean Snow at AIHEC TCU
- iii. Teacher Education Program coordination with UAF and NSBSD continues
- iv. Recurring meetings with Aleut Community of St. Paul Island
- v. Recurring meetings with ADTEP/DHAT
- vi. Recurring meetings with President's Office and NSBSD
- vii. Hiring Committee Activities
 1. Allied Health Coordinator hired, started April 25
 2. Associate Dean of Academic Affairs
 3. CDL/HEO - search ongoing
 4. English Faculty- search ongoing

10. Workforce Development-

- i. Kaley attended her first DMV partner meeting
- ii. Kaley proctored water exams for individuals around the community.
- iii. Una provided logistical assistance to help the VocEd CDL instructor conduct CDL classes.
- iv. Alex completed CDL examiner training with the State of Alaska DMV and received approval from
- v. Mark and Alex are finalizing Arctic Survival training for NSBSD with support from BARC

11. Cultural- Indigenizing Ilisagvik

- i. Group is reviewing our statement and cultural image (from the BOT Homer Board Retreat)
- ii. Cultural Specialist position is open, seeking to hire Aaka/Aapa temp positions
- iii. Alicia Kanayurak hired for the Community Outreach Coordinator position
- iv. Nicole Evans, part-time/temp Special Projects Coordinator to support cultural opportunities.

12. Administration- this quarter

Meetings

- i. Northwest Commission on Colleges & Universities on site Accreditation visit
- ii. 24 Fiscal Audit 9/30-10/4
- iii. Pizza with the President 9/27
- iv. Attended NSB Senior Center -Renaming of Ida Okpeaha Senior Center
- v. Hosted Ilisaqativut Intensive 9/30/-10/4
- vi. Meeting with ASTAC, Jason Smedly regarding ISP and off-site backup options
- vii. Dr. Stan Atcitty, Sandia Labs visited Ilisagvik College 9/26
- viii. Hosted President's Reception 9/27
- ix. AIHEC Fall Board of Directors Meeting Zoom 10/8
- x. Monthly Faculty Association Meetings
- xi. Working with Nicole Evans to review the Inupiaq Studies Job Description
- xii. Attended 2024 First Alaskan's Institute Elders & Youth Conference & Alaska Federation of Natives.

2. Communications/External Relations

- i. Share welcoming words to 40+ NSBSD Cross Country students on campus
- ii. Nunaaqiurat Tumitchianjit Steering Committee 10/4
- iii. State of Alaska panel with other local leaders with representative Baker and the Arctic Economy subcommittee - discussions on workforce development, education and land contamination
- iv. Presented on a panel discussion during AFN.
- v. Dinner with Arctic Economy subcommittee and gave tour of areas in town where coastal

3. Look Ahead

- i. Fall External Affairs Travel
- ii. North Slope Strategy Discussion



MEMORANDUM

TO: Iḷisaġvik College Board of Trustees

THROUGH: Justina Wilhelm, President

FROM: Ann Marie Clark, Chief Financial Officer

DATE: November 24, 2024

SUBJECT: FY24 Audit Memorandum

Iḷisaġvik College Strategic Plan Prioritie(s)/Outcome(s): Priority 5 *Ensure the future of Iḷisaġvik College* Outcome 3: *Maintain an active, ongoing partnership with the North Slope Borough Mayor's Office, the North Slope Borough Assembly, and North Slope tribal funders to ensure a sustainable level of borough funding.*

BDO has completed the annual audit of Iḷisaġvik College's financial statements.

The process began in June with the year-end closing of the books and records with the finalized Audit Report being issued October 30, 2024. The report has been submitted to the North Slope Borough prior to the October 31, 2024, deadline.

BDO will now present a summary of the Audit Report which has been provided to you.

REPORT TO BOARD OF TRUSTEES

ILISAGVIK COLLEGE

AUDIT WRAP UP:
YEAR ENDED JUNE 30, 2024



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QUICK ACCESS TO THE
FULL REPORT

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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Entity, and is not intended and should not be used by anyone other than these specified parties.

Welcome

October 30, 2024
Board of Trustees
Ilisagvik College

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On August 20, 2024 we presented an overview of our plan for the audit of the financial statements of Ilisagvik College (the College) as of and for the year ended June 30, 2024, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the college's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the college and look forward to meeting with you on to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA

BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.



BIKKY SHRESTHA
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Executive Summary

Status of Our Audit

We completed our audit of the financial statements as of and for the year ended June 30, 2024. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. We have also conducted an audit of compliance in accordance with *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *State of Alaska Audit Guide and Compliance Supplement for State Audits*. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- ▶ We issued an unmodified opinion on the financial statements and release our report on October 30, 2024.
- ▶ We issued our 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*.
- ▶ We issued an unmodified opinion on the College's Single Audit report, including the Schedule of Expenditures of Federal Awards (SEFA) and the Schedule of State Financial Assistance (SSFA).
- ▶ In planning and performing our audit of the SEFA and SSFA, we considered the College's internal control over compliance with requirements that could have a direct and material effect on its major federal and state program(s) to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with GAS and Uniform Guidance and the State of Alaska Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.
- ▶ Our responsibility for other information in documents containing the College's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the College and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by BDO were freely available for our inspection.
- ▶ Management's cooperation was excellent , We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of College personnel throughout the course of our work



Results of the Audit

ACCOUNTING PRACTICES, POLICIES, ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the College’s accounting practices, policies, and estimates :

The College’s significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- ▶ A summary of recently issued accounting pronouncements is included in Note 14 to the College’s financial statements.
- ▶ There were no changes in significant accounting policies and practices during June 30, 2024

Significant estimates are those that require management’s most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The College’s significant accounting estimates, including a description of management’s processes and significant assumptions used in development of the estimates, are disclosed in Note 7 of the financial statements.

Significant Accounting Estimates

Pension and Other Postemployment Benefits - The pension liability is estimated on actuarial and other actual contributed data provided to the College by the PERS and TRS Plan Administration

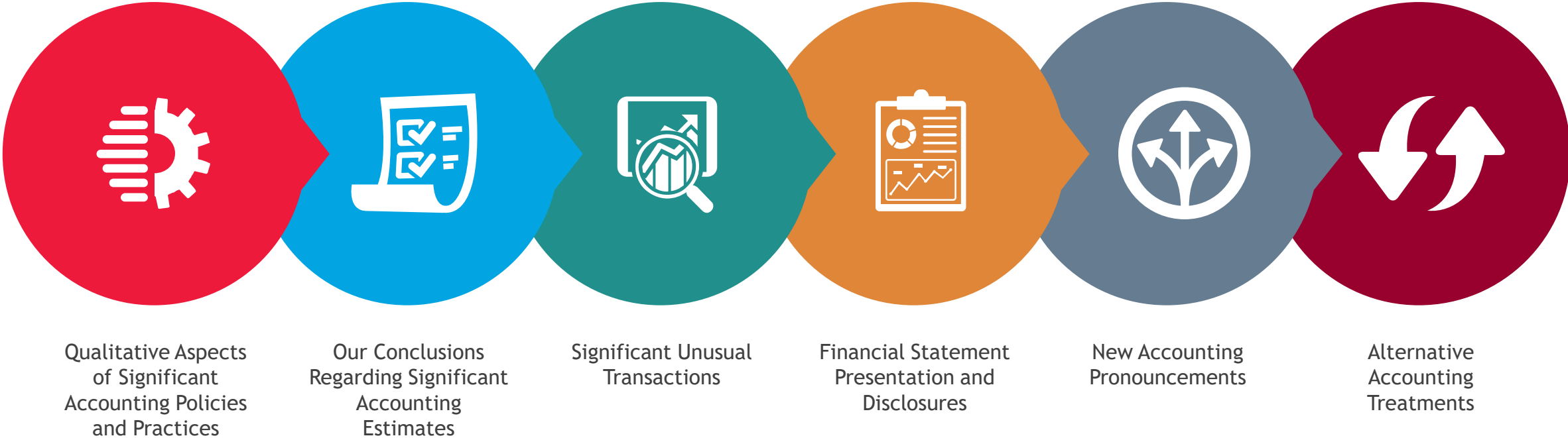
The other Post Retirement Employee Benefits (OPEB) - The health care benefits liability in relation to the Alaska Retiree Healthcare Trust us also estimated based on the actuarial date.

- ▶ Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2024

Results of the Audit

QUALITY OF THE COLLEGE’S FINANCIAL REPORTING

A discussion was held regarding the quality of the College’s financial reporting, which included :



Results of the Audit

CORRECTED AND UNCORRECTED MISSTATEMENTS

The attached representation letter in Appendix includes uncorrected misstatements related to accounts and/or disclosures that we presented to management. We concur with management’s assessment that the effects of not recording such adjustments are, both individually and in the aggregate, immaterial to the financial statements taken as a whole, considering both qualitative and quantitative factors. None of the proposed adjustments could potentially cause future-period financial statement to be materially misstated.

There were no corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.





Internal Control Over Financial Reporting

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the college’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion(s) on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the college’s internal control. Accordingly, we do not express an opinion on the effectiveness of the college’s internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the college’s internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

| Category | Definition |
|------------------------|---|
| Control Deficiency | 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. |
| Significant Deficiency | A deficiency or 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. |
| Material Weakness | A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the college ’s financial statements will not be prevented, or detected and corrected, on a timely basis. |

In conjunction with our audit of the financial statements, we noted no material weaknesses.



Additional Required Communications

Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the college:

| Requirement | Discussion Point |
|---|--|
| Significant changes to planned audit strategy or significant risks initially identified | There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications. |
| Obtain information from those charged with governance relevant to the audit | There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risks of material misstatement, including fraud risks; or tips or complaints regarding the college's financial reporting that we were made aware of as a result of our inquiry of those charged with governance. |
| Nature and extent of specialized skills or knowledge needed related to significant risks | There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks. |
| Consultations with other accountants | We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of requirements of an applicable financial reporting framework. |
| Significant findings and issues arising during the audit in connection with the College's related parties | We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation. |

Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the College:

| Requirement | Discussion Point |
|---|--|
| Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management | There were no significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management. |
| Disagreements with management | There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the College's financial statements or to our auditor's report. |
| Significant difficulties encountered during the audit | There were no significant difficulties encountered during the audit. |
| Matters that are difficult or contentious for which the auditor consulted outside the engagement team | There were no difficult or contentious matters that we consulted with others outside the engagement team that we reasonably determined to be relevant to those charged with governance regarding their oversight of the financial reporting process. |
| If applicable, other matters significant to the oversight of the College's financial reporting process, including complaints or concerns regarding accounting or auditing matters | There are no other matters that we consider significant to the oversight of the College's financial reporting process that have not been previously communicated. |
| Representations requested from management | Please refer to the management representation letter. |

Independence

Our engagement letter to you dated August 15, 2024 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the College with respect to independence as agreed to by the College. Please refer to that letter for further information.





Appendix



October 30, 2024

BDO USA, P.C.
3601 C Street, Suite 600
Anchorage, AK 99503

Ladies and gentlemen:

We are providing this letter in connection with your audit of the financial statements of Ilisaġvik College (the College), which comprise the respective statement of net position, as of June 30, 2024, and the respective statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the preparation and fair presentation in the financial statements of financial position, changes in net position, and cash flows in conformity with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of the date of this representation letter, as entered on the first page, the following representations made to you during your audit(s):

- (1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 15, 2024 for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- (2) We have fulfilled our responsibility, as set out in the terms of the aforementioned audit engagement letter, for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- (3) The financial statements include all properly classified funds and other financial information of the primary government and all component units required to be included in the financial reporting entity by accounting principles generally accepted in the United States of America. All funds required to be presented as major funds are identified and presented as such.

BDO USA, P.C.
 October 30, 2024
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- (4) We have made available to you:
 - (a) All financial records, and related data and federal awards (including amendments, if any, and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities), including the names of all related parties and all relationships and transactions with related parties, as agreed upon in the terms of the aforementioned audit engagement letter.
 - (b) All additional information that you have requested from us for the purpose of the audit.
 - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - (d) Minutes of the meetings of Board of Trustees that were held from July 1st, 2022 to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- (5) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- (6) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or schedule of expenditures of federal awards (SEFA) or schedule of state financial assistance (SSFA).
- (7) The financial statement misstatements relating to accounts and disclosures identified and discussed with us in the course of the audit that are listed immediately below have not been corrected. In our opinion, the effects of not correcting such identified financial statement misstatements are, both individually and in the aggregate, immaterial to the financial statements of the College taken as a whole.

Uncorrected Misstatements

| Item # | Account Name and Adjustment Description | Debit | Credit | Impact on Net Position |
|--|---|---------|---------|------------------------|
| 1 | Accrued Payroll Liabilities | | 177,817 | |
| 1 | Accrued Payroll Expenses | 177,817 | | |
| Current year cumulative uncorrected misstatements | | | | (177,817) |
| Cumulative effect of prior period uncorrected misstatements brought forward from last period | | | | 260,517 |
| Cumulative uncorrected misstatements adjusted for prior period impact | | | | 82,700 |



BDO USA, P.C.
 October 30, 2024
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- (8) You have identified and discussed with us in the course of the audit the deficiencies in our internal control over financial reporting listed immediately below

| Control Deficiencies Other Than Material Weaknesses or Significant Deficiencies |
|--|
| 1. Segregation of Duties (IT) - During the review of the College's ITGC, BDO noted that several users have admin access which allows them to approve and post their own journal entries. This creates a segregation of duty risk and addition risk of management override. |

- (9) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud or noncompliance. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud or noncompliance. We have no knowledge of any:
- (a) Fraud or suspected fraud involving management or involving employees who have significant roles in internal control, whether or not perceived to have a material effect on the financial statements.
 - (b) Fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.
 - (c) Allegations of fraud or suspected fraud affecting the College received in communications from employees, former employees, regulatory agencies, law firms, predecessor accounting firms, or others.
 - (d) Instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse, whose effects should be considered when preparing the financial statements.
- (10) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity .
- (11) The following, where applicable and material, have been properly recorded or disclosed in the financial statements:
- (a) The identity of all related parties and all related party relationships and transactions of which we are aware, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - (b) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - (c) Guarantees, whether written or oral, under which the College is contingently liable .
 - (d) Significant estimates and material concentrations known to management that are required to be disclosed in accordance with accounting principles generally accepted in the United States of America. In that regard, all accounting estimates that could





be material to the financial statements, including key factors and significant assumptions underlying those estimates, have been identified, and we believe the estimates are reasonable in the circumstances. The methods, significant assumptions, and the data used in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement, and disclosure that is in accordance with accounting principles generally accepted in the United States of America .

- (e) The effects of all known actual or possible litigation, claims, and other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America, including:
 - Pending or anticipated tax refunds, other potential or pending claims, lawsuits by or against any branch of government or others;
 - Written or oral guarantees, endorsements, or unused letters of credit;
 - Unusual guarantees; or
 - Labor claims or negotiations.

Accounting principles generally accepted in the United States of America require loss contingencies to be accrued if it is probable an asset has been impaired or a liability incurred at the statement of financial position date and the amount of loss can be reasonably estimated. Such contingencies must be disclosed, but may not be accrued, if the loss is reasonably possible (but not probable) or the loss is probable but the amount of loss cannot be reasonably estimated.

- (f) Commitments, such as:
 - Major capital asset purchase agreements;
 - More-than-one-year employment arrangements or contracts with suppliers or customers, or one-year-or-longer term leases;
 - Deferred compensation, bonuses, pensions plans, or severance pay; or
 - Pending sale or merger of all or a portion of the business or of an interest therein or acquisition of all or a portion of the business, assets or securities of another entity;
- (g) Joint ventures or other participations, the detailed transactions of which are not carried on our books.

(12) There are no:

- (a) Violations or possible violations of budget ordinances, laws or regulations and provisions of contracts and grant agreements, tax or debt limits, and any related debt



BDO USA, P.C.
October 30, 2024
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covenants whose effects could be material to the financial statements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency .

- (b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
 - (c) Side agreements or other arrangements (either written or oral) that have not been disclosed to you.
 - (d) Restrictions of net position that were not properly authorized and approved, or reclassifications of net position that have not been properly reflected in the financial statements.
- (13) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
- (14) The College has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (15) We have appropriately disclosed the College's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position is properly recognized under the policy.
- (16) We have complied with all aspects of contractual agreements, including debt covenants, that would have a material effect on the financial statements in the event of noncompliance. We have also complied with the SEC disclosure rules for reporting annual financial information and material events to repositories in accordance with SEC Rule N.240, 15c2-12.
- (17) No discussions have taken place with your firm's personnel regarding employment with the College.
- (18) We are responsible for compliance with laws, regulations and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
- (19) Components of net position (net investment in capital assets, restricted and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- (20) Revenues are appropriately classified in the statement of activities within program revenues, contributions, and general revenues. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

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October 30, 2024
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- (21) In regards to the financial statement compilation, data collection from preparation, form 990 preparation, assistance with recording investment income and investment balances for Ilisaġvik College Foundation, based on monthly investment statements provided by us, and to the assistance with recording adjustments related to net pension and net OPEB liabilities, including related deferred inflows of resources, deferred outflows of resources, and pension expense/benefit, based on the information containing in PERS confirmation and actuarial reports provided by the State of Alaska Department of Administration, performed by you, we have: (1) assumed all management responsibilities, (2) designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services, (3) evaluated the adequacy and results of the services performed, and (4) accepted responsibility for the results of the services.
- (22) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United State of America and we believe it is fairly presented. The methods of measurement and presentation of the supplementary information have not changed from the prior period and we have disclosed to you any significant assumptions underlying the measurement and presentation of the supplementary information.
- (23) Required supplementary information is measured and presented in accordance with prescribed guidelines.
- (24) With respect to federal and state award programs:
- (a) We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Alaska Audit Guide and Compliance Supplement for Single Audits* (State Single Audit Guide), including requirements relating to the preparation of the schedule of expenditures of federal awards (SEFA) and schedule of state financial assistance (SSFA).
 - (b) We have, in accordance with the Uniform Guidance and State Single Audit Guide, identified and disclosed to you in the SEFA and SSFA, expenditures made during the audit period for all government programs and related activities provided by federal agencies in the form of federal awards, grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - (c) We acknowledge our responsibility for the preparation of the SEFA and SSFA and related notes in accordance with the requirements of the Uniform Guidance and State Single Audit Guide, and we believe the SEFA and SSFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA and SSFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA and SSFA below.





- (d) We have notified you of federal awards and funding increments that were received for awards received before December 26, 2014, and differentiated those awards from awards received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
- (e) We will include the auditor's report on the SEFA and SSFA in any document that contains the SEFA and SSFA and that indicates you have reported on such information.
- (f) If the SEFA and SSFA are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA and SSFA no later than the date we issue the SEFA and SSFA and the auditor's report thereon.
- (g) We are responsible for understanding and complying with, and have complied with in all material respects, the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards related to each of our federal and state programs and have identified and disclosed to you the requirements of federal and state statutes, regulations, and the terms and conditions considered to have a direct and material effect on each federal and state program.
- (h) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal and state programs that provides reasonable assurance that we are managing our federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended. Also, subsequent to the date of the auditor's report as of which compliance was audited, no changes have occurred in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and material weaknesses in internal control over compliance as reported in the schedule of findings and questioned costs.
- (i) We have made available to you all federal and state award contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relating to each major federal and state program and related activities that have taken place with federal agencies or pass-through entities.
- (j) We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- (k) We have complied, in all material respects, with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal and state awards and confirmed that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal and state awards. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- (l) We have disclosed to you any communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct





and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

- (m) Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance and State Single Audit Guide.
 - (n) We have disclosed to you our interpretations of compliance requirements that are subject to varying interpretations, if any.
 - (o) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
 - (p) We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
 - (q) Federal and State program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared and are prepared on a basis consistent with the schedule of expenditures of federal and state awards.
 - (r) The copies of federal and state program financial reports provided to you are true copies of the reports submitted or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
 - (s) We have charged costs to federal and state awards in accordance with applicable cost principles.
 - (t) We are responsible for, and have accurately completed, the appropriate sections of the Data Collection Form as required by the Uniform Guidance. The final version of the applicable audit reporting package, which includes your signed auditor's reports, that we will submit to the Federal Audit Clearinghouse (FAC) will be identical to the final version of such documents that you provided to us.
 - (u) We have identified and disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, internal or external monitoring, and other studies directly related to the audit objectives of the compliance audit, including findings received and corrective actions taken from the end of the audit period covered by the compliance audit report to the date of the auditor's report.
 - (v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- (25) There have been no known or suspected breaches of sensitive information (e.g., personnel files) caused by cyber-attack or other means, or other cybersecurity incidents, where the breach or other incident could have a material effect on the financial statements.
- (26) In connection with any electronic presentation of the financial statements and your audit report thereon on our web site, we acknowledge that:





- We are responsible for the preparation, presentation, and content of the financial statements in the electronic format.
 - If your audit report is presented on our web site, the full financial statements upon which you reported and to which you appended your signed report will be presented.
 - We will clearly indicate in the electronic presentation on our web site the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented by us on or in connection with our web site that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.
 - We have assessed the security over financial statement information and the audit report presented on our web site, and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentation inherent in publishing financial information on our web site through internal failure or external manipulation.
 - If the electronic financial statements are generally made available to the public on our web site, we will include a notification to the reader that such financial statements are presented for convenience and information purposes only, and while reasonable efforts have been made to ensure the integrity of such information, they should not be relied on. A copy of the printed financial statements will be provided on request.
- (27) We believe that actuarial assumptions and methods used to measure pension and /or other post retirement liabilities and costs for financial accounting and disclosure purposes are appropriate in the circumstances.
- (28) We are unable to determine the possibility of withdrawal liability in a multiemployer benefit plan.
- (29) We agree with findings of specialists in evaluating the net pension and net other postemployment benefits liability and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- (30) We have considered climate-related events and conditions when preparing the financial statements and necessary disclosures, and have communicated to you such matters, if any, and their impact on our financial reporting.

BDO USA, P.C.
October 30, 2024
Page 10 of 10




To the best of our knowledge and belief, no events, have occurred subsequent to the statement of financial position date and through the date of this representation letter, as entered on the first page, that would require adjustment to or disclosure in the aforementioned financial statements.

Very truly yours,

Signed by:
Ann Marie Clark 10/30/2024
DD65DB3326C242B...
Ann Marie Clark, Chief Financial Officer

Signed by:
Somsri Greenspan 10/30/2024
Z5AC0FA79E3E464...
Somsri Greenspan, Controller



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Ilisagvik College
(A Component Unit of the
North Slope Borough, Alaska)

Basic Financial Statements, Required
Supplementary Information, Additional
Supplementary Information and
Single Audit Reports
Year Ended June 30, 2024

Ilisagvik College

(A Component Unit of the North Slope Borough, Alaska)

Basic Financial Statements, Required Supplementary Information,
Additional Supplementary Information
and Single Audit Reports
Year Ended June 30, 2024

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

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Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Board of Trustees
Ilisagvik College
Utqiagvik, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Ilisagvik College ("the College"), a component unit of the North Slope Borough, Alaska, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the College, as of June 30, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of Net Pension Liability, Pension Contributions, Net Other Postemployment Benefit Liability (Asset), and Other Postemployment Benefits Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained



during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The combining financial statements, Schedule of Functional Expenses, the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *Schedule of State Financial Assistance, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements, Schedule of Functional Expenses, the Schedule of Expenditures of Federal Awards, and the Schedule of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the College's financial statements for the year ended June 30, 2023, from which such partial information was derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage, Alaska
October 30, 2024

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Management's Discussion and Analysis

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Management's Discussion and Analysis
June 30, 2024

This section of Ilisagvik College's (the College) report presents management's discussion and analysis of the College's financial activity during the fiscal year ended June 30, 2024, with comparisons for June 30, 2023 and 2022. Since this management discussion and analysis is designated to focus on current activities, resulting changes and currently known facts, please read it in conjunction with the College's basic financial statements and footnotes. Responsibility for the completeness and fairness of this information rests with the College.

Financial Highlights

During fiscal year 2024, the College's net position increased by \$2,142,477 over the prior year, leaving a balance in net position at year-end of \$30,162,851, with \$21,770,991 unrestricted. The amount of unrestricted net position as of June 30, 2024, will allow the College to maintain a total of approximately twelve months of operating expenses (which are currently ~\$1.7 million a month) in case of any delays in revenue collections. The College can then meet its general operating obligations on a consistent basis.

Using This Annual Report

The financial statements reflect accounting policies that conform to the accounting principles issued by the Governmental Accounting Standards Board (GASB).

Basic Financial Statements

Included in these financial statements is a Statement of Net Position. This statement includes all assets, deferred inflows/outflows of resources and liabilities of the College and is prepared under the accrual basis of accounting.

Also included is a Statement of Revenue, Expenses and Changes in Net Position. This statement classifies all revenue and expenses as either operating or nonoperating. North Slope Borough (NSB) contributions are classified as nonoperating revenue under this model. Because they are the major sources of income to the College, the result is an operating deficit for all fiscal years presented. As an additional note, depreciation is reflected through utilization of long-lived or capital assets.

The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, noncapital financing, capital, and investing activities.

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Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Management's Discussion and Analysis

Following is a Summary of Net Position and changes therein compared to the prior years:

Summary of Net Position

| | Fiscal Year 2024 | Fiscal Year 2023 | Fiscal Year 2022 |
|--|----------------------|----------------------|----------------------|
| Current assets | \$ 36,025,776 | \$ 35,144,701 | \$ 34,211,060 |
| Capital assets (net of accumulated depreciation) | 2,639,526 | 2,640,752 | 2,248,446 |
| Net other postemployment benefit asset | 4,490,345 | 4,029,290 | 6,114,500 |
| Total assets | 43,155,647 | 41,814,743 | 42,574,006 |
| Deferred outflows of resources | 1,478,169 | 1,676,025 | 1,464,295 |
| Current liabilities | (4,741,138) | (5,139,196) | (7,265,246) |
| Noncurrent liabilities | (9,458,163) | (9,952,379) | (8,421,334) |
| Deferred inflows of resources | (271,664) | (378,819) | (6,669,137) |
| Net position | \$ 30,162,851 | \$ 28,020,374 | \$ 21,682,584 |
| Components of net position: | | | |
| Investment in capital assets | \$ 2,639,526 | \$ 2,640,752 | \$ 2,248,446 |
| Restricted | 10,331,120 | 9,310,383 | 4,789,736 |
| Unrestricted | 17,192,205 | 16,069,239 | 14,644,402 |
| Total Net Position | \$ 30,162,851 | \$ 28,020,374 | \$ 21,682,584 |

Revenue

Operating revenue decreased \$2,807,569 in 2024 and decreased \$2,311,861 in 2023. Grants and contracts revenue decreased by \$2,392,953 in 2024 and decreased by \$2,938,766 in 2023. Tuition revenue is reduced by gift scholarships and institutional aid and is reported net of scholarship allowances in the financial statements. Tuition and fees decreased by \$45,770 and increased by \$189,030 in 2024 and 2023, respectively.

**Summary of Operating Revenues
(by major category)**

| | Fiscal Year 2024 | Fiscal Year 2023 | Fiscal Year 2022 |
|---------------------------------------|---------------------|---------------------|----------------------|
| Tuition and fees, net of scholarships | \$ 688,378 | \$ 734,148 | \$ 545,118 |
| Auxiliary enterprises | 770,703 | 870,853 | 623,063 |
| Grants and contracts | 5,246,443 | 7,639,396 | 10,578,162 |
| Other operating revenue | 113,602 | 382,298 | 192,213 |
| Total Operating Revenue | \$ 6,819,126 | \$ 9,626,695 | \$ 11,938,556 |

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Management's Discussion and Analysis

Nonoperating revenue increased \$1,151,261 in 2024 and increased \$3,018,518 in 2023. Revenue from private grants and gifts decreased \$9,639 in 2024 and increased \$361,567 in 2023, while income from investments increased \$876,503 in 2024 and increased \$2,550,760 in 2023.

Summary of Nonoperating Revenues
(by major category)

| | Fiscal Year 2024 | Fiscal Year 2023 | Fiscal Year 2022 |
|-------------------------------------|----------------------|----------------------|----------------------|
| Local appropriation (NSB) | \$ 8,726,755 | \$ 8,726,755 | \$ 8,726,755 |
| In-kind rent contribution (NSB) | 3,120,967 | 3,008,161 | 2,899,432 |
| Private grants and gifts | 901,109 | 910,748 | 549,181 |
| PERS contribution - State of Alaska | 170,689 | (902) | 1,636 |
| Investment income (loss) | 2,132,733 | 1,256,230 | (1,294,530) |
| Total Nonoperating Revenues | \$ 15,052,253 | \$ 13,900,992 | \$ 10,882,474 |

Operating Expenses

Operating expense increased \$2,539,005 in 2024 and decreased \$1,618,382 in 2023.

Summary of Operating Expenses
(by function)

| | Fiscal Year 2024 | Fiscal Year 2023 | Fiscal Year 2022 |
|---------------------------------|----------------------|----------------------|----------------------|
| Instruction | \$ 3,537,373 | \$ 2,725,989 | \$ 4,760,230 |
| Institution | 4,467,401 | 5,038,884 | 6,118,704 |
| Auxiliary enterprises | 865,436 | 815,730 | 693,147 |
| Academic support | 2,892,601 | 1,957,604 | 1,501,119 |
| Operations and maintenance | 4,863,816 | 4,258,625 | 3,925,028 |
| Student services | 2,493,895 | 1,815,509 | 1,318,434 |
| Depreciation | 608,380 | 577,556 | 491,617 |
| Total Operating Expenses | \$ 19,728,902 | \$ 17,189,897 | \$ 18,808,279 |

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Management's Discussion and Analysis

The following is an overall Summary of Revenues and Expenses. Revenue increased approximately 8% in total compared to the 15% increase in expenses in 2024.

Summary of Revenues & Expenses

| | Fiscal Year 2024 | Fiscal Year 2023 | Fiscal Year 2022 |
|-------------------------------|---------------------|---------------------|---------------------|
| Operating revenues | \$ 6,819,126 | \$ 9,626,695 | \$ 11,938,556 |
| Nonoperating revenues | 15,052,253 | 13,900,992 | 10,882,474 |
| Total revenues | 21,871,379 | 23,527,687 | 22,821,030 |
| Operating expenses | (19,728,902) | (17,189,897) | (18,808,279) |
| Change in Net Position | \$ 2,142,477 | \$ 6,337,790 | \$ 4,012,751 |

Capital Assets

Capital assets, consisting of computer equipment, furniture and fixtures, heavy equipment, vehicles, and leasehold improvements, had a net decrease of \$1,226 in 2024, and a net increase of \$392,306 in 2023, respectively, as a result of additions, retirements, and depreciation. Capital assets include those items with a cost, or fair value for donated assets, of \$5,000 or more and a useful life exceeding one year. Depreciation is calculated using the straight-line method over the estimated useful life of the asset. Details related to capital assets may be found in the footnotes to the financial statements.

Statement of Cash Flows

The Statement of Cash Flows details how cash has increased (or decreased) during the year ended June 30, 2024, with comparative financial information for the year ended June 30, 2023. It breaks out the sources and uses of cash into the following categories:

- Operating activities,
- Noncapital financing activities,
- Capital and related financing activities, and
- Investing activities.

The primary purpose of the Statement of Cash Flows is to provide information about the cash receipts and cash disbursements made by the College during the year that will allow financial statement readers to assess the institutions:

- Ability to generate future net cash flows,
- Ability to meet obligations as they become due, and
- Need for possible external financing.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Management's Discussion and Analysis

A comparative summary of the College's Statement of Cash Flows for the years ended June 30, 2024, 2023 and 2022 is as follows:

Summary of Cash Flows

| | Fiscal Year 2024 | Fiscal Year 2023 | Fiscal Year 2022 |
|---|---------------------|---------------------|---------------------|
| Net cash flows for operating activities | \$ (10,998,674) | \$ (9,256,262) | \$ (5,780,396) |
| Net cash flows from noncapital financing activities | 9,627,864 | 9,637,503 | 9,275,936 |
| Net cash flows for capital and related financing activities | (628,518) | (969,862) | (959,834) |
| Net cash flows for investing activities | 914,942 | (1,304,165) | (266,963) |
| Net increase (decrease) in cash and cash equivalents | (1,084,386) | (1,892,786) | 2,268,743 |
| Cash and cash equivalents, beginning of year | 2,410,150 | 4,302,936 | 2,034,193 |
| Cash and Cash Equivalents, end of year | \$ 1,325,764 | \$ 2,410,150 | \$ 4,302,936 |

Economic Factors That Will Affect the Future

Executive management believes the fiscal year's results, as well as some solid strategic planning, is positioning the College to maintain its strong financial condition well into the future, enabling it to continue providing excellent service to its students and, ultimately, the employers of the North Slope, which in turn strengthens the economic well-being of the region.

In 2007, the College earned Tribal College designation at the federal level; one of thirty-seven such colleges in the United States, and the only Tribal College in Alaska. The College is also the northern most accredited community college in the United States. The College is also poised to make major contributions to education in the Allied Health and Science fields as Samuel Simmonds Memorial Hospital undergoes major expansion. The existing programs of Accounting, Associated Construction Trades, Business and Management, Heavy Truck Operations, Industrial Safety, Information Technology, Inupiaq Studies, Adult Education, and Office Administration will continue to meet the demands of the North Slope employers. The College is most grateful for the support of the community, especially the North Slope Borough, American Indian College Fund, Arctic Slope Regional Corporation, ConocoPhillips Alaska, GCI, and Northrim Bank, along with our other corporate and personal donors.

Contacting Ilisagvik College's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the College's finances and to reflect the College's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to the Ilisagvik College's Business Office at P.O. Box 749, Utqiagvik, Alaska 99723.

Basic Financial Statements

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Statements of Net Position
(With Summarized Comparative Amounts for 2023)

| <i>June 30,</i> | 2024 | 2023 |
|--|----------------------|----------------------|
| Assets and Deferred Outflows of Resources | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 1,325,764 | \$ 2,410,150 |
| Accounts receivable, net | 813,895 | 617,667 |
| Grants and contracts receivable | 1,390,638 | 1,185,120 |
| Prepaid items | 571,686 | 263,879 |
| Inventories | 219,824 | 181,706 |
| Investments | 31,703,969 | 30,486,179 |
| Total Current Assets | 36,025,776 | 35,144,701 |
| Noncurrent Assets | | |
| Capital assets, net of accumulated depreciation | 2,639,526 | 2,640,752 |
| Net other postemployment benefit asset | 4,490,345 | 4,029,290 |
| Total Noncurrent Assets | 7,129,871 | 6,670,042 |
| Total Assets | 43,155,647 | 41,814,743 |
| Deferred Outflows of Resources | | |
| Pension related | 1,118,064 | 1,226,397 |
| Other postemployment benefits related | 360,105 | 449,628 |
| Total Deferred Outflows of Resources | 1,478,169 | 1,676,025 |
| Total Assets and Deferred Outflows of Resources | \$ 44,633,816 | \$ 43,490,768 |
| Liabilities, Deferred Inflows of Resources and Net Position | | |
| Current Liabilities | | |
| Accounts payable | \$ 427,663 | \$ 510,309 |
| Unearned revenue | 3,448,344 | 3,870,207 |
| Accrued payroll and related liabilities | 865,131 | 758,680 |
| Total Current Liabilities | 4,741,138 | 5,139,196 |
| Noncurrent Liabilities | | |
| Net pension liability | 9,458,163 | 9,952,379 |
| Total Liabilities | 14,199,301 | 15,091,575 |
| Deferred Inflows of Resources | | |
| Other postemployment benefits related | 271,664 | 378,819 |
| Net Position | | |
| Investment in capital assets | 2,639,526 | 2,640,752 |
| Restricted for foundation | 5,752,334 | 5,210,284 |
| Restricted for other postemployment benefits | 4,578,786 | 4,100,099 |
| Unrestricted | 17,192,205 | 16,069,239 |
| Total Net Position | 30,162,851 | 28,020,374 |
| Total Liabilities, Deferred Inflows of Resources and Net Position | \$ 44,633,816 | \$ 43,490,768 |

See accompanying notes to basic financial statements.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)
Statements of Revenues, Expenses, and Changes in Net Position
(With Summarized Comparative Amounts for 2023)

| <i>Years Ended June 30,</i> | 2024 | 2023 |
|--|----------------------|----------------------|
| Operating Revenues | | |
| Tuition and fees, net of scholarships | \$ 688,378 | \$ 734,148 |
| Auxiliary enterprises | 770,703 | 870,853 |
| Intergovernmental grants | 5,196,757 | 7,598,463 |
| Contracts | 49,686 | 40,933 |
| Other operating revenues | 113,602 | 382,298 |
| Total Operating Revenues | 6,819,126 | 9,626,695 |
| Operating Expenses | | |
| Instruction | 3,537,373 | 2,725,989 |
| Institution | 4,467,401 | 5,038,884 |
| Auxiliary enterprises | 865,436 | 815,730 |
| Academic support | 2,892,601 | 1,957,604 |
| Operations and maintenance | 4,863,816 | 4,258,625 |
| Student services | 2,493,895 | 1,815,509 |
| Depreciation | 608,380 | 577,556 |
| Total Operating Expenses | 19,728,902 | 17,189,897 |
| Operating loss | (12,909,776) | (7,563,202) |
| Nonoperating Revenues | | |
| Contribution from North Slope Borough | 8,726,755 | 8,726,755 |
| In-kind rent contribution | 3,120,967 | 3,008,161 |
| Private grants and gifts | 901,109 | 910,748 |
| PERS on-behalf - State of Alaska | 170,689 | (902) |
| Investment income | 2,132,733 | 1,256,230 |
| Total Nonoperating Revenues | 15,052,253 | 13,900,992 |
| Change in net position | 2,142,477 | 6,337,790 |
| Net Position, beginning of year | 28,020,374 | 21,682,584 |
| Net Position, end of year | \$ 30,162,851 | \$ 28,020,374 |

See accompanying notes to basic financial statements.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Statements of Cash Flows

(With Summarized Comparative Amounts for 2023)

| <i>Years Ended June 30,</i> | 2024 | 2023 |
|--|-----------------|----------------|
| Cash Flows for Operating Activities | | |
| Provided from tuition and fees | \$ 688,378 | \$ 734,148 |
| Provided from grants and contracts | 4,619,062 | 5,628,969 |
| Provided from sales and services | 709,441 | 905,377 |
| Paid to suppliers | (5,440,141) | (4,755,035) |
| Paid to employees for payroll and benefits | (11,575,414) | (11,769,721) |
| Net cash flows for operating activities | (10,998,674) | (9,256,262) |
| Cash Flows from Noncapital Financing Activities | | |
| Received from North Slope Borough | 8,726,755 | 8,726,755 |
| Received from private grants and gifts | 901,109 | 910,748 |
| Net cash flows from noncapital financing activities | 9,627,864 | 9,637,503 |
| Cash Flows for Capital and Related Financing Activities | | |
| Purchase of capital assets | (644,854) | (969,862) |
| Sale of capital assets | 16,336 | - |
| Net cash flows for capital and related financing activities | (628,518) | (969,862) |
| Cash Flows from (for) Investing Activities | | |
| Interest and dividends, net of investment fees | 845,671 | 486,745 |
| Purchase of investments | (31,512,774) | (38,404,395) |
| Proceeds from sale of investments | 31,582,045 | 36,613,485 |
| Net cash flows from (for) investing activities | 914,942 | (1,304,165) |
| Net decrease in cash and cash equivalents | (1,084,386) | (1,892,786) |
| Cash and Cash Equivalents, beginning of year | 2,410,150 | 4,302,936 |
| Cash and Cash Equivalents, end of year | \$ 1,325,764 | \$ 2,410,150 |
| Reconciliation of operating loss to net cash flows for operating activities: | | |
| Operating loss | \$ (12,909,776) | \$ (7,563,202) |
| Adjustments to reconcile operating loss to net cash flows for operating activities: | | |
| In-kind rent expense | 3,120,967 | 3,008,161 |
| Depreciation | 608,380 | 577,556 |
| Noncash expense - PERS contribution - State of Alaska | 170,689 | (902) |
| Loss on disposal of capital assets | 21,364 | - |
| Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources that provided (used) cash: | | |
| Accounts receivable | (196,228) | (347,774) |
| Grants and contracts receivable | (205,518) | 178,628 |
| Prepaid items | (307,807) | (64,880) |
| Inventories | (38,118) | (32,007) |
| Net other postemployment benefit asset | (461,055) | 2,085,210 |
| Deferred outflows of resources related to pensions | 108,333 | 44,762 |
| Deferred outflows of resources related to other postemployment benefits | 89,523 | (256,492) |
| Accounts payable | (82,646) | (91,268) |
| Unearned revenue | (421,863) | (2,189,055) |
| Accrued payroll and related liabilities | 106,451 | 154,273 |
| Net pension liability | (494,215) | 1,531,046 |
| Deferred inflows of resources related to pensions | - | (3,358,240) |
| Deferred inflows of resources related to other postemployment benefits | (107,155) | (2,932,078) |
| Net Cash Flows for Operating Activities | \$ (10,998,674) | \$ (9,256,262) |

See accompanying notes to basic financial statements.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Notes to Basic Financial Statements
Year Ended June 30, 2024

1. Organization and Summary of Significant Accounting Policies

Organization

Ilisagvik College (the College), located in Utqiagvik, Alaska, serves an 89,000 square mile Arctic tundra region—the North Slope—which is not connected by road or rail. The region is ice-locked nine months of each year and is home to the Iñupiat Eskimos. The College provides quality post-secondary academic, vocational, and technical education in a learning environment that perpetuates and strengthens Iñupiat culture, language, values and traditions. The College is dedicated to providing well-educated and trained individuals who meet human resource needs to North Slope employers. As a public tribal college, the College offers one bachelor's degree, several different associate degrees, one-year certificates, and semester-long endorsement programs, as well as short-term training courses. Fields of study include accounting, allied health, liberal arts, office administration, business management, computer technology, heavy truck operations, construction trades, industrial safety, and Iñupiaq studies. Every program at the college models the local Iñupiat traditions, values, and culture, and also has substantial career and employment opportunities relevant to the workforce.

The College is a component unit of the North Slope Borough (the Borough). The Borough's balances are not included in the financial statements.

The financial statements also include the financial activity of Ilisagvik College Foundation (the Foundation), a blended component unit of the College. The Foundation's financial data is consolidated with the College. The Foundation is a legally separate organization from the College. Condensed combining information of the Foundation is presented in Note 12. The Foundation was established for the purpose of soliciting donations for the creation of an endowment to benefit the College and its students.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The College's financial statements are reported as an enterprise fund using the economic resources measurement focus and the accrual basis of accounting.

Revenue Recognition

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Operating revenues of the College consist of tuition and fees, grants and contracts, sales and services of educational activities, and auxiliary enterprise revenues. Transactions relating to capital and financing activities, noncapital financing activities, investing activities, and local appropriations are components of nonoperating income.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposit accounts.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Notes to Basic Financial Statements

Inventories

Inventories are valued at the lower of cost or market. Cost is determined by the first-in, first-out method. The cost is recorded as an expense at the time individual inventory items are consumed.

Investments

The College reports investments in marketable securities at their fair value and net unrealized gains and losses, as applicable, are included in the statement of revenues, expenses and changes in net position. Net realized gains or losses on sales of investment securities are determined on a specific identification basis.

Allowance for Doubtful Accounts

The allowance for doubtful accounts represents management's judgment as to the amount required to absorb probable credit losses in the existing accounts receivable. The factors used by management to determine the allowance required include historical loss experience, individual accounts receivable delinquencies, and other factors.

Capital Assets

Capital assets, consisting of computer equipment, heavy equipment, vehicles, furniture and fixtures and leasehold improvements, are stated at cost at the date of purchase. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire an asset with equivalent service potential in an ordinary market transaction at the acquisition date. Capital assets are defined by the College as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation has been calculated on each class of depreciable property using the straight-line method based upon estimated useful lives which range from 3 to 22 years.

Compensated Absences

The College records compensated absences as expenditures when due and payable including an accrual at year end.

Unearned Revenue

Amount received from grantor agencies and donors, which are restricted as to use and have not been expended for the intended use are shown on the Statement of Net Position as unearned revenues.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of the net position will sometimes report 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. The College reports certain pension and OPEB items as deferred outflows of resources. These items are amortized to expense over time.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Notes to Basic Financial Statements

In addition to liabilities, the statement of financial position will sometimes report 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. The College reports certain pension and OPEB items as deferred inflows of resources. These items are amortized as a reduction of expense over time.

Pension and OPEB Liabilities and Assets

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

Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the government-wide financial statement. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Out of the unrestricted net position, the board of trustee designated \$3 million for construction of a new campus.

Use of Estimates by Management

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets, deferred outflows/inflows of resources and liabilities, the disclosure of contingent assets, deferred outflows/inflows of resources and liabilities, and the reported revenues and expenses. Actual results could differ from the estimates that were assumed in preparing the financial statements.

Total Columns for 2023

The amounts shown for 2023 in the accompanying financial statements are included to provide a basis for comparison with 2023 amounts and are not intended to be a complete financial statement presentation in conformity with accounting principles generally accepted in the United States of America, accordingly, such information should be read in conjunction with the College's financial statements for year ended June 30, 2023, from which the summarized information was derived. Certain amounts in the 2023 information have been reclassified to conform to the current year information.

Income Taxes

The College qualifies for tax-exemption under Section 501(c)(3) of the Internal Revenue Code as an educational organization whereby only unrelated business income, as defined by the Code, is subject to federal income tax.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Notes to Basic Financial Statements

2. Cash and Cash Equivalents

The College's cash and cash equivalents are held in the form of demand accounts at a commercial bank, and money market funds at another commercial bank and brokerage. Cash and cash equivalents at June 30, 2024, consist of:

| | |
|--|---------------------|
| Bank deposits and investments cash equivalents | \$ 1,323,901 |
| Petty cash | 1,863 |
| Total Cash and Cash Equivalents | \$ 1,325,764 |

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College has no written policy with respect to limiting the custodial credit risk. At June 30, 2024, the College had \$1,039,237 of at-risk funds that were in excess of Federal Deposit Insurance Corporations or Securities Investor Protection Corporation limits for depository institutions and brokerage firms.

3. Accounts Receivable

Accounts receivable consisted of the following at June 30, 2024:

| | |
|---|-------------------|
| Auxiliary services and other student accounts | \$ 1,215,588 |
| Less: Allowance for doubtful accounts | (401,693) |
| Accounts Receivable, net | \$ 813,895 |

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4. Investments

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 quoted prices for similar assets or liabilities in active or inactive markets; or inputs other than quoted prices that are observed; Level 3 inputs are significant unobservable inputs.

The College has the following recurring fair value measurements as of June 30, 2024:

- Exchange traded funds of \$ 11,300,845 (Level 1 inputs)
- U.S. treasuries of \$9,149,223 (Level 2 inputs)
- Corporate bonds of \$5,416,492 (Level 2 inputs)
- Certificates of deposits of \$1,061,861 (Level 2 inputs)
- Agency Securities of \$3,095,792 (Level 2 inputs)
- Bond Funds of \$607,294 (Level 1 inputs)
- Equity Funds of \$669,597 (Level 1 inputs)

The College has investments in money market funds of \$254,903 and certificates of deposits of \$147,962 totaling \$402,865 that are not held at fair value, but instead recorded at amortized cost as of June 30, 2024.

Included in the investment balance at June 30, 2024 is \$160,255 in accrued income.

Marketable Debt Duration

To manage its interest rate risk on marketable debt securities, the College monitors fair values periodically and routinely reviews portfolio effective duration in comparison to established benchmarks. At June 30, 2024, the effective duration by investment type, based on fair value, is as follows:

| | Percent of Fixed Income Holdings | Duration (in years) |
|------------------------------------|-------------------------------------|------------------------|
| Bonds | | |
| U.S. treasuries | 48% | 1.5 |
| Corporate bonds | 29% | 1.9 |
| Certificates of deposits | 6% | 1.6 |
| Agency Securities | 16% | 2.5 |
| Total Fixed Income Holdings | 100% | |

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

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As of June 30, 2024, the College had the following investment maturities:

| | Less than 1 year | 1-5 years | 5+ years |
|--------------------------|---------------------|----------------------|-------------|
| U.S. treasuries | \$ 996,847 | \$ 8,152,376 | \$ - |
| Corporate bonds | 1,022,570 | 4,393,922 | - |
| Certificates of deposits | 147,962 | 1,061,861 | - |
| Agency Securities | 24,567 | 3,071,225 | - |
| Total | \$ 2,191,946 | \$ 16,679,384 | \$ - |

Investment Policy

The College's general investment policy authorizes no more than 65% of the funds to be invested in equity investments, 20% in international equity, 10% in real estate investment trusts or partnerships, 25% in one industry, 5% in one entity and 60% in bonds.

Credit Risk

Generally, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations and a loss will result. The quality ratings of the investment portfolio at June 30, 2024 are stated in the table below as a percentage of the total portfolio. U.S. Treasury securities are not considered to have credit risk and are reported as such in the table. Ratings used are S&P's rating scale unless not rated by S&P or rated lower by Moody's, in which case Moody's is used. Rate modifiers are not disclosed.

| <i>Investment Type</i> | <i>Rating</i> | <i>Percentage of total</i> |
|--------------------------------------|---------------------------|----------------------------|
| Corporate bonds | AA-, A+, A, A-, BBB, BBB- | 19% |
| Corporate bonds* | A3, Baa1, Baa2 | 9% |
| Certificates of deposit | Not rated | 6% |
| Agency Securities | AA+ | 16% |
| U.S. treasuries - no credit exposure | Not rated | 48% |
| | | 100% |

*Moody's rating

Concentration of Credit Risk

Concentration of credit is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. GASB Statement No. 40 requires disclosure when the amount invested in a single issuer exceeds 5 percent or more of total investments. Investments issued or explicitly guaranteed by the U.S. Government, as well as mutual funds and other pooled investments, are exempted from this requirement.

At June 30, 2024, securities in the College and Foundation had no investments in any single issuer exceeding 5 percent of total investments, other than investments in U.S. treasuries.

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5. Inventories

Inventories consisted of the following at June 30, 2024:

| | |
|--------------------------|-------------------|
| Bookstore | \$ 175,417 |
| Food services | 44,407 |
| Total Inventories | \$ 219,824 |

6. Capital Assets

The following table presents the changes in the various capital asset categories for fiscal year 2024:

| <i>Year Ended June 30, 2024</i> | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|------------------|--------------------|---------------------|
| Capital assets being depreciated: | | | | |
| Computer equipment | \$ 1,463,808 | \$ 75,181 | \$ (163,658) | \$ 1,375,331 |
| Furniture and fixtures | 674,039 | 230,734 | (5,275) | 899,498 |
| Heavy equipment | 1,606,675 | 61,299 | - | 1,667,974 |
| Vehicles | 1,021,880 | 220,077 | (2,845) | 1,239,112 |
| Leasehold improvements | 1,197,064 | 77,562 | - | 1,274,626 |
| Total capital assets being depreciated | 5,963,466 | 664,853 | (171,778) | 6,456,541 |
| Less accumulated depreciation: | | | | |
| Computer equipment | 614,620 | 235,154 | (108,804) | 740,970 |
| Furniture and fixtures | 252,224 | 89,389 | (5,275) | 336,338 |
| Heavy equipment | 849,152 | 122,042 | - | 971,194 |
| Vehicles | 812,218 | 83,013 | - | 895,231 |
| Leasehold improvements | 794,500 | 78,782 | - | 873,282 |
| Total accumulated depreciation | 3,322,714 | 608,380 | (114,079) | 3,817,015 |
| Total Capital Assets, net | \$ 2,640,752 | \$ 56,473 | \$ (57,699) | \$ 2,639,526 |

Depreciation expense for the year ended June 30, 2024, was \$608,380.

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7. Pension and Other Postemployment Benefits Plans

(a) Defined Benefit (DB) Pension Plan

General Information About the Plan

The College participates in the Alaska Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple-employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in an annual comprehensive financial report that includes financial statements and other required supplemental information. That report is available via the internet at <https://drb.alaska.gov/docs/reports/#pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

The Plan provides for retirement, death and disability, and postemployment healthcare benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, 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. Peace/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other postemployment benefits (OPEB). A complete benefit comparison chart is available at the website noted above.

The PERS DB Plan was closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

Historical Context and Special Funding Situation

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from a DB agent-multiple-employer plan to a DB 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, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

Alaska Statute 39.35.280 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board (ARM Board). As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

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The College recorded 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.

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary. Peace officers and firefighters are required to contribute 7.50% of their annual covered salary.

Employer and Other Contribution Rates

There are several contribution rates associated with the pension 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, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is 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. 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 a lower ARM Board Rates than previously adopted.

State Contribution Rate: This is the rate 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 additional revenues and expenditures. In the proprietary funds and 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 significant timing difference between the cash transfers and revenue and expense recognition.

Contribution rates for the year ended June 30, 2024 were determined in the June 30, 2022 actuarial valuations. The College’s contribution rates for the 2024 fiscal year were as follows:

| | ARM Board Adopted Rate | State Contribution Rate |
|-----------------------------------|---------------------------|-------------------------------|
| Defined benefit plans: | | |
| Pension | 18.47% | 3.10% |
| Postemployment healthcare (ARHCT) | -% | -% |
| Defined contribution - Pension | 6.63% | -% |
| Total Contribution Rates | 25.10% | 3.10% |

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Alaska Statute 39.35.255(a) capped the employer rate at 22% with the State of Alaska making a nonemployer contribution for the difference between actuarially required contribution and the cap. For the fiscal year the employer rate is 22.00% for pension and 0.00% for ARHCT. The contribution requirements for the College are established and may be amended by the ARMB. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the DCR Plan payroll. The DBUL amount is computed as the difference between (a) amount calculated for the statutory employer contribution rate of 22.00% on eligible salary less (b) total of the employer contribution for (1) defined contribution employer matching amount, (2) major medical, (3) occupational death and disability, and (4) health reimbursement arrangement. The difference is deposited based on an actuarial allocation into the defined benefit plan's pension and healthcare funds.

In 2024, the College was credited with the following contributions to the pension plan:

| | Measurement Period | College Fiscal Year |
|---|-------------------------------------|-------------------------------------|
| | July 1, 2022 to June 30, 2023 | July 1, 2023 to June 30, 2024 |
| Employer contributions (including DBUL) | \$ 941,855 | \$ 871,190 |
| Nonemployer contributions (on-behalf) | 180,622 | 176,345 |
| Total Contributions | \$ 1,122,477 | \$ 1,047,535 |

In addition, employee contributions to the Plan totaled \$45,497 during the College's fiscal year.

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

At June 30, 2024, the College reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the College. The amount recognized by the College for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the College were as follows:

| | |
|--|----------------------|
| College proportionate share of NPL | \$ 9,458,163 |
| State's proportionate share of NPL associated with the College | 3,153,087 |
| Total Net Pension Liability | \$ 12,611,250 |

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 and adjusted to reflect updated assumptions to calculate the net pension liability as of that date. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2023 measurement date, the College's proportion was 0.18241 percent, which was a decrease of 0.01286 from its proportion measured as of June 30, 2022.

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For the year ended June 30, 2024, the College recognized pension expense of \$1,739,935 and on-behalf revenue of \$347,033 for support provided by the State. At June 30, 2024, the College 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 | \$ - | \$ - |
| Changes in assumptions | - | - |
| Changes in benefits | - | - |
| Net difference between projected and actual earnings on pension plan investments | 246,873 | - |
| Changes in proportion and differences between College contributions and proportionate share of contributions | - | - |
| College contributions subsequent to the measurement date | 871,191 | - |
| Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions | \$ 1,118,064 | \$ - |

The \$871,191 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 ending June 30, 2025. 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,

| | | |
|---------------------------|-----------|----------------|
| 2025 | \$ | (93,631) |
| 2026 | | (207,077) |
| 2027 | | 560,213 |
| 2028 | | (12,632) |
| 2029 | | - |
| Thereafter | | - |
| Total Amortization | \$ | 246,873 |

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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

| | |
|--|--|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Unfunded Accrued Actuarial Liability, level percent of pay basis |
| Inflation | 2.50% per year |
| Salary increases | For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service. |
| Allocation methodology | Amounts for the June 30, 2023 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2024 to 2039. The liability is expected to go to zero at 2039. |
| Investment rate of return | 7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%. |
| Mortality Peace officer/firefighter | Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member. |
| All others | Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree |

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table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

The total pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect expected future experience.

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 rates of return, excluding the inflation component of 2.82%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

| Asset Class | Target Allocation | Range | Long-Term Expected Real Rate of Return |
|--------------------------|-------------------|---------|--|
| Domestic equity | 27% | +/- 6% | 6.17% |
| Global equity (non-U.S.) | 18% | +/- 4% | 6.55% |
| Aggregate bonds | 19% | +/- 10% | 1.63% |
| Multi-asset | 8% | +/- 4% | -% |
| Real assets | 14% | +/- 7% | 4.87% |
| Private equity | 14% | +/- 7% | 11.57% |
| Cash equivalents | -% | -% | 0.49% |

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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.

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Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the College’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the College’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

| | Proportional Share | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|--|-----------------------|------------------------|-------------------------------------|------------------------|
| College’s proportionate share of the net pension liability | 0.18241% | \$ 12,697,556 | \$ 9,458,163 | \$ 6,721,830 |

Pension Plan Fiduciary Net Position

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

(b) Defined Contribution (DC) Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a DC plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the DB plan 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 Plan are individual pension accounts, a 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. This Plan is included in the annual comprehensive financial report for PERS, and at the following website, as noted above. <https://drb.alaska.gov/docs/reports/#pers>.

Contributions to the DC plan 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 College contribute at 22%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan 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. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2024 to cover a portion of the College’s employer match contributions. For the year ended June 30, 2024, forfeitures reduced pension expense by \$59,488.

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Employee Contribution Rate

Employees are required to contribute 8% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rate

For the year ended June 30, 2024, the College was required to contribute 5% of covered salary into the Plan.

The College and employee contributions to PERS for pensions for the year ended June 30, 2024 were \$275,882 and \$441,410, respectively. The College contribution amount was recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plans

As part of its participation in PERS, the College participates in the following cost-sharing multiple-employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD).

The ARHCT, a healthcare trust fund, provides major medical coverage to retirees of the DB plan. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members effective July 1, 2006. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The RMP is self-insured. Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age eligible. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB plans are included in the annual comprehensive financial report for PERS, at the following website, <https://drb.alaska.gov/docs/reports/#pers>.

Employer Contribution Rates

Employer contribution rates are actuarially determined and adopted by and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended June 30, 2024 were as follows:

| | Other | Peace/Fire |
|-----------------------------------|--------------|--------------|
| Alaska Retiree Healthcare Trust | -% | -% |
| Retiree Medical Plan | 1.01% | 1.01% |
| Occupational Death and Disability | 0.30% | 0.68% |
| Total Contribution Rates | 1.31% | 1.69% |

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In 2024, the College was credited with the following contributions to the OPEB plans:

| | Measurement Period July 1, 2022 to June 30, 2023 | College Fiscal Year July 1, 2023 to June 30, 2024 |
|---------------------------------------|---|--|
| Employer contributions - ARHCT | \$ - | \$ - |
| Employer contributions - RMP | 63,556 | 55,730 |
| Employer contributions - ODD | 17,334 | 16,553 |
| Nonemployer contributions (on-behalf) | - | - |
| Total Contributions | \$ 80,890 | \$ 72,283 |

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

At June 30, 2024, the College reported an asset for its proportionate share of the net OPEB asset (NOA) that reflected a reduction for State OPEB support provided to the College. The amount recognized by the College for its proportional share, the related State proportion, and the total were as follows:

| | |
|--|--------------|
| College's proportionate share of NOA - ARHCT | \$ 4,184,248 |
| College's proportionate share of NOA - RMP | 160,928 |
| College's proportionate share of NOA - ODD | 145,169 |

Total College's Proportionate Share of Net OPEB Asset **\$ 4,490,345**

State's proportionate share of the ARHCT NOA associated with the College 1,409,222

Total Net OPEB Asset **\$ 5,899,567**

The total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 and adjusted to reflect updated assumptions to calculate the net OPEB assets as of that date. The College's proportion of the net OPEB assets was based on a projection of the College's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

| | June 30, 2022 Measurement Date Employer Proportion | June 30, 2023 Measurement Date Employer Proportion | Change |
|---|---|---|------------|
| College's proportionate share of the net OPEB assets: | | | |
| ARHCT | 0.19379% | 0.18185% | (0.01194)% |
| RMP | 0.30048% | 0.33891% | 0.03843 % |
| ODD | 0.25532% | 0.28296% | 0.02764 % |

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For the year ended June 30, 2024, the College recognized OPEB expense (benefit) of \$(574,269). Of this amount, \$(240,152) was recorded for on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense (benefit) and on-behalf revenue is listed by plan in the table below:

| <i>Plan</i> | OPEB Expense (Benefit) | On-behalf Revenue |
|--------------|---------------------------|---------------------|
| ARHCT | \$ (423,171) | \$ (240,152) |
| RMP | 74,333 | - |
| ODD | 14,721 | - |
| Total | \$ (334,117) | \$ (240,152) |

At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

| <i>Deferred Outflows of Resources</i> | ARHCT | RMP | ODD | Total |
|--|-------------------|------------------|------------------|-------------------|
| Difference between expected and actual experience | \$ 8,688 | \$ 4,905 | \$ - | \$ 13,593 |
| Changes in assumptions | - | 17,305 | - | 17,305 |
| Changes in benefits | - | - | - | - |
| Difference between projected and actual investment earnings | 190,447 | 13,485 | 3,351 | 207,283 |
| Changes in proportion and differences between College contributions and proportionate share of contributions | 39,006 | 223 | 10,411 | 49,640 |
| College contributions subsequent to the measurement date | - | 55,730 | 16,554 | 72,284 |
| Total Deferred Outflows of Resources Related to OPEB Plans | \$ 238,141 | \$ 91,648 | \$ 30,316 | \$ 360,105 |

| <i>Deferred Inflows of Resources</i> | ARHCT | RMP | ODD | Total |
|--|--------------------|---------------------|--------------------|---------------------|
| Difference between expected and actual experience | \$ - | \$ (5,195) | \$ (40,789) | \$ (45,984) |
| Changes in assumptions | (77,000) | (130,863) | (604) | (208,467) |
| Changes in benefits | - | - | - | - |
| Difference between projected and actual investment earnings | - | - | - | - |
| Changes in proportion and differences between College contributions and proportionate share of contributions | - | (8,044) | (9,169) | (17,213) |
| Total Deferred Inflows of Resources Related to OPEB Plans | \$ (77,000) | \$ (144,102) | \$ (50,562) | \$ (271,664) |

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Notes to Basic Financial Statements

Amounts reported as deferred outflows of resources related to OPEB plans resulting from College contributions subsequent to the measurement date will be recognized as an increase in the net OPEB assets in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <i>Year Ending June 30,</i> | ARHCT | RMP | ODD | Total |
|-----------------------------|-------------------|---------------------|--------------------|------------------|
| 2025 | \$ (112,156) | \$ (22,346) | \$ (7,914) | \$ (142,416) |
| 2026 | (172,034) | (24,938) | (8,581) | (205,553) |
| 2027 | 456,990 | (2,145) | (2,775) | 452,070 |
| 2028 | (11,659) | (25,571) | (6,161) | (43,391) |
| 2029 | - | (17,918) | (5,618) | (23,536) |
| Thereafter | - | (15,266) | (5,751) | (21,017) |
| Total Amortization | \$ 161,141 | \$ (108,184) | \$ (36,800) | \$ 16,157 |

Actuarial Assumptions

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2023:

| | |
|---|--|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Unfunded Accrued Actuarial Liability, level percent of pay basis |
| Inflation | 2.50% per year |
| Salary increases | For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service. |
| Allocation methodology | Amounts for the June 30, 2023 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2024 to 2039. |
| Investment rate of return | 7.25%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%. |
| Healthcare cost trend rates (ARHCT and RMP Plans) | Pre-65 medical: 6.7% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drug: 7.2% grading down to 4.5% Rx/EGWP: 7.2% grading down to 4.5% Initial trend rates are from FY 2024 Ultimate trend rates reached in FY 2050 |

Ilisagvik College
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Notes to Basic Financial Statements

| | |
|---|--|
| Mortality Peace officer/firefighter (ARHCT and RMP Plans) | Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupation causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member. |
| (ODD Plan) | Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member. |
| All others (ARHCT and RMP Plans) | Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member. |
| (ODD Plan) | Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and |

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106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

| | |
|---------------------------|---|
| Participation (ARHCT) | 100% system paid of members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. |
| Peace officer/firefighter | 20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible. |
| All others | 25% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible. |

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect the expected future experience. For the ARHCT and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2022 actuarial valuation.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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 rates of return, excluding the inflation component of 2.82%, for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2023 are summarized in the following table:

| Asset Class | Target Allocation | Range | Long-Term Expected Real Rate of Return |
|--------------------------|-------------------|---------|--|
| Domestic equity | 27% | +/- 6% | 6.17% |
| Global equity (non-U.S.) | 18% | +/- 4% | 6.55% |
| Aggregate bonds | 19% | +/- 10% | 1.63% |
| Multi-asset | 8% | +/- 4% | -% |
| Real assets | 14% | +/- 7% | 4.87% |
| Private equity | 14% | +/- 7% | 11.57% |
| Cash equivalents | -% | -% | 0.49% |

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Notes to Basic Financial Statements

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2023 was 7.25%. 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 fiduciary net position of each plan 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 for each plan.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the College's proportionate share of the net OPEB asset calculated using the discount rate of 7.25%, as well as what the College's proportionate share of the respective plan's net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | Proportional Share | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|-----------------------|------------------------|-------------------------------------|------------------------|
| College's proportionate share of the net OPEB asset: | | | | |
| ARHCT | 0.18185% | \$ 2,781,243 | \$ 4,184,248 | \$ 5,362,850 |
| RMP | 0.33891% | \$ 5,592 | \$ 160,928 | \$ 279,590 |
| ODD | 0.28296% | \$ 136,400 | \$ 145,169 | \$ 151,994 |

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates

The following presents the College's proportionate share of the net OPEB asset calculated using the healthcare cost trend rates as summarized in the 2022 actuarial valuation reports as well as what the College's proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

| | Proportional Share | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|---|-----------------------|--------------|---|--------------|
| College's proportionate share of the net OPEB asset (liability): | | | | |
| ARHCT | 0.18185% | \$ 5,497,665 | \$ 4,184,248 | \$ 2,620,327 |
| RMP | 0.33891% | \$ 295,515 | \$ 160,928 | \$ (19,853) |
| ODD | 0.28296% | \$ n/a | \$ n/a | \$ n/a |

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Notes to Basic Financial Statements

OPEB Plan Fiduciary Net Position

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

(d) Defined Contribution OPEB Plans

PERS DC Pension Plan participants (PERS Tier IV) also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan allows for medical care expense to be reimbursed from individual savings accounts established for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

Contribution Rate

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”. As of July 1, 2023, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,303 per year for each full-time employee, and \$1.48 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2024, the College contributed \$142,982 in DC OPEB costs. This amount has been recognized as expense/expenditures.

8. Compensated Absences

The College records compensated absences as expenditures when due and payable including an accrual at year end. The following schedule shows the changes in accrued leave for the year ended June 30, 2024.

| | Balance July 1, 2023 | Additions | Reductions | Balance June 30, 2024 | Due Within One Year |
|---------------|----------------------------|------------|------------|-----------------------------|------------------------|
| Accrued leave | \$ 528,895 | \$ 834,029 | \$ 829,242 | \$ 533,682 | \$ 533,682 |

9. Support from Primary Government

As discussed in Note 1, the College is a component unit of the North Slope Borough. The College received \$8,726,755 in appropriations from the Borough during the year ended June 30, 2024. Additionally, the College’s campus is leased from Ukpeagvik Inupiat Corporation (UIC) by the Borough under a long-term agreement. Annual lease expenses under this agreement are \$3,120,967. Lease expenses are adjusted annually. This amount has been recorded in these financial statements as an in-kind rent contribution and rent expense.

Of total revenues received by the College, approximately 55% was derived from the Borough.

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Notes to Basic Financial Statements

10. Risk Management

The College faces a considerable number of risks of loss, including: (a) damage 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. The College maintains property and general liability, errors and omissions, automobile and worker's compensation insurance to help mitigate the potential liabilities.

Medical Insurance Plan

The College participates in a self-insured health insurance plan. The College has retained a major portion of the risk for this plan, and, accordingly, is liable for any employee health claims that are approved for payment. Stop-loss insurance limits the College's liability for individual and aggregate claims. Stop-loss limits were \$35,000 for individual claims. Health and medical expense was \$2,640,563 for the year ended June 30, 2024 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 years ending June 30, 2024 and 2023 are as follows:

| | Balance at Beginning of Year | Claims Expense | Claims Paid | Balance at End of Year |
|------------------------------|---------------------------------|-------------------|----------------|---------------------------|
| 2023 Health Insurance | \$ 104,968 | \$ 1,729,628 | \$1,680,989 | \$ 153,607 |
| 2024 Health Insurance | \$ 153,607 | \$ 1,877,937 | \$1,779,044 | \$ 252,500 |

The health insurance liability is included under the caption accrued payroll and related liabilities in the financial statements.

11. Contingencies and Uncertainties

The Borough and federal grants constitute the major revenue source for the College without which the College would not be able to operate. The funding provided by the Borough is contingent on the Borough Assembly approval on an annual basis. Significant changes in these revenue sources could have a material effect on the operations of the College.

Amounts received or receivable from the 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 to the College.

The College, from time-to-time may be a participant in legal proceedings related to the conduct of its business. In the normal course of business, it also has various commitments and contingent liabilities, which are not reflected in the accompanying financial statements. In the opinion of management, the financial position of the College will not be materially affected by any other current legal proceedings, commitments or contingent liabilities.

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Notes to Basic Financial Statements

12. Ilisagvik College Foundation

In August 2004, the College formed Ilisagvik College Foundation (the Foundation). The purpose of the Foundation is to operate an endowment fund for the benefit of the College, and to solicit, receive, hold, invest and administer property for and on behalf of the College. Title III funds were matched dollar for dollar by the College for a total of \$542,050, which was transferred to the Foundation then invested in additional investments in 2024. During the grant period, the College cannot withdraw or spend any of the corpus money put into the endowment. The contributed amounts are presented as restricted net position. At the end the 20-year period, the College can use the endowment corpus for any educational purpose and the amounts are released from restriction.

Condensed Statement of Net Position

| <i>Year Ended June 30, 2024</i> | College | Foundation | Total |
|--|----------------------|----------------------|----------------------|
| Assets | | | |
| Current assets | \$ 23,233,932 | \$ 12,791,844 | \$ 36,025,776 |
| Net other postemployment benefit asset | 4,490,345 | - | 4,490,345 |
| Capital assets, net of accumulated depreciation | 2,639,526 | - | 2,639,526 |
| Total assets | 30,363,803 | 12,791,844 | 43,155,647 |
| Deferred outflows of resources | 1,478,169 | - | 1,478,169 |
| Total Assets and Deferred Outflows of Resources | \$ 31,841,972 | \$ 12,791,844 | \$ 44,633,816 |
| Liabilities | | | |
| Current liabilities | \$ 4,741,138 | \$ - | \$ 4,741,138 |
| Noncurrent liabilities | 9,458,163 | - | 9,458,163 |
| Total liabilities | 14,199,301 | - | 14,199,301 |
| Deferred inflows of resources | 271,664 | - | 271,664 |
| Net position: | | | |
| Investment in capital assets | 2,639,526 | - | 2,639,526 |
| Restricted for foundation | - | 5,752,334 | 5,752,334 |
| Unrestricted | 14,731,481 | 7,039,510 | 21,770,991 |
| Total Liabilities, Deferred Inflows of Resources and Net Position | \$ 31,841,972 | \$ 12,791,844 | \$ 44,633,816 |

Ilisagvik College
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Notes to Basic Financial Statements

Condensed Statement of Revenues, Expenses and Changes in Net Position

| <i>Year Ended June 30, 2024</i> | College | Foundation | Total |
|--|----------------------|----------------------|----------------------|
| Operating revenues | \$ 6,819,126 | \$ - | \$ 6,819,126 |
| Operating expenses: | | | |
| Depreciation | 608,380 | - | 608,380 |
| All other operating expenses | 19,120,522 | - | 19,120,522 |
| Total operating expenses | 19,728,902 | - | 19,728,902 |
| Total operating loss | (12,909,776) | - | (12,909,776) |
| Nonoperating revenues: | | | |
| Investment income, net of fees | 933,940 | 1,198,793 | 2,132,733 |
| All other nonoperating revenues | 12,908,042 | 11,478 | 12,919,520 |
| Total nonoperating revenues | 13,841,982 | 1,210,271 | 15,052,253 |
| Transfer in (out) | (542,050) | 542,050 | - |
| Change in net position | 390,156 | 1,752,321 | 2,142,477 |
| Net Position, beginning of year | 16,980,851 | 11,039,523 | 28,020,374 |
| Net Position, end of year | \$ 17,371,007 | \$ 12,791,844 | \$ 30,162,851 |

Condensed Statement of Cash Flows

| <i>Year Ended June 30, 2024</i> | College | Foundation | Total |
|---|---------------------|-------------------|---------------------|
| Net cash from (for): | | | |
| Operating activities | \$ (10,998,674) | \$ - | \$ (10,998,674) |
| Noncapital financing activities | 9,074,336 | 553,528 | 9,627,864 |
| Capital and related financing activities | (628,518) | - | (628,518) |
| Investing activities | 1,479,768 | (564,826) | 914,942 |
| Net change in cash and cash equivalents | (1,073,088) | (11,298) | (1,084,386) |
| Cash and Cash Equivalents, beginning of year | 2,289,681 | 120,469 | 2,410,150 |
| Cash and Cash Equivalents, end of year | \$ 1,216,593 | \$ 109,171 | \$ 1,325,764 |

Ilisagvik College
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Notes to Basic Financial Statements

13. Related-Party Transactions

At June 30, 2024, related parties of the College consisted of its trustees and the following:

- Arctic Slope Regional Corporation (ASRC) - One of the Board of Trustees seats at the College is reserved for ASRC representation.
- Inupiat Community of Arctic Slope (ICAS) - One of the Board of Trustees seats at the College is reserved for ICAS representation.
- Ukpeagvik Inupiat Corporation (UIC) - Owns the NARL Campus that the College occupies and gives support in the form of scholarships.
- North Slope Borough - Primary Government that provides the majority of the College's revenues (See Note 9).

14. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates. The following new accounting standards were implemented by the College for 2024 reporting:

GASB Statement No. 99 - Omnibus 2022 - Provisions of this Statement address requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, classification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63, which are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for year-end June 30, 2023. The effective date for the provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for year-end June 30, 2024. The College evaluated the standard and concluded that the standard would be insignificant in the financial statements.

GASB Statement No. 100 - Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62 - Effective for year-end June 30, 2024. Earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The College evaluated the standard and concluded that the standard would be insignificant in the financial statements.

The GASB has issued 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. The statements are as follows:

GASB Statement No. 101 - Compensated Absences - Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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Notes to Basic Financial Statements

GASB Statement No. 102 - Certain Risk Disclosures - Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

GASB Statement No. 103 - Financial Reporting Model Improvements - Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

GASB Statement No. 104 - Disclosure of Certain Capital Assets - Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures and also requires additional disclosures for capital assets held for sale.

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Required Supplementary Information

Ilisagvik College
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Public Employees' Retirement System - Pension Plan
Schedule of the College's Proportionate Share of the Net Pension Liability

| Years Ended June 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|---------------|---------------|--------------|--------------|---------------|--------------|--------------|
| College's Proportion of the Net Pension Liability | 0.18241% | 0.19527% | 0.22956% | 0.17452% | 0.21695% | 0.19852% | 0.17235% | 0.21470% | 0.16028% | 0.11820% |
| College's Proportionate Share of the Net Pension Liability | \$ 9,458,163 | \$ 9,952,379 | \$ 8,421,334 | \$ 10,298,476 | \$ 11,876,217 | \$ 9,864,572 | \$ 8,909,741 | \$ 12,000,990 | \$ 7,773,451 | \$ 5,513,536 |
| State of Alaska Proportionate Share of the Net Pension Liability | 3,153,087 | 2,751,147 | 1,141,078 | 4,258,262 | 4,717,885 | 2,854,982 | 12,226,994 | 13,509,713 | 9,853,657 | 10,771,880 |
| Total Net Pension Liability | 12,611,250 | 12,703,526 | 9,562,412 | 14,556,738 | 16,594,102 | 12,719,554 | 21,136,735 | 25,510,703 | 17,627,108 | 16,285,416 |
| College's Covered Payroll | 6,606,901 | 6,219,556 | 6,339,364 | 6,136,557 | 6,374,522 | 6,315,175 | 5,824,108 | 5,611,634 | 5,453,307 | 5,475,216 |
| College's Proportionate Share of the Net Pension Liability as a Percentage of Payroll | 143.16% | 160.02% | 132.84% | 167.82% | 186.31% | 156.20% | 152.98% | 213.86% | 142.55% | 100.70% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 68.23% | 67.97% | 76.46% | 61.61% | 63.42% | 65.19% | 63.37% | 59.55% | 63.96% | 63.37% |

Schedule of College Contributions

| Years Ended June 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| Contractually Required Contributions | \$ 871,190 | \$ 941,855 | \$ 814,804 | \$ 810,894 | \$ 660,839 | \$ 717,640 | \$ 744,175 | \$ 586,407 | \$ 487,530 | \$ 45,300 |
| Contributions Relative to the Contractually Required Contribution | 871,190 | 941,855 | 814,804 | 810,894 | 660,839 | 717,640 | 744,175 | 586,407 | 487,530 | 45,300 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| College's Covered Payroll | 6,334,718 | 6,606,901 | 6,219,556 | 6,339,364 | 6,136,557 | 6,374,522 | 6,315,175 | 5,824,108 | 5,611,634 | 5,433,307 |
| Contributions as a Percentage of Covered Payroll | 13.75% | 14.26% | 13.10% | 12.79% | 10.77% | 11.26% | 11.78% | 10.07% | 8.69% | 8.34% |

See accompanying notes to Required Supplementary Information.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)
Public Employees' Retirement System - ARHCT OPEB Plan
Schedule of the College's Proportionate Share of the Net OPEB Liability (Asset)

| Years Ended June 30, | ARCHT | | | | | | |
|--|----------------|----------------|----------------|----------------|------------|--------------|--------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| College's Proportion of the Net OPEB Liability (Asset) | 0.18185% | 0.19379% | 0.23055% | 0.17449% | 0.21699% | 0.19861% | 0.00173% |
| College's Proportionate Share of the Net OPEB Liability (Asset) | \$ (4,184,248) | \$ (3,813,006) | \$ (5,914,412) | \$ (790,174) | \$ 321,964 | \$ 2,038,305 | \$ 1,457,044 |
| State of Alaska Proportionate Share of the Net OPEB Liability (Asset) | (1,409,222) | (1,091,865) | (772,483) | (327,410) | 128,030 | 590,323 | - |
| Total Net OPEB Liability (Asset) | \$ (5,593,470) | \$ (4,904,871) | \$ (6,686,895) | \$ (1,117,584) | \$ 449,994 | \$ 2,628,628 | \$ 1,457,044 |
| College's Covered Payroll | 1,382,812 | 1,605,286 | 1,782,599 | 1,576,877 | 1,638,026 | 1,622,776 | 5,824,108 |
| College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll | -302.59% | -237.53% | -331.79% | -50.11% | 19.66% | 125.61% | 25.02% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset) | 133.96% | 128.51% | 135.54% | 106.15% | 98.13% | 88.12% | 89.91% |

Schedule of College Contributions

| Years Ended June 30, | ARCHT | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Contractually Required Contributions | \$ - | \$ - | \$ 81,251 | \$ 117,594 | \$ 262,968 | \$ 259,063 | \$ 209,465 |
| Contributions Relative to the Contractually Required Contribution | \$ - | \$ - | \$ 81,251 | \$ 117,594 | \$ 262,968 | \$ 259,063 | \$ 209,465 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| College's Covered Payroll | \$ 6,334,718 | \$ 1,382,812 | \$ 1,605,286 | \$ 1,782,599 | \$ 1,576,877 | \$ 1,638,026 | \$ 1,622,776 |
| Contributions as a Percentage of Covered Payroll | 0.00% | 0.00% | 5.06% | 6.60% | 16.68% | 15.82% | 12.91% |

See accompanying notes to Required Supplementary Information.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Public Employees' Retirement System - RMP OPEB Plan
Schedule of the College's Proportionate Share of the Net OPEB Liability (Asset)

| | RMP | | | | | | |
|--|---------------------|---------------------|--------------------|------------------|------------------|------------------|------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| College's Proportion of the Net OPEB Liability (Asset) | 0.33891% | 0.30048% | 0.31130% | 0.32282% | 0.37166% | 0.40513% | 0.00397% |
| College's Proportionate Share of the Net OPEB Liability (Asset) | \$ (160,928) | \$ (104,358) | \$ (83,559) | \$ 22,898 | \$ 88,916 | \$ 51,553 | \$ 20,689 |
| State of Alaska Proportionate Share of the Net OPEB Liability (Asset) | - | - | - | - | - | - | - |
| Total Net OPEB Liability (Asset) | \$ (160,928) | \$ (104,358) | \$ (83,559) | \$ 22,898 | \$ 88,916 | \$ 51,553 | \$ 20,689 |
| College's Covered Payroll | 5,224,089 | 4,614,270 | 5,154,542 | 4,559,680 | 4,736,496 | 4,692,399 | 5,824,108 |
| College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll | -3.08% | -2.26% | -1.62% | 0.50% | 1.88% | 1.10% | 0.36% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset) | 124.29% | 120.08% | 115.10% | 95.23% | 83.17% | 88.71% | 93.98% |

Schedule of College Contributions

| | RMP | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Contractually Required Contributions | \$ 55,730 | \$ 63,556 | \$ 50,841 | \$ 57,775 | \$ 59,114 | \$ 43,615 | \$ 7,336 |
| Contributions Relative to the Contractually Required Contribution | \$ 55,730 | \$ 63,556 | \$ 50,841 | \$ 57,775 | \$ 59,114 | \$ 43,615 | \$ 7,336 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| College's Covered Payroll | \$ 5,523,849 | \$ 5,224,089 | \$ 4,614,270 | \$ 5,154,542 | \$ 4,559,680 | \$ 4,736,496 | \$ 4,692,399 |
| Contributions as a Percentage of Covered Payroll | 1.01% | 1.22% | 1.10% | 1.12% | 1.30% | 0.92% | 0.16% |

See accompanying notes to Required Supplementary Information.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)
Public Employees' Retirement System - ODD OPEB Plan
Schedule of the College's Proportionate Share of the Net OPEB Liability (Asset)

| | ODD | | | | | | |
|--|--------------|--------------|--------------|-------------|-------------|-------------|-------------|
| Years Ended June 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| College's Proportion of the Net OPEB Liability (Asset) | 0.28296% | 0.25532% | 0.26440% | 0.25865% | 0.29546% | 0.40513% | 0.00397% |
| College's Proportionate Share of the Net OPEB Liability (Asset) | \$ (145,169) | \$ (111,926) | \$ (116,529) | \$ (70,507) | \$ (71,635) | \$ (78,685) | \$ (56,291) |
| State of Alaska Proportionate Share of the Net OPEB Liability (Asset) | - | - | - | - | - | - | - |
| Total Net OPEB Liability (Asset) | \$ (145,169) | \$ (111,926) | \$ (116,529) | \$ (70,507) | \$ (71,635) | \$ (78,685) | \$ (56,291) |
| College's Covered Payroll | 5,224,089 | 4,614,270 | 5,154,542 | 4,559,680 | 4,736,496 | 4,692,399 | 5,824,108 |
| College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll | -2.78% | -2.43% | -2.26% | -1.55% | -1.51% | -1.68% | -0.97% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset) | 349.24% | 348.80% | 374.22% | 283.80% | 297.43% | 270.62% | 212.97% |

Schedule of College Contributions

| | ODD | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Years Ended June 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Contractually Required Contributions | \$ 16,553 | \$ 17,334 | \$ 14,730 | \$ 14,103 | \$ 11,765 | \$ 12,064 | \$ 47,229 |
| Contributions Relative to the Contractually Required Contribution | \$ 16,553 | \$ 17,334 | \$ 14,730 | \$ 14,103 | \$ 11,765 | \$ 12,064 | \$ 47,229 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| College's Covered Payroll | \$ 5,523,849 | \$ 5,224,089 | \$ 4,614,270 | \$ 5,154,542 | \$ 4,559,680 | \$ 4,736,496 | \$ 4,692,399 |
| Contributions as a Percentage of Covered Payroll | 0.30% | 0.33% | 0.32% | 0.27% | 0.26% | 0.25% | 1.01% |

See accompanying notes to Required Supplementary Information.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Notes to Required Supplementary Information
Year Ended June 30, 2024

1. Public Employees' Retirement System Pension Plan

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

This table is presented based on the Plan measurement date. For June 30, 2024, the Plan measurement date is June 30, 2023.

Changes in Assumptions:

The total pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023 and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2023 based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2023.

In 2023, the discount used to measure total OPEB liability for each plan as of June 30, 2023 was 7.25% and remained the same for 2024.

Amounts reported reflect a change in assumptions between 2017 and 2018 in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

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

Schedule of the College's Contributions

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

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Notes to Required Supplementary Information, continued

2. Public Employees' Retirement System OPEB Plans

Schedule of the College's Proportionate Share of the Net OPEB Asset and Liability

This table is presented based on the Plan measurement date. For June 30, 2024, the Plan measurement date is June 30, 2023.

Changes in Assumptions:

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2022, rolled forward to the measurement date of June 30, 2023 and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2023 based on the results of an actuarial experience study for the period from July 1, 2018 to June 30, 2022. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

In 2023, the discount used to measure total OPEB liability for each plan as of June 30, 2023 was 7.25% and remained the same for 2024.

In 2019, an Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in largest projected subsidies to offset the cost of prescription drug coverage.

GASB requires ten years of information be presented. However, until a full 10 years of information is available, the College will present only those years for which information is available.

Schedule of the College's Contributions

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

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

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Additional Supplementary Information

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Combining Statement of Net Position

| <i>June 30, 2024</i> | Ilisagvik College | Ilisagvik College Foundation | Total |
|--|----------------------|------------------------------------|----------------------|
| Assets and Deferred Outflows of Resources | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 1,216,593 | \$ 109,171 | \$ 1,325,764 |
| Investments | 19,021,296 | 12,682,673 | 31,703,969 |
| Accounts receivable, net | 813,895 | - | 813,895 |
| Grants and contracts receivable | 1,390,638 | - | 1,390,638 |
| Prepaid items | 571,686 | - | 571,686 |
| Inventories | 219,824 | - | 219,824 |
| Total Current Assets | 23,233,932 | 12,791,844 | 36,025,776 |
| Noncurrent Assets | | | |
| Capital assets, net of accumulated depreciation | 2,639,526 | - | 2,639,526 |
| Net other postemployment benefits assets | 4,490,345 | - | 4,490,345 |
| Total Noncurrent Assets | 7,129,871 | - | 7,129,871 |
| Total Assets | 30,363,803 | 12,791,844 | 43,155,647 |
| Deferred Outflows of Resources | | | |
| Pension related | 1,118,064 | - | 1,118,064 |
| Other postemployment benefits related | 360,105 | - | 360,105 |
| Total Deferred Outflows of Resources | 1,478,169 | - | 1,478,169 |
| Total Assets and Deferred Outflows of Resources | \$ 31,841,972 | \$ 12,791,844 | \$ 44,633,816 |
| Liabilities, Deferred Inflows of Resources, and Net Position | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 427,663 | \$ - | \$ 427,663 |
| Unearned revenue | 3,448,344 | - | 3,448,344 |
| Accrued payroll and related liabilities | 865,131 | - | 865,131 |
| Total Current Liabilities | 4,741,138 | - | 4,741,138 |
| Noncurrent Liabilities - Net Pension Liability | 9,458,163 | - | 9,458,163 |
| Total Liabilities | 14,199,301 | - | 14,199,301 |
| Deferred Inflows of Resources | | | |
| Other postemployment benefits related | 271,664 | - | 271,664 |
| Net Position | | | |
| Investment in capital assets | 2,639,526 | - | 2,639,526 |
| Restricted for foundation | - | 5,752,334 | 5,752,334 |
| Restricted for other postemployment benefits | 4,578,786 | - | 4,578,786 |
| Unrestricted | 10,152,695 | 7,039,510 | 17,192,205 |
| Total Net Position | 17,371,007 | 12,791,844 | 30,162,851 |
| Total Liabilities, Deferred Inflows of Resources and Net Position | \$ 31,841,972 | \$ 12,791,844 | \$ 44,633,816 |

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Combining Statement of Revenues, Expenses, and Changes in Net Position

| <i>Year Ended June 30, 2024</i> | Ilisagvik College | Ilisagvik College Foundation | Total |
|--|----------------------|------------------------------------|----------------------|
| Operating Revenues | | | |
| Tuition and fees, net of scholarships | \$ 688,378 | \$ - | \$ 688,378 |
| Auxiliary enterprises | 770,703 | - | 770,703 |
| Intergovernmental grants | 5,196,757 | - | 5,196,757 |
| Contracts | 49,686 | - | 49,686 |
| Other operating revenues | 113,602 | - | 113,602 |
| Total Operating Revenues | 6,819,126 | - | 6,819,126 |
| Operating Expenses | | | |
| Instruction | 3,537,373 | - | 3,537,373 |
| Institution | 4,467,401 | - | 4,467,401 |
| Auxiliary enterprises | 865,436 | - | 865,436 |
| Academic support | 2,892,601 | - | 2,892,601 |
| Operations and maintenance | 4,863,816 | - | 4,863,816 |
| Student services | 2,493,895 | - | 2,493,895 |
| Depreciation | 608,380 | - | 608,380 |
| Total Operating Expenses | 19,728,902 | - | 19,728,902 |
| Operating loss | (12,909,776) | - | (12,909,776) |
| Nonoperating Revenues | | | |
| Contribution from North Slope Borough | 8,726,755 | - | 8,726,755 |
| In-kind rent contribution | 3,120,967 | - | 3,120,967 |
| Private grants and gifts | 889,631 | 11,478 | 901,109 |
| PERS on-behalf - State of Alaska | 170,689 | - | 170,689 |
| Investment income | 933,940 | 1,198,793 | 2,132,733 |
| Total Nonoperating Revenues | 13,841,982 | 1,210,271 | 15,052,253 |
| Income before transfers | 932,206 | 1,210,271 | 2,142,477 |
| Transfers in (out) | (542,050) | 542,050 | - |
| Change in net position | 390,156 | 1,752,321 | 2,142,477 |
| Net Position, beginning of year | 16,980,851 | 11,039,523 | 28,020,374 |
| Net Position, end of year | \$ 17,371,007 | \$ 12,791,844 | \$ 30,162,851 |

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Combining Statement of Cash Flows

| <i>Year Ended June 30, 2024</i> | Ilisagvik College | Ilisagvik College Foundation | Total |
|--|------------------------|------------------------------------|------------------------|
| Cash Flows for Operating Activities | | | |
| Provided from tuition and fees | \$ 688,378 | \$ - | \$ 688,378 |
| Provided from grants and contracts | 4,619,062 | - | 4,619,062 |
| Provided from sales and services | 709,441 | - | 709,441 |
| Paid to suppliers | (5,440,141) | - | (5,440,141) |
| Paid to employees for payroll and benefits | (11,575,414) | - | (11,575,414) |
| Net cash flows for operating activities | (10,998,674) | - | (10,998,674) |
| Cash Flows from Noncapital Financing Activities | | | |
| Transfers in (out) | (542,050) | 542,050 | - |
| Received from North Slope Borough | 8,726,755 | - | 8,726,755 |
| Received from private grants and gifts | 889,631 | 11,478 | 901,109 |
| Net cash flows from noncapital financing activities | 9,074,336 | 553,528 | 9,627,864 |
| Cash Flows for Capital and Related Financing Activities | | | |
| Purchase of property and equipment | (644,854) | - | (644,854) |
| Sale of property and equipment | 16,336 | - | 16,336 |
| Net cash flows for Capital and Related financing activities | (628,518) | - | (628,518) |
| Cash Flows from (for) Investing Activities | | | |
| Interest and dividends, net of investment fees | 572,149 | 273,522 | 845,671 |
| Purchase of investments | (27,196,804) | (4,315,970) | (31,512,774) |
| Proceeds from sale of investments | 28,104,423 | 3,477,622 | 31,582,045 |
| Net cash flows from (for) investing activities | 1,479,768 | (564,826) | 914,942 |
| Net decrease in cash and cash equivalents | (1,073,088) | (11,298) | (1,084,386) |
| Cash and Cash Equivalents, beginning of year | 2,289,681 | 120,469 | 2,410,150 |
| Cash and Cash Equivalents, end of year | \$ 1,216,593 | \$ 109,171 | \$ 1,325,764 |
| Reconciliation of operating loss to net cash for operating activities: | | | |
| Operating loss | \$ (12,909,776) | \$ - | \$ (12,909,776) |
| Adjustments to reconcile operating loss to net cash for operating activities: | | | |
| In-kind rent expense | 3,120,967 | - | 3,120,967 |
| Depreciation | 608,380 | - | 608,380 |
| Noncash expense - PERS contribution - State of Alaska | 170,689 | - | 170,689 |
| Loss on disposal of capital assets | 21,364 | - | 21,364 |
| Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources that provided (used) cash: | | | |
| Accounts receivable | (196,228) | - | (196,228) |
| Grants and contracts receivable | (205,518) | - | (205,518) |
| Prepaid items | (307,807) | - | (307,807) |
| Inventories | (38,118) | - | (38,118) |
| Net other postemployment benefit asset | (461,055) | - | (461,055) |
| Deferred outflows of resources related to pensions | 108,333 | - | 108,333 |
| Deferred outflows of resources related to other postemployment benefits | 89,523 | - | 89,523 |
| Accounts payable | (82,646) | - | (82,646) |
| Unearned revenue | (421,863) | - | (421,863) |
| Accrued payroll and related liabilities | 106,451 | - | 106,451 |
| Net pension liability | (494,215) | - | (494,215) |
| Deferred inflows of resources related to other postemployment benefits | (107,155) | - | (107,155) |
| Net Cash Flows for Operating Activities | \$ (10,998,674) | \$ - | \$ (10,998,674) |

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Schedule of Functional Expenses

| <i>Year Ended June 30, 2024</i> | Salaries and Benefits | Services | Supplies | Facilities | Travel | Other | Totals |
|---------------------------------|-----------------------------|---------------------|---------------------|---------------------|-------------------|-------------------|----------------------|
| Instruction | \$ 2,825,889 | \$ 286,191 | \$ 166,860 | \$ 30,857 | \$ 223,567 | \$ 4,009 | \$ 3,537,373 |
| Institution | 3,216,521 | 271,483 | 236,070 | 13,995 | 207,470 | 521,862 | 4,467,401 |
| Auxiliary enterprises | 131,259 | 617,576 | 113,488 | - | - | 3,113 | 865,436 |
| Academic support | 1,875,917 | 168,160 | 785,546 | 194 | 2,975 | 59,809 | 2,892,601 |
| Operations and maintenance | 893,699 | 70,840 | 43,571 | 3,854,795 | 887 | 24 | 4,863,816 |
| Student services | 2,044,700 | 26,433 | 106,651 | 25,198 | 279,467 | 11,446 | 2,493,895 |
| Depreciation | - | - | - | 608,380 | - | - | 608,380 |
| Totals | \$ 10,987,985 | \$ 1,440,683 | \$ 1,452,186 | \$ 4,533,419 | \$ 714,366 | \$ 600,263 | \$ 19,728,902 |

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2024

| Federal Grantor / Pass-Through Grantor / Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Provided to Subre- cipients | Total Federal Expendi- tures |
|--|--|---|-----------------------------------|---------------------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | | |
| Direct: | | | | |
| Tribal Colleges Education Equity Grants | 10.221 | | \$ - | \$ 207,059 |
| Tribal Colleges Endowment Program | 10.222 | | - | 66,827 |
| Alaska Native Serving and Native Hawaiian Serving Institutions Education Grants | 10.228 | | - | 96,994 |
| Cooperative Extension Service | 10.500 | | - | 136,083 |
| Tribal Colleges Extension Program | 10.517 | | - | 249,139 |
| New Beginning for Tribal Students | 10.527 | | - | 55,576 |
| Community Facilities Loans and Grants | 10.766 | | - | 218,984 |
| Total U.S. Department of Agriculture | | | - | 1,030,662 |
| INSTITUTE OF MUSEUM AND LIBRARY SERVICES | | | | |
| Passed through Arctic Slope Regional Corporation: | | | | |
| Native American and Native Hawaiian Library Services | 45.311 | NAB-2505327-OLS-23 | - | 70,775 |
| U.S. DEPARTMENT OF EDUCATION | | | | |
| Direct: | | | | |
| Student Financial Assistance Cluster: | | | | |
| Federal Supplemental Educational Opportunity Grants | 84.007 | | - | 20,000 |
| Federal Pell Grant Program | 84.063 | | - | 107,099 |
| Total Student Financial Assistance Cluster | | | - | 127,099 |
| Higher Education Institutional Aid | 84.031 | | - | 1,283,776 |
| Passed through U.S. Department of the Interior: | | | | |
| COVID-19 Bureau of Indian Affairs Education Stabilization Fund | 84.425E | A19AP00132-05 | - | 179,040 |
| Passed through Alaska Department of Education and Early Development: | | | | |
| Career and Technical Education - Basic Grants to States | 84.048 | EL 23.124.01 | - | 57,578 |
| Portion Passed through Arctic Slope Native Association: | | | | |
| Alaska Native Education Programs | 84.356 | S356A180018 | - | 510 |
| Total U.S. Department of Education | | | - | 1,648,003 |

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)
Schedule of Expenditures of Federal Awards, continued
for the Year Ended June 30, 2024

| Federal Grantor / Pass-Through Grantor / Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Provided to Subre- cipients | Total Federal Expendi- tures |
|--|--|---|-----------------------------------|---------------------------------------|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| Native American Programs | 93.612 | | \$ - | \$ 100,190 |
| CCDF Cluster: | | | | |
| Child Care and Development Block Grant: | | | | |
| ASNA's Childcare and Development Block | 93.575 | | - | 3,340 |
| Total U.S. Department of Health and Human Services | | | - | 103,530 |
| U.S. DEPARTMENT OF THE INTERIOR | | | | |
| Assistance to Tribally Controlled Community Colleges and Universities | 15.027 | | - | 1,276,536 |
| Youth Engagement, Education, and Employment | 15.676 | | - | 39,874 |
| Total U.S. Department of Interior | | | - | 1,316,410 |
| U.S. NATIONAL SCIENCE FOUNDATION | | | | |
| STEM Education | 47.076 | | - | 92,952 |
| Total Expenditures of Federal Awards | | | \$ - | \$ 4,262,332 |

The accompanying notes are an integral part of this schedule.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Notes to Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes federal award activity of the Ilisagvik College under programs of the federal government for the year ended June 30, 2024. 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 the Ilisagvik College, it is not intended to and does not present the financial position, changes in financial position or cash flows of the Ilisagvik College.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The College has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Schedule of State Financial Assistance
for the Year Ended June 30, 2024

| State Agency/Program Title | Award Number | Passed through to Subrecipients | State Expenditures |
|--|-----------------|---------------------------------------|-----------------------|
| Department of Education and Early Development | | | |
| Public Library Assistance | PLA24-Utqia | \$ - | \$ 56,000 |
| Alaska State Library | N/A | - | 7,813 |
| Total Department of Education and Early Development | | - | 63,813 |
| Department of Labor and Workforce Development | | | |
| * Technical Vocational Education Program | TVEP-FY2024 | - | 737,100 |
| Alaska Workforce Infusion Grant | AWIG-2024 | - | 133,590 |
| Total Department of Labor and Workforce Development | | - | 870,690 |
| Total State Financial Assistance | | \$ - | \$ 934,503 |

* Denotes a state major program

The accompanying notes are an integral part of this schedule.

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Notes to Schedule of State Financial Assistance
for the Year Ended June 30, 2024

1. Basis of Presentation

The accompanying Schedule of State Financial Assistance includes the state award activity of the Ilisagvik College under programs of the State of Alaska for the year ended June 30, 2024. 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 the Ilisagvik College, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Ilisagvik College.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

Single Audit Reports



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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*

Board of Trustees
Ilisagvik College
Utqiagvik, 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 Ilisagvik College (“the College”), which comprise the College’s statement of net position as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 30, 2024.

Report on Internal Control Over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of This Report

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

BDO USA, P.C.

Anchorage, Alaska
October 30, 2024



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Anchorage, AK 99503

Independent Auditor’s Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Trustees
Ilisagvik College
Utqiagvik, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ilisagvik College’s (“the College”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Ilisagvik College’s major federal programs for the year ended June 30, 2024. The College’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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



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

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

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

BDO USA, P.C.

Anchorage, Alaska
October 30, 2024



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor’s Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits

Board of Trustees
Ilisagvik College
Utqiagvik, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Ilisagvik College’s (“the College”) compliance with the types of compliance requirements identified as subject to audit in State of Alaska Guide and Compliance Supplements that could have a direct and material effect on each of the College’s major state programs for the year ended June 30, 2024. The College’s major state programs are identified on the Schedule of State Financial Assistance.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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



Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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



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

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

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

BDO USA, P.C.

Anchorage, Alaska
October 30, 2024

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

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>Assistance Listing Number</i> | <i>Name of Federal Program or Cluster</i> |
|----------------------------------|---|
| 15.027 | Assistance to Tribally Controlled Community Colleges and Universities |
| 10.766 | Community Facilities Loans and Grants |

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? yes X (none reported)

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

Dollar threshold used to distinguish a state major program: \$750,000

Auditee qualified as low-risk auditee? X yes no

Ilisagvik College
(A Component Unit of the North Slope Borough, Alaska)

Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2024

**Section II - Financial Statement Findings Required to be Reported in Accordance with
*Governmental 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

There were no findings and questioned costs for State awards (as defined in the State of Alaska Audit Guide and Compliance Supplement for State Single Audit(s) that are required to be reported.

MEMORANDUM



TO: Ilisaġvik College Board of Trustees
THRU: Justina Wilhelm, President
FROM: Ann Marie Clark, Chief Financial Officer
DATE: November 25, 2024
SUBJECT: FY24 Q1 Unaudited Financial Statements

ILISAġVIK STRATEGIC PLAN PRIORITIES/OUTCOMES: *Priority 5 Ensure the future of Ilisaġvik College Outcome 3: Maintain an active, ongoing partnership with the North Slope Borough Mayor's Office, the North Slope Borough Assembly, and North Slope tribal funders to ensure a sustainable level of borough funding.*

Following you will find the Unaudited Financial Statements for the first quarter of Fiscal Year 2025. These statements will change slightly as we progress through the year.

Please let me know if you would like to see any changes to this format or any additional information or graphs.



FINANCIAL REPORTING DISCUSSION & ANALYSIS
For the Three Months Ending September 30, 2024
November 25, 2024 Board of Trustee Meeting

Discussion of Statements for the Three Months Ending September 30, 2024

Revenues for the three months ending September 30, 2024 were \$5,352,806 and expenses were \$5,726,368 resulting in a shortage of \$373,562 for the first three months of the fiscal year.

The current cash and cash equivalent position of \$5,983,026 has increased \$4,766,433 from the audited financial statements at June 30, 2024. This increase is due to a transfer, grant and Borough funding for the end of FY24 and first quarter of FY25. Other current asset accounts including accounts receivable, grants receivable, prepaid items and inventories increased by a combined \$43,040 from the audited statements at year-end. Total investments decreased \$2,000,000 which was transferred to Ilisaġvik's General Operating account.

Current liability accounts have increased \$2,936,433 due to the increase in Unearned Revenue. Unearned revenue at \$6,170,597 increased \$2,722,253 during the first three months of the fiscal year. These funds are realized as revenue when earned and as the grants' objectives are completed and will fluctuate throughout the year. Total net position of \$16,997,443 has decreased \$373,564 from the loss in normal business activities.

Revenues of \$5,352,806 consists of cash as well as in-kind rent contributions from the North Slope Borough in addition to self-generated revenue from grants, tuition and fees, private contributions and gifts, auxiliary services and the change in the market value of investments. We will continue to monitor the reporting and billing activity throughout the year and would anticipate that future periods will be in line with total annual projected revenues.

Total expenses of \$5,726,368 are overall equivalent to the budgeted amounts. As with revenues, we will continue to closely monitor expenses and would anticipate that future periods will be in line with total annual projected expenses.

Overall, the Statement of Net Position appears healthy at this point.

Ilisagvik College
Statement of Net Position
September 30, 2024, June 30, 2024, and June 30, 2023

| | <u>Unaudited September 30, 2024</u> | <u>Audited June 30, 2024</u> | <u>Audited June 30, 2023</u> |
|---|---|----------------------------------|----------------------------------|
| Assets and Deferred Outflows | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 5,983,026 | \$ 1,216,593 | \$ 2,289,681 |
| Accounts Receivable, Net | 866,087 | 813,895 | 617,667 |
| Grants Receivable | 1,380,119 | 1,390,638 | 1,185,120 |
| Prepaid Items | 486,973 | 571,686 | 263,879 |
| Investments | 17,021,296 | 19,021,296 | 19,567,125 |
| Inventories | 219,824 | 219,824 | 181,706 |
| Total Current Assets | <u>25,957,325</u> | <u>23,233,932</u> | <u>24,105,178</u> |
| Non-Current Assets: | | | |
| Capital Assets, Net of Accumulated Depreciation | 2,479,002 | 2,639,526 | 2,640,752 |
| Net other postemployment benefit related | 4,490,345 | 4,490,345 | 4,029,290 |
| Total Non-Current Assets | <u>6,969,347</u> | <u>7,129,871</u> | <u>6,670,042</u> |
| Total Assets | <u>32,926,672</u> | <u>30,363,803</u> | <u>30,775,220</u> |
| Deferred Outflows of Resources: | | | |
| Pension Related | 1,118,064 | 1,118,064 | 1,226,397 |
| Other Postemployment Benefit Related | 360,105 | 360,105 | 449,628 |
| Total Deferred Outflows of Resources | <u>1,478,169</u> | <u>1,478,169</u> | <u>1,676,025</u> |
| Total Assets and Deferred Outflows | <u><u>\$ 34,404,841</u></u> | <u><u>\$ 31,841,972</u></u> | <u><u>\$ 32,451,245</u></u> |

Ilisagvik College
Statement of Net Position
September 30, 2024, June 30, 2024, and June 30, 2023

| | <u>Unaudited September 30, 2024</u> | <u>Audited June 30, 2024</u> | <u>Audited June 30, 2023</u> |
|---|---|----------------------------------|----------------------------------|
| Liabilities, Deferred Inflows and Net Position | | | |
| Current Liabilities: | | | |
| Accounts Payable | \$ 285,842 | \$ 427,663 | \$ 510,309 |
| Unearned Revenue | 6,170,597 | 3,448,344 | 3,870,207 |
| Accrued Payroll and Related | 1,221,132 | 865,131 | 758,680 |
| Total Current Liabilities | <u>7,677,571</u> | <u>4,741,138</u> | <u>5,139,196</u> |
| Noncurrent Liabilities: | | | |
| Net Pension Liability | 9,458,163 | 9,458,163 | 9,952,379 |
| Net Other Postemployment Benefit Liability | - | - | - |
| Total Noncurrent Liabilities | <u>9,458,163</u> | <u>9,458,163</u> | <u>9,952,379</u> |
| Total Liabilities | <u>17,135,734</u> | <u>14,199,301</u> | <u>15,091,575</u> |
| Deferred Inflow of Resources: | | | |
| Pension Related | - | - | - |
| Other Postemployment Benefit Related | 271,664 | 271,664 | 378,819 |
| Total Deferred Inflow of Resources | <u>271,664</u> | <u>271,664</u> | <u>378,819</u> |

Ilisagvik College
Statement of Net Position
September 30, 2024, June 30, 2024, and June 30, 2023

| | <u>September 30, 2024</u> | <u>June 30, 2024</u> | <u>June 30, 2023</u> |
|---|-----------------------------|-----------------------------|-----------------------------|
| Net Position: | | | |
| Investment in Capital Assets | 2,479,002 | 2,639,526 | 2,640,752 |
| Restricted for Other Postemployment Benefits | 4,578,786 | 4,578,786 | |
| Dedicated for NICC | 3,000,000 | 3,000,000 | 3,000,000 |
| Unrestricted | 6,939,655 | 7,152,695 | 11,340,099 |
| Total Net Position | <u>16,997,443</u> | <u>17,371,007</u> | <u>16,980,851</u> |
| Total Liabilities, Deferred Inflows and Net Position | <u>\$ 34,404,841</u> | <u>\$ 31,841,972</u> | <u>\$ 32,451,245</u> |

**Ilisagvik College
Statement of Net Position
September 30, 2023**

**Unaudited
September 30, 2024**

Assets and Deferred Outflows

Current Assets:

| | |
|---------------------------|--------------|
| Cash and Cash Equivalents | \$ 5,983,026 |
| Accounts Receivable, Net | 866,087 |
| Grants Receivable | 1,380,119 |
| Prepaid Items | 486,973 |
| Investments | 17,021,296 |
| Inventories | 219,824 |

Total Current Assets

25,957,325

Non-Current Assets:

| | |
|---|-----------|
| Capital Assets, Net of Accumulated Depreciation | 2,479,002 |
| Net other postemployment benefit related | 4,490,345 |

Total Non-Current Assets

6,969,347

Total Assets

32,926,672

Deferred Outflows of Resources:

| | |
|--------------------------------------|-----------|
| Pension Related | 1,118,064 |
| Other Postemployment Benefit Related | 360,105 |

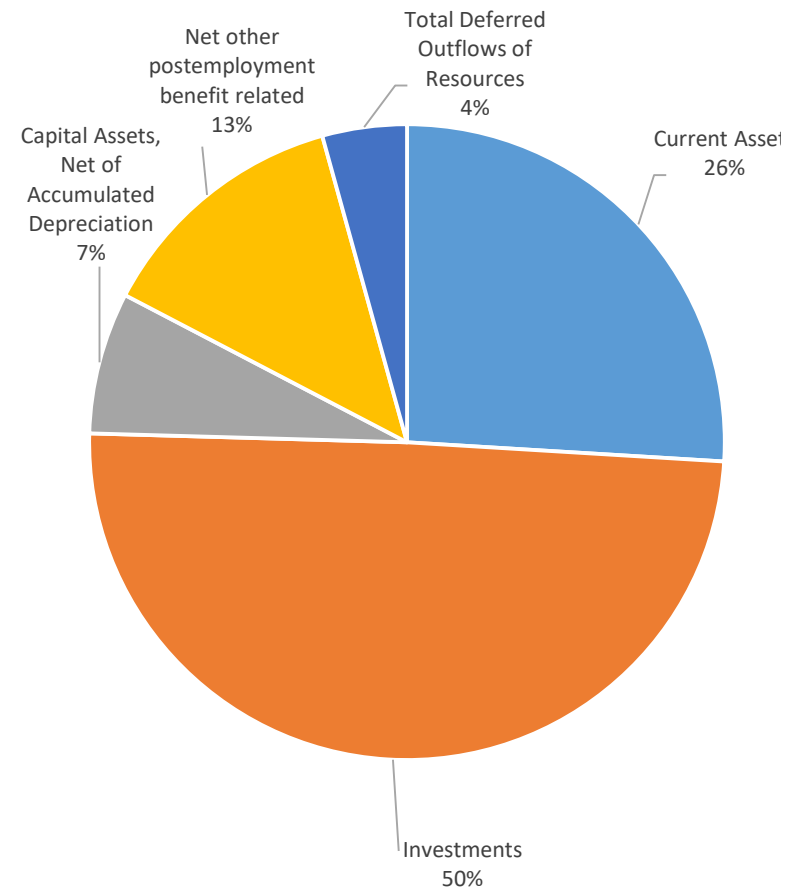
Total Deferred Outflows of Resources

1,478,169

Total Assets and Deferred Outflows

\$ 34,404,841

Assets and Deferred Outflows



**Ilisagvik College
Statement of Net Position
September 30, 2024**

**Unaudited
September 30, 2024**

Liabilities, Deferred Inflows and Net Position

Current Liabilities:

| | | |
|-----------------------------|----|-----------|
| Accounts Payable | \$ | 285,842 |
| Unearned Revenue | | 6,170,597 |
| Accrued Payroll and Related | | 1,221,132 |

Total Current Liabilities

7,677,571

Noncurrent Liabilities:

| | | |
|--|--|-----------|
| Net Pension Liability | | 9,458,163 |
| Net Other Postemployment Benefit Liability | | - |

Total Noncurrent Liabilities

9,458,163

Total Liabilities

17,135,734

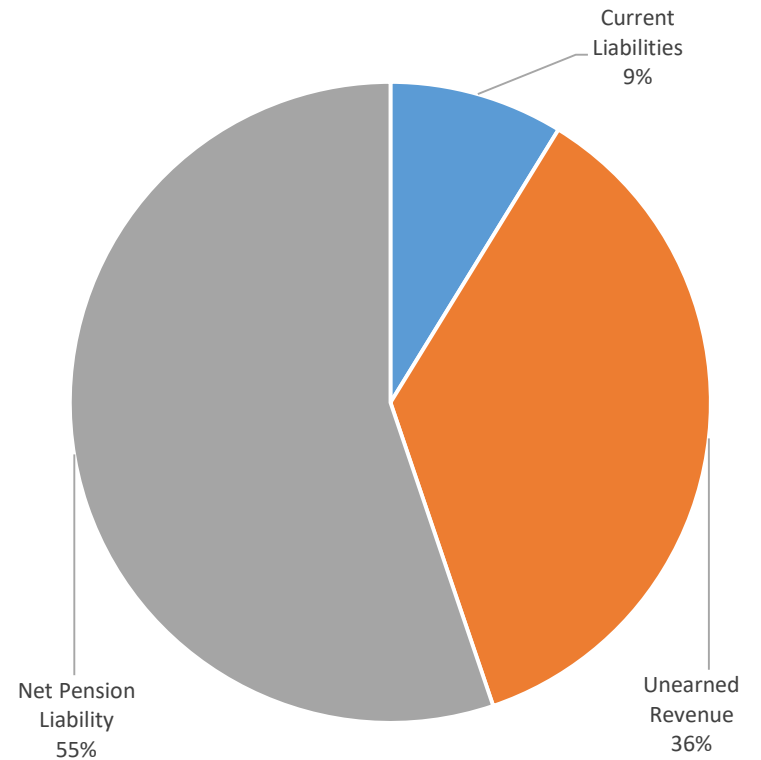
Deferred Inflow of Resources:

| | | |
|--------------------------------------|--|---------|
| Pension Related | | - |
| Other Postemployment Benefit Related | | 271,664 |

Total Deferred Inflow of Resources

271,664

Liabilities, Deferred Inflows and Net Position



**Ilisagvik College
Statement of Net Position
September 30, 2023**

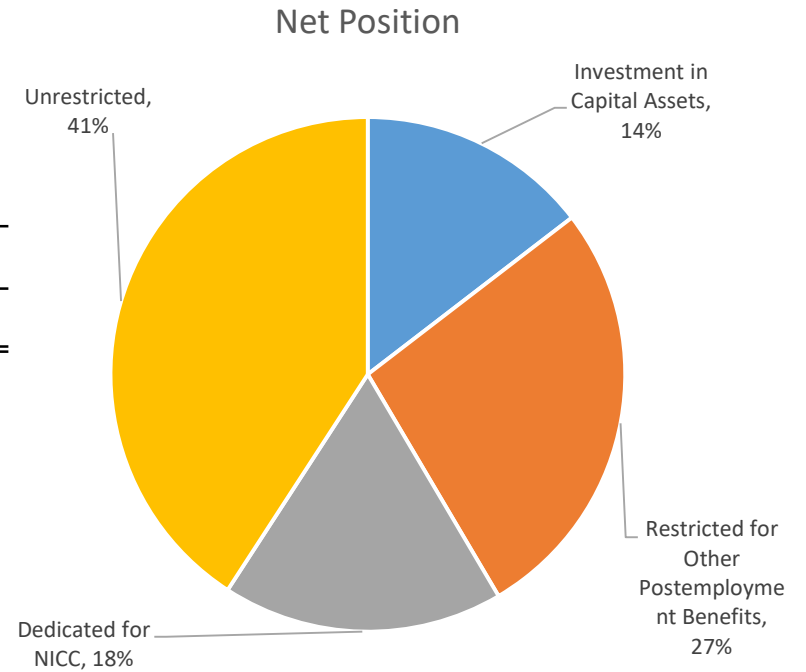
September 30, 2024

Net Position:

| | |
|--|-----------|
| Investment in Capital Assets | 2,479,002 |
| Restricted for Other Postemployment Benefits | 4,578,786 |
| Dedicated for NICC | 3,000,000 |
| Unrestricted | 6,939,655 |

| | |
|---------------------------|-------------------|
| Total Net Position | 16,997,443 |
|---------------------------|-------------------|

| | |
|---|----------------------|
| Total Liabilities, Deferred Inflows and Net Position | \$ 34,404,841 |
|---|----------------------|

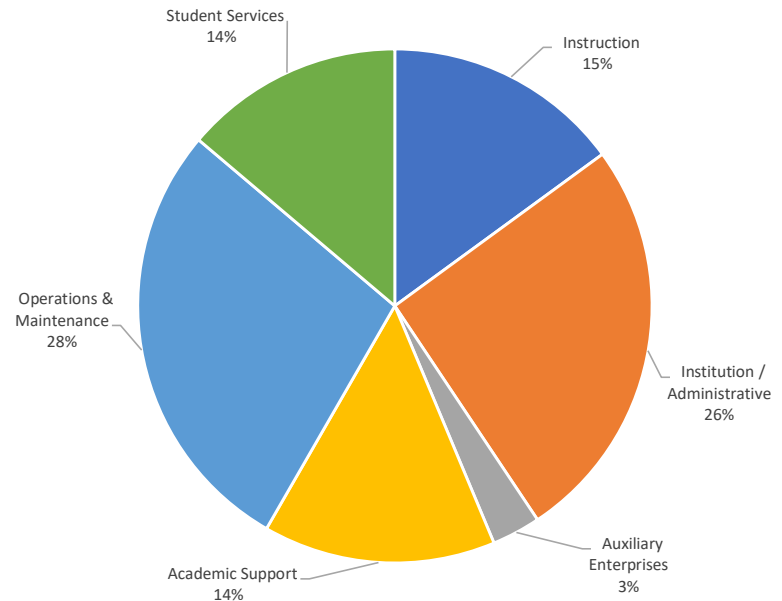
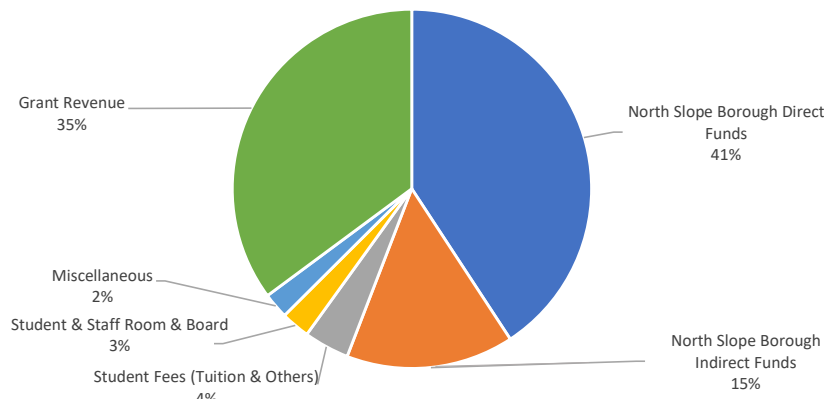


Ilisagavik College
Statement of Functional Revenues and Expenses
For the Three Months Ending September 30, 2024

| | YTD Actual | | YTD Budget | Actual to YTD Budget | | Total Budget | Actual to Total Budget |
|---------------------------------|---------------------|-----------|------------------|-------------------------|-----------|-------------------|---------------------------|
| Operating Expenses | | | | | | | |
| Instruction | \$ 856,339 | \$ | 960,278 | 89.18% | \$ | 3,841,036 | 22.29% |
| Institution / Administrative | 1,470,657 | | 1,369,596 | 107.38% | | 5,478,340 | 26.84% |
| Auxiliary Enterprises | 175,576 | | 244,506 | 71.81% | | 978,030 | 17.95% |
| Academic Support | 837,659 | | 857,448 | 97.69% | | 3,429,801 | 24.42% |
| Operations & Maintenance | 1,595,330 | | 1,418,353 | 112.48% | | 5,673,420 | 28.12% |
| Student Services | 790,808 | | 674,698 | 117.21% | | 2,698,825 | 29.30% |
| Total Operating Expenses | \$ 5,726,368 | \$ | 5,524,879 | 104% | \$ | 22,099,452 | 25.91% |

Source of Funds

| | |
|--|---------------------|
| North Slope Borough Direct Funds | \$ 2,181,689 |
| North Slope Borough Indirect Funds | 809,501 |
| Grant Funds | 1,881,018 |
| Investment Income - Change in Market Value | - |
| Self Generated | 480,598 |
| Total Source of Funds | \$ 5,352,806 |
| Net Income (Loss) | \$ (373,562) |

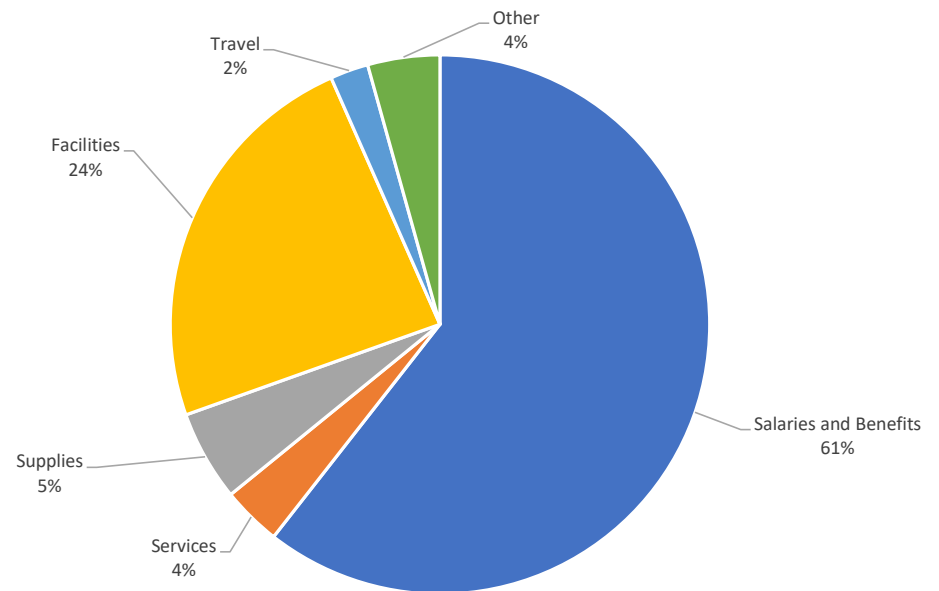


Ilisagavik College
Statement of Functional Revenues and Expenses
For the Three Months Ending September 30, 2023

| | Salaries and Benefits | Services | Supplies | Facilities | Travel | Other | Totals |
|---------------------------------|------------------------------|-------------------|-------------------|---------------------|-------------------|-------------------|---------------------|
| Operating Expenses | | | | | | | |
| Instruction | \$ 716,765 | \$ 44,476 | \$ 40,356 | \$ 3,271 | \$ 27,995 | \$ 23,475 | \$ 856,339 |
| Institution | 1,219,771 | 19,682 | 151,440 | 5,329 | 28,406 | 46,030 | 1,470,657 |
| Auxiliary Enterprises | 40,190 | 103,764 | 30,435 | | | 1,187 | 175,576 |
| Academic Support | 616,916 | 150 | 35,539 | 169,803 | 13,994 | 1,257 | 837,659 |
| Operations & Maintenance | 251,357 | 11,800 | 15,696 | 1,155,952 | | 160,524 | 1,595,330 |
| Student Services | 624,053 | 23,640 | 37,239 | 29,814 | 61,243 | 14,820 | 790,808 |
| Total Operating Expenses | \$ 3,469,052 | \$ 203,512 | \$ 310,705 | \$ 1,364,169 | \$ 131,637 | \$ 247,294 | \$ 5,726,368 |

Source of Funds

| | |
|--|---------------------|
| North Slope Borough Direct Funds | \$ 2,181,689 |
| North Slope Borough Indirect Funds | 809,501 |
| Grant Funds | 1,881,018 |
| Investment Income - Change in Market Value | - |
| Self Generated | 480,598 |
| Total Source of Funds | \$ 5,352,806 |
| Net Income (Loss) | \$ (373,562) |



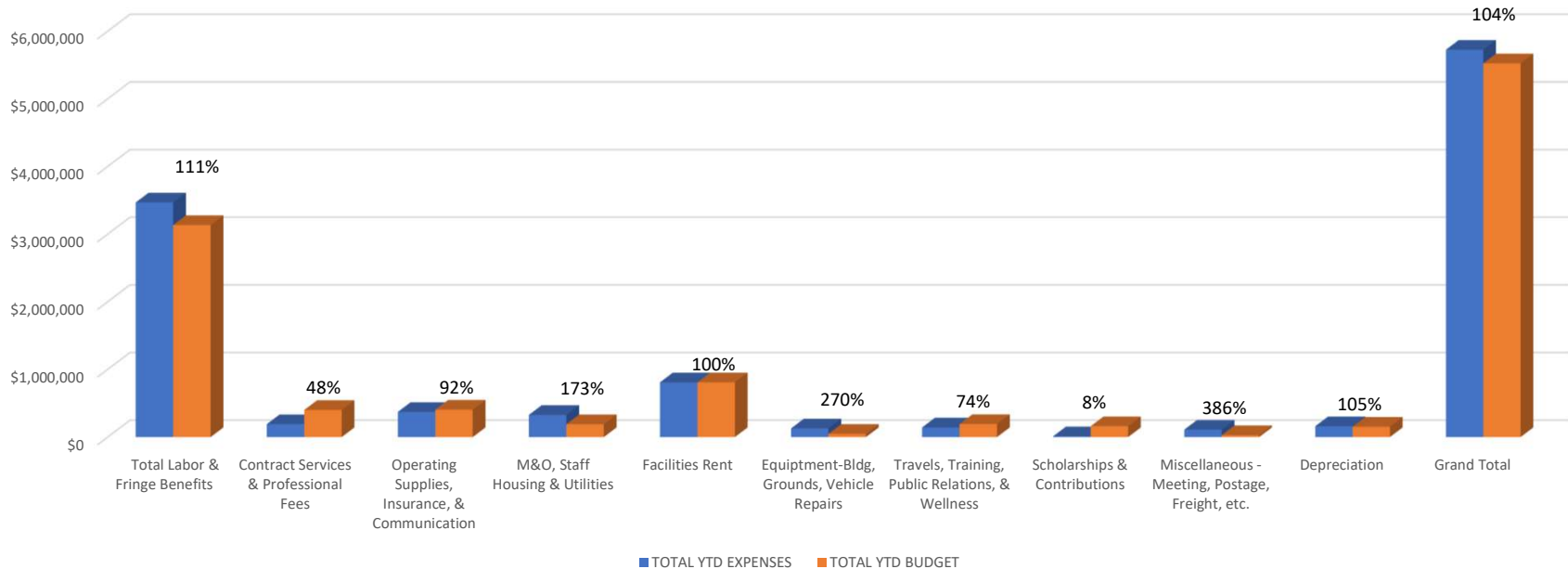
Ilisagvik College
GENERAL FUND GRANTS vs GENERAL BUDGET
ALL DEPARTMENTS
For the Three Months Ending September 30, 2024

| | YTD GENERAL FUND | YTD GRANTS | TOTAL YTD EXPENSES | TOTAL YTD BUDGET | TOTAL % Expended | TOTAL FY24 BUDGET | TOTAL % Expended |
|---|---------------------|--------------------|-----------------------|---------------------|---------------------|----------------------|---------------------|
| Labor & Fringe Benefits: | | | | | | | |
| Salary and Wages (Faculty) | \$82,045 | \$206,047 | \$288,093 | \$234,230 | 123% | \$936,924 | 31% |
| Salary and Wages (Adjunct Faculty) | \$16,426 | \$38,583 | \$55,009 | \$95,724 | 57% | \$382,896 | 14% |
| Salary and Wages (Staff) | \$1,090,554 | \$444,088 | \$1,534,641 | \$1,607,991 | 95% | \$6,431,956 | 24% |
| Salary and Wages (Temporary) | \$36,765 | \$136,903 | \$173,668 | \$103,224 | 168% | \$412,898 | 42% |
| Salary and Wages (Student Employees) | \$3,413 | \$1,456 | \$4,869 | \$0 | 0% | \$0 | 0% |
| Employee Benefits | \$1,070,202 | \$342,570 | \$1,412,772 | \$1,093,439 | 129% | \$4,373,775 | 32% |
| Total Labor & Fringe Benefits | \$2,299,404 | \$1,169,647 | \$3,469,052 | \$3,134,608 | 111% | \$12,538,449 | 28% |
| Other Expenses | | | | | | | |
| Advertising | \$8,046 | \$0 | \$8,046 | \$11,791 | 68% | \$47,165 | 17% |
| Bank Fees | \$2,513 | \$0 | \$2,513 | \$1,287 | 195% | \$5,148 | 49% |
| Bookstore Clothing | \$9,673 | \$0 | \$9,673 | \$10,299 | 94% | \$41,196 | 23% |
| Bookstore Text Books & Electronics | \$18,331 | \$0 | \$18,331 | \$18,024 | 102% | \$72,096 | 25% |
| BOT - IC Scholarship | \$491 | \$0 | \$491 | \$39,783 | 1% | \$159,132 | 0% |
| Brochures & Publications | \$180 | \$2,986 | \$3,166 | \$0 | 0% | \$0 | 0% |
| Building Grounds & Repairs | \$13,821 | \$40,971 | \$54,792 | \$12,875 | 426% | \$51,500 | 106% |
| Camp Tuition & Fees | \$16,725 | \$0 | \$16,725 | \$1,287 | 1,300% | \$5,148 | 325% |
| Communications | \$46,949 | \$50,330 | \$97,279 | \$126,444 | 77% | \$505,776 | 19% |
| Computer Expenses | \$14,719 | \$942 | \$15,661 | \$24,631 | 64% | \$98,520 | 16% |
| Contract Services | \$151,814 | \$32,602 | \$184,416 | \$366,077 | 50% | \$1,464,304 | 13% |
| Contributions | \$10,000 | \$2,000 | \$12,000 | \$121,141 | 10% | \$484,562 | 2% |
| Depreciation | \$160,524 | \$0 | \$160,524 | \$153,542 | 105% | \$614,167 | 26% |
| Dues and Subscriptions | \$65,414 | \$866 | \$66,279 | \$45,487 | 146% | \$181,939 | 36% |
| Employee Recruiting & Relocation | \$4,358 | \$0 | \$4,358 | \$1,881 | 232% | \$7,524 | 58% |
| Equipment Repairs & Maintenance | \$1,270 | \$89,500 | \$90,770 | \$1,415 | 6,415% | \$5,665 | 1,602% |
| Facilities Rent | \$809,501 | \$0 | \$809,501 | \$809,501 | 100% | \$3,238,003 | 25% |
| Furniture, Furnishings & Equipment | \$0 | \$114,960 | \$114,960 | \$4,664 | 2,465% | \$18,647 | 617% |
| Graduation Expenses | \$0 | \$0 | \$0 | \$3,864 | 0% | \$15,456 | 0% |
| Indigenization | \$0 | \$87 | \$87 | \$5,151 | 2% | \$20,604 | 0% |
| Indirect Costs | \$0 | \$62,126 | \$62,126 | \$0 | 0% | \$0 | 0% |
| Instructional Costs | \$2,679 | \$7,401 | \$10,080 | \$24,050 | 42% | \$96,188 | 10% |
| Insurance - Business | \$69,193 | \$0 | \$69,193 | \$56,650 | 122% | \$226,600 | 31% |
| Inter-dept Bookstore | \$2,429 | \$0 | \$2,429 | \$3,301 | 74% | \$13,188 | 18% |
| Inter-dept Food Service | \$1,080 | \$7,960 | \$9,040 | \$8,372 | 108% | \$33,479 | 27% |
| Inter-dept Room Charges | \$4,428 | \$19,372 | \$23,800 | \$6,437 | 370% | \$25,748 | 92% |
| Janitorial Supplies | \$1,588 | \$0 | \$1,588 | \$9,528 | 17% | \$38,110 | 4% |
| Meals, Meetings, Entertainment | \$2,756 | \$3,835 | \$6,591 | \$6,562 | 100% | \$26,254 | 25% |
| Miscellaneous | \$480 | \$3,060 | \$3,540 | \$4,650 | 76% | \$18,607 | 19% |
| Operations & Maintenance Facilities Safety Supplies | \$19 | \$1,522 | \$1,540 | \$0 | 0% | \$0 | 0% |
| Periodicals, Books, Videos & Subscriptions | \$16,936 | \$880 | \$17,816 | \$26,739 | 67% | \$106,951 | 17% |
| Postage and Freight | \$17,176 | \$17,059 | \$34,235 | \$14,970 | 229% | \$59,873 | 57% |
| Professional Fees (Accounting & Auditing) | \$0 | \$0 | \$0 | \$29,613 | 0% | \$118,450 | 0% |
| Professional Fees (Legal) | \$5,185 | \$2,009 | \$7,194 | \$5,304 | 136% | \$21,216 | 34% |
| Rent Expense - Other | \$9,309 | \$0 | \$9,309 | \$6,437 | 145% | \$25,750 | 36% |
| Rent Expense - Staff Housing | \$79,204 | \$0 | \$79,204 | \$83,687 | 95% | \$334,750 | 24% |
| Staff Development & Training | \$1,295 | \$4,969 | \$6,264 | \$11,708 | 54% | \$46,816 | 13% |
| Student Government Expenses | \$734 | \$150 | \$884 | \$1,030 | 86% | \$4,120 | 21% |
| Student Meals | \$0 | \$115 | \$115 | \$901 | 13% | \$3,605 | 3% |
| Supplies | \$22,342 | \$18,629 | \$40,971 | \$53,379 | 77% | \$213,527 | 19% |
| Travel (Staff & Board) | \$36,682 | \$58,537 | \$95,220 | \$143,071 | 67% | \$572,273 | 17% |
| Travel (Student) | \$0 | \$19,087 | \$19,087 | \$23,821 | 80% | \$95,275 | 20% |
| Utilities | \$34,392 | \$0 | \$34,392 | \$57,938 | 59% | \$231,751 | 15% |
| Vehicle Fuel & Lubrication | \$24,220 | \$0 | \$24,220 | \$29,612 | 82% | \$118,450 | 20% |
| Vehicle Repair & Maintenance | \$13,774 | \$0 | \$13,774 | \$16,737 | 82% | \$66,950 | 21% |
| Wellness Program | \$1,280 | \$0 | \$1,280 | \$6,630 | 19% | \$26,520 | 5% |
| TOTAL EXPENSES | \$1,681,509 | \$561,955 | \$2,243,463 | \$2,390,271 | 94% | \$9,561,003 | 23% |
| Grand Total | \$3,980,913 | \$1,731,602 | \$5,712,515 | \$5,524,879 | 103% | \$22,099,452 | 26% |

Iilisagvik College
GENERAL FUND and GRANTS vs BUDGET SUMMARY
ALL DEPARTMENTS
For the Three Months Ending Monday, September 30, 2024

| | YTD GENERAL FUND | YTD GRANTS | TOTAL YTD EXPENSES | TOTAL YTD BUDGET | TOTAL % Expended | TOTAL FY24 BUDGET | TOTAL % Expended |
|---|---------------------|--------------------|-----------------------|---------------------|---------------------|----------------------|---------------------|
| Labor & Fringe Benefits: | | | | | | | |
| Salary and Wages (Faculty) | \$82,045 | \$206,047 | \$288,093 | \$234,230 | 123% | \$936,924 | 31% |
| Salary and Wages (Adjunct Faculty) | \$16,426 | \$38,583 | \$55,009 | \$95,724 | 57% | \$382,896 | 14% |
| Salary and Wages (Staff) | \$1,090,554 | \$444,088 | \$1,534,641 | \$1,607,991 | 95% | \$6,431,956 | 24% |
| Salary and Wages (Temporary) | \$36,765 | \$136,903 | \$173,668 | \$103,224 | 168% | \$412,898 | 42% |
| Salary and Wages (Student Employees) | \$3,413 | \$1,456 | \$4,869 | \$0 | 0% | \$0 | 0% |
| Employee Benefits | \$1,070,202 | \$342,570 | \$1,412,772 | \$1,093,439 | 129% | \$4,373,775 | 32% |
| Total Labor & Fringe Benefits | \$2,299,404 | \$1,169,647 | \$3,469,052 | \$3,134,608 | 111% | \$12,538,449 | 28% |
| Other Expenses | | | | | | | |
| Contract Services & Professional Fees | \$156,999 | \$34,611 | \$191,610 | \$400,994 | 48% | \$1,603,970 | 12% |
| Operating Supplies, Insurance, & Communication | \$284,281 | \$88,585 | \$372,865 | \$405,946 | 92% | \$1,623,750 | 23% |
| M&O, Staff Housing & Utilities | \$143,841 | \$184,784 | \$328,624 | \$189,938 | 173% | \$759,735 | 43% |
| Facilities Rent | \$809,501 | \$0 | \$809,501 | \$809,501 | 100% | \$3,238,003 | 25% |
| Equipment-Bldg, Grounds, Vehicle Repairs | \$39,264 | \$89,500 | \$128,764 | \$47,764 | 270% | \$191,065 | 67% |
| Travels, Training, Public Relations, & Wellness | \$60,340 | \$82,708 | \$143,049 | \$193,163 | 74% | \$772,617 | 19% |
| Scholarships & Contributions | \$10,491 | \$2,000 | \$12,491 | \$160,924 | 8% | \$643,694 | 2% |
| Miscellaneous - Meeting, Postage, Freight, etc. | \$23,658 | \$86,230 | \$109,888 | \$28,499 | 386% | \$114,002 | 96% |
| Depreciation | \$160,524 | \$0 | \$160,524 | \$153,542 | 105% | \$614,167 | 26% |
| TOTAL EXPENSES | \$1,688,899 | \$568,418 | \$2,257,316 | \$2,390,271 | 94% | \$9,561,003 | 24% |
| Grand Total | \$3,988,303 | \$1,738,065 | \$5,726,368 | \$5,524,879 | 104% | \$22,099,452 | 26% |

Actual vs Budget YTD



Ilisagvik College Foundation
Statement of Net Position
September 30, 2024, June 30, 2024, and June 30, 2023

| | <u>Unaudited September 30, 2024</u> | <u>Audited June 30, 2024</u> | <u>Audited June 30, 2023</u> |
|---|---|----------------------------------|----------------------------------|
| Assets and Deferred Outflows | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 119,167 | \$ 109,171 | \$ 120,469 |
| Investments | 13,465,867 | 12,682,673 | 10,919,054 |
| Total Current Assets | <u>13,585,034</u> | <u>12,791,844</u> | <u>11,039,523</u> |
| Non-Current Assets: | | | |
| Capital Assets, Net of Accumulated Depreciation | - | - | - |
| Total Non-Current Assets | - | - | - |
| Total Assets | <u><u>\$ 13,585,034</u></u> | <u><u>\$ 12,791,844</u></u> | <u><u>\$ 11,039,523</u></u> |
| Liabilities, Deferred Inflows and Net Position | | | |
| Current Liabilities: | | | |
| Accounts Payable | \$ - | \$ - | \$ - |
| Total Current Liabilities | - | - | - |
| Total Liabilities | - | - | - |
| Net Position: | | | |
| Investment in Capital Assets | - | - | - |
| Restricted for Foundation | 5,752,334 | 5,752,334.00 | 5,210,284 |
| Unrestricted | 7,832,700 | 7,039,510.00 | 5,829,239 |
| Total Net Position | <u>13,585,034</u> | <u>12,791,844</u> | <u>11,039,523</u> |
| Total Liabilities, Deferred Inflows and Net Position | <u><u>\$ 13,585,034</u></u> | <u><u>\$ 12,791,844</u></u> | <u><u>\$ 11,039,523</u></u> |

Ilisagvik College Foundation
Combining Statement of Revenues, Expenses, and Changes in Net Position
September 30, 2024, June 30, 2024, and June 30, 2023

| | <u>Unaudited September 30, 2024</u> | <u>Audited June 30, 2024</u> | <u>Audited June 30, 2023</u> |
|--|---|----------------------------------|----------------------------------|
| Nonoperating Revenues | | | |
| Private grants and gifts | | \$ 11,478 | \$ 17,722 |
| Investment income (loss) | 793,190 | 1,198,793 | 750,501 |
| Total Nonoperating Revenues | 793,190 | 1,210,271 | 768,223 |
| Income before transfers | \$ 793,190 | \$ 1,210,271 | \$ 768,223 |
| Transfers in (out) | | 542,050 | 420,548 |
| Change in net position | 793,190 | 1,752,321 | 1,188,771 |
| Net Position, beginning of year | 12,791,844 | 11,039,523 | 9,850,752 |
| Net Position, end of year | \$ 13,585,034 | \$ 12,791,844 | \$ 11,039,523 |

MEMORANDUM



TO: Board of Trustees
THRU: Justina Wilhelm, President
FROM: Ann Marie Clark, Chief Financial Officer
DATE: November 25, 2024
SUBJECT: FY26 Budget Recommendation Narrative

ILISAġVIK STRATEGIC PLAN PRIORITIES/OUTCOMES: *Priority 5 Ensure the future of Ilisaġvik College Outcome 3: Maintain an active, ongoing partnership with the North Slope Borough Mayor’s Office, the North Slope Borough Assembly, and North Slope tribal funders to ensure a sustainable level of borough funding.*

The FY 2026 Budget Resolution recommendation is attached.

Our budget process this year included a request to budget managers to survey their employees and to gather a list of all their department’s needs.

The FY26 budget request (compared to FY25’s Approved Budget) is as follows:

- 1. Labor & Fringe Benefits increased need of \$605,956
- 2. Departmental decreased needs of (\$105,917)
- 3. FY26 Rent Increase (In Kind, Direct to UIC) \$121,425

With these increases, Administration recommends passing an FY26 budget request to the North Slope Borough of \$14,300,283 which includes above adjustments from the FY25 budget recommendation.

| | |
|------------------------------------|----------------------------|
| Total FY25 Proposed Budget: | \$ 22,720,916 |
| Self-Generated Funds: | \$ <u>8,420,633</u> |
| Total Funds Requested: | \$ 14,300,283 |

| | |
|--------------------------------|--|
| NSB Direct Request: | \$ 10,940,855 |
| NSB Indirect Request: | \$ <u>3,359,428</u> (Rent to UIC) |
| Total Funds Requested: | \$ 14,300,283 |
| Total Received in FY25: | \$ <u>11,964,758</u> |
| Increase from FY25: | \$ 2,335,525 |



Supporting Documentation:

1. Labor and Fringe Benefits increase of \$605,956
 - a. This increase is based on actual wages needed to remain competitive in the marketplace
2. Departmental requested funds (\$105,917)
 - a. These are direct requests from Department Heads to keep course materials relevant based on enrollment
3. FY26 Rent Increase (In Kind, Direct to UIC) \$121,425
 - a. Per the NSB-UIC Rental Agreement (assuming same terms as previous lease)



Iļisaġvik College
FY26 Proposed Budget

FY26 PROPOSED BUDGET EXPENDITURES (INCLUDING GRANT FUNDING)

| DESCRIPTION | FY25 APPROVED BUDGET | TOTAL FY26 PROPOSED BUDGET | Increase (Decrease) | % Increase |
|---|-------------------------|-------------------------------|---------------------|--------------|
| LABOR & BENEFITS: | | | | |
| Salary and Wages | \$ 8,164,674 | \$ 8,345,730 | \$ 181,056 | 2.22% |
| Employee Benefits | 4,373,775 | 4,798,675 | 424,900 | 9.71% |
| TOTAL LABOR & BENEFITS | 12,538,449 | 13,144,405 | 605,956 | 4.83% |
| TOTAL GENERAL & ADMINISTRATIVE: | | | | |
| Advertising | 47,165 | 56,427 | 9,262 | 19.64% |
| Bank Fees | 5,148 | 8,847 | 3,699 | 71.85% |
| Bookstore Merchandise | 41,196 | 40,000 | (1,196) | -2.90% |
| Bookstore Text Books & Electronics | 72,096 | 60,000 | (12,096) | -16.78% |
| BOT - IC Scholarship | 159,132 | 100,000 | (59,132) | -37.16% |
| Brochures & Publications | - | - | - | #DIV/0! |
| Building Grounds & Repairs | 51,500 | 50,000 | (1,500) | -2.91% |
| Camp Tuition & Fees | 5,148 | 30,463 | 25,315 | 491.74% |
| Communications | 505,776 | 549,348 | 43,572 | 8.61% |
| Computer Expenses | 98,520 | 73,072 | (25,448) | -25.83% |
| Consulting Expense | - | 350 | 350 | #DIV/0! |
| Contract Services | 1,464,304 | 1,443,607 | (20,697) | -1.41% |
| Contributions | 484,562 | 546,000 | 61,438 | 12.68% |
| Depreciation | 614,167 | 626,143 | 11,976 | 1.95% |
| Dues and Subscriptions | 181,939 | 199,076 | 17,137 | 9.42% |
| Employee Recruiting & Relocation | 7,524 | 10,500 | 2,976 | 39.55% |
| External & Public Relations | - | 15,450 | 15,450 | #DIV/0! |
| Equipment Repairs & Maintenance | 5,665 | 9,000 | 3,335 | 58.87% |
| Facilities Rent | 3,238,003 | 3,359,428 | 121,425 | 3.75% |
| Furniture, Furnishings & Equipment | 18,647 | 6,500 | (12,147) | -65.14% |
| Graduation Expenses | 15,456 | 18,000 | 2,544 | 16.46% |
| Indigenization | 20,604 | 16,545 | (4,059) | -19.70% |
| Instructional Costs | 96,188 | 61,108 | (35,080) | -36.47% |
| Insurance - Business | 226,600 | 250,000 | 23,400 | 10.33% |
| Inter-dept Bookstore | 13,188 | 11,424 | (1,764) | -13.38% |
| Inter-dept Food Service | 33,479 | 28,526 | (4,953) | -14.79% |
| Inter-dept Room Charges | 25,748 | 35,884 | 10,136 | 39.37% |
| Janitorial Supplies | 38,110 | 12,031 | (26,079) | -68.43% |
| Meals, Meetings, Entertainment | 26,254 | 36,774 | 10,520 | 40.07% |
| Miscellaneous | 18,607 | 58,186 | 39,579 | 212.71% |
| Operations & Maintenance Facilities Safety Supplies | - | 10,000 | 10,000 | #DIV/0! |
| Periodicals, Books, Videos & Subscriptions | 106,951 | 64,870 | (42,081) | -39.35% |
| Postage and Freight | 59,873 | 42,680 | (17,193) | -28.72% |
| Professional Fees (Accounting & Auditing) | 118,450 | 140,000 | 21,550 | 18.19% |
| Professional Fees (Legal) | 21,216 | 45,253 | 24,037 | 113.30% |
| Rent Expense - Other | 25,750 | 52,200 | 26,450 | 102.72% |
| Rent Expense - Staff Housing | 334,750 | 341,442 | 6,692 | 2.00% |
| Staff Development & Training | 46,816 | 14,770 | (32,046) | -68.45% |
| Student Government Expenses | 4,120 | 11,821 | 7,701 | 186.93% |
| Student Meals | 3,605 | 2,806 | (799) | -22.17% |
| Supplies | 213,527 | 139,585 | (73,942) | -34.63% |
| SWAG Merchandise | - | 1,000 | 1,000 | #DIV/0! |
| Travel (Staff & Board) | 572,273 | 487,255 | (85,018) | -14.86% |
| Travel (Student) | 95,275 | 111,641 | 16,366 | 17.18% |
| Utilities | 231,751 | 200,000 | (31,751) | -13.70% |
| Vehicle Fuel & Lubrication | 118,450 | 123,000 | 4,550 | 3.84% |
| Vehicle Repair & Maintenance | 66,950 | 60,500 | (6,450) | -9.63% |
| Wellness Program | 26,520 | 15,000 | (11,520) | -43.44% |
| TOTAL EXPENSES | 9,561,003 | 9,576,511 | 15,508 | 0.16% |
| Grand Total | \$ 22,099,452 | \$ 22,720,916 | \$ 621,464 | 2.81% |

**Iḷisaḡvik College
FY26 Proposed Budget**

FY26 PROPOSED BUDGET EXPENDITURES (INCLUDING GRANT FUNDING)

| Description | FY25 APPROVED | TOTAL FY26 | | % Increase |
|---|-------------------|-----------------|---------------------|------------|
| | BUDGET | PROPOSED BUDGET | Increase (Decrease) | |
| Total Departmental Cost Budget | \$ 22,099,452 | 22,720,916 | \$ 621,464 | 2.81% |
| Less: Self Generated Revenue | (9,903,616) | (8,420,633) | | |
| Shortfall after applying Self-Generated Funds | \$ 12,195,836 | \$ 14,300,283 | \$ 621,464 | |
| Required Funding | | | | |
| NSB Rent - Indirect (In-Kind) | (3,238,003) | (3,359,428) | 121,425 | 3.75% |
| North Slope Borough Direct Funding | (8,726,755) | (10,940,855) | 2,214,100 | 25.37% |
| Total Shortfall (Surplus) | \$ 231,078 | \$ 0 | \$ 2,335,525 | |

| Self Generated: | FY25 APPROVED | TOTAL FY26 | | % Increase |
|-------------------------------------|---------------------|---------------------|-----------------------|----------------|
| | BUDGET | PROPOSED BUDGET | Increase (Decrease) | |
| Contracts, Grants, Donations, Misc. | \$ 7,878,616 | \$ 6,495,633 | \$ (1,382,983) | -17.55% |
| Auxiliary and Other Revenue | 1,225,000 | 1,125,000 | (100,000) | -8.16% |
| Tuition and Fees | 800,000 | 800,000 | - | 0.00% |
| Total Self Generated | \$ 9,903,616 | \$ 8,420,633 | \$ (1,482,983) | -14.97% |

Iḷisaġvik College

RESOLUTION NO. 2024-5

A RESOLUTION TO APPROVE IḷISAġVIK COLLEGE’S OPERATING BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2026

WHEREAS, Iḷisaġvik College, through the North Slope Borough Assembly Ordinance 85-23-03, is organized effective July 1, 1996 as a non-profit 501(c)(3) corporation governed by a Board of Trustees; and

WHEREAS, pursuant to §8.02.050 of the North Slope Borough Code of Ordinances, the Board of Trustees is required to submit a budget request through the Mayor to the Assembly in accordance with the Borough’s budget process; and

WHEREAS, Iḷisaġvik College’s goal is to help build strong communities through education and training; and

WHEREAS, President Wilhelm and Iḷisaġvik faculty and staff have traveled throughout the North Slope communities to solicit and listen to the training and higher educational needs and priorities of the village residents, leaders and other organizations for the coming year; and

WHEREAS, Iḷisaġvik College’s budget request is to meet the mission of the College as established by the leaders of the Borough, respond to community requests for education for the coming generations, prepare residents for gainful employment in the workforce and professions, and expand its outreach to the North Slope villages and rural Alaska; and

WHEREAS, the College has been informed of funding availability and general economic conditions in the United States and on the North Slope, this budget reflects a modest increase in expense activity to meet ongoing infrastructure and student centered needs along with a continued emphasis on self-generated income through aggressive use of grants and funds to complement the North Slope Borough appropriation.

NOW THEREFORE BE IT RESOLVED, that the Iḷisaġvik College Board of Trustees approves the FY26 Operating Budget in the amount of \$22,720,916 from the following sources:

| | |
|---|----------------------------|
| North Slope Borough Basic Appropriation | \$10,940,855 |
| North Slope Borough Rent Payments to UIC | \$ 3,359,428 |
| Iḷisaġvik College Self-Generated Revenues | \$ 8,420,633 |
| TOTAL | <u>\$22,720,916</u> |

THE FOREGOING RESOLUTION WAS ADOPTED NOVEMBER 26, 2024, at a duly called meeting of the Board of Trustees by a vote of _____ FOR and _____ AGAINST the resolution.

ATTESTED:

Debby Edwardson, Chairperson
Iḷisagvik College

Roxanne Brower, Secretary
Iḷisagvik College