



SOUTHEAST ISLAND SCHOOL DISTRICT BOARD OF EDUCATION

Work Session
Tuesday, January 20, 2026

VISION STATEMENT

Students are equipped to realize their dreams and aspirations.

MISSION STATEMENT

Together we will foster student skills to achieve their goals and thrive in an ever-changing world.

AGENDA

MEETING: 12:00 PM
LOCATION: Barry Craig Stewart Kasaan School and via Zoom
117 Kasaan St
Kasaan, Alaska 99950
VIRTUAL URL: <https://us02web.zoom.us/j/83863611895?pwd=45sBs4ERiRx8EIB333PyftctMWzqwb.1>

1. REVIEW OF FY 2025 AUDITED FINANCIAL STATEMENTS

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Year Ended June 30, 2025

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Year Ended June 30, 2025

SOUTHEAST ISLAND SCHOOL DISTRICT

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1-4
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	A-1	5
Statement of Activities	B-1	6
Fund Financial Statements:		
Balance Sheet - Governmental Funds	C-1	7
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	C-2	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	D-1	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-2	10
Statement of Fiduciary Net Position	E-1	11
Statement of Changes in Fiduciary Net Position	E-2	12
Notes to Basic Financial Statements		13-39
Required Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Original and Final – Major Funds:		
School Operating Fund	F-1	40
SUCCEED Special Revenue Fund	F-2	41
Teacher Housing Special Revenue Fund	F-3	42
Public Employees Retirement System:		
Schedules of District's Proportionate Share of Net Pension Liability	G-1	43
Schedules of District's Proportionate Share of Net OPEB Liability (Asset)	G-2	44
Schedule of Districts Contributions (Pensions)	G-3	45
Schedule of Districts Contributions (OPEB)	G-4	46
Teachers' Retirement System:		
Schedules of District's Proportionate Share of Net Pension Liability	G-5	47
Schedules of District's Proportionate Share of Net OPEB Liability (Asset)	G-6	48
Schedule of Districts Contributions (Pensions)	G-7	49
Schedule of Districts Contributions (OPEB)	G-8	50
Notes to the Required Supplementary Information		51-54

SOUTHEAST ISLAND SCHOOL DISTRICT

Table of Contents, Continued

	<u>Exhibit</u>	<u>Page</u>
Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Major Funds:		
School Operating Fund	H-1	55-57
SUCCEED Special Revenue Fund	H-2	58
Teacher Housing Special Revenue Fund	H-3	59
 Schedule of Revenues, Expenditures and Changes In Fund Balance - Capital Projects Fund	 H-4	 60
 Other Governmental Funds:		
Combining Balance Sheet	I-1	61-63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)	 I-2	 64-67
 Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficits) – Budget and Actual – Special Revenue Funds:		
Pupil Transportation	I-3	68
Early Learning	I-4	69
Food Service	I-5	70
Fresh Fruit and Vegetable	I-6	71
Alaska Nutritional Foods	I-7	72
Title I-A Basic	I-8	73
Title I-C Migrant Education	I-9	74
Migrant Book	I-10	75
Title IV-A Innovative	I-11	76
Positive Behavioral Intervention Strategies	I-12	77
Title II-A Teacher and Principal Training	I-13	78
Title VI-B IDEA	I-14	79
Section 619 Preschool Disabled	I-15	80
Carl Perkins	I-16	81
Safety and Well-Being	I-17	82
Hunter Education	I-18	83
Title I-A School Improvement	I-19	84
EHCY Homeless	I-20	85
Comprehensive State Literacy Development	I-21	86
Rural Utilities	I-22	87
SOAR	I-23	88
Indian Education	I-24	89
REAP	I-25	90
Select-Klawock	I-26	91
THRIVE	I-27	92
Whole Kids Foundation	I-28	93

SOUTHEAST ISLAND SCHOOL DISTRICT

Table of Contents, Continued

	<u>Exhibit</u>	<u>Page</u>
Supplementary Information, Continued:		
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficits) – Budget and Actual – Special Revenue Funds, Continued:		
USDA Specialty Crop	I-29	94
POW Health Network	I-30	95
RurAL CAP	I-31	96
Schedule of Results of Operations of Capital Projects - Hollis K-12 School Design and Replacement GR-20-002 / GR-22-001	J-1	97
Schedule of Compliance – AS 14.17.505	K-1	98
Schedule of Expenditures of Federal Awards	L-1	99-100
Notes to the Schedule of Expenditures of Federal Awards		101
Schedule of State Financial Assistance	M-1	102
Notes to Schedule of State Financial Assistance		103
Compliance Reports:		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		104-105
Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance as Required by The <i>Uniform Guidance</i>		106-108
Federal Schedule of Findings and Questioned Costs		109-110
Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the <i>State of Alaska Audit Guide and Compliance Supplement for State Single Audits</i>		111-113
State Schedule of Findings and Questioned Costs		114
Summary Schedule of Prior Audit Findings		115

Independent Auditor's Report

Members of the School Board
Southeast Island School District
Thorne Bay, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Southeast Island School District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, as of June 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note III-E to the financial statements, in 2025, the District implemented GASB Statement No. 101, *Compensated Absences*, which established standards of accounting and financial reporting for compensated absences. The requirements of this Statement apply to financial statements of all state and local governments.

The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Revenues, Expenditures and changes in Fund Balance Original and Final Budget to Actual; School Operating Fund, SUCCEED Special Revenue Fund, Teacher Housing Special Revenue Fund, the Schedule of the District's Proportionate Share of Net Pension and OPEB Liabilities and Assets, and the District's Schedule of Contributions for the Public Employees' Retirement System and Teachers' Retirement System and notes to the required supplementary information on pages 40-54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

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

Members of the School Board
Southeast Island School District

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Anchorage, Alaska
December 4, 2025

SOUTHEAST ISLAND SCHOOL DISTRICT

Statement of Net Position

June 30, 2025

<u>Assets and Deferred Outflows of Resources</u>	<u>Governmental Activities</u>
Current:	
Cash and cash equivalents	\$ 73,032
Accounts receivable	1,504,014
Inventory	105,201
Prepaid expenses	54,612
Total current	<u>1,736,859</u>
Non-current:	
Capital assets	45,794,895
Accumulated depreciation	(21,633,904)
Net OPEB assets	1,700,980
Total non-current	<u>25,861,971</u>
Deferred outflows of resources - Pension/OPEB deferrals	<u>376,951</u>
Total assets and deferred outflows of resources	<u>\$ 27,975,781</u>
 <u>Liabilities and Deferred Inflows of Resources</u>	
Current liabilities:	
Accounts payable	154,624
Unearned revenue	508,307
Total current liabilities	<u>662,931</u>
Long-term liabilities:	
Compensated absences	101,273
Due in more than one year - net pension liabilities	3,364,629
Total long term liabilities	<u>3,465,902</u>
Deferred inflows of resources - Pension/OPEB deferrals	<u>65,045</u>
Total liabilities and deferred inflows of resources	<u>4,193,878</u>
 <u>Net Position</u>	
Net investment in capital assets	24,160,991
Unrestricted	(379,088)
Total net position	<u>\$ 23,781,903</u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position (Deficit)
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 2,991,155	-	794,930	-	(2,196,225)
Special education instruction	754,732	-	163,313	-	(591,419)
Special education support services - students	191,942	-	12,981	-	(178,961)
Support services - students	1,023,540	-	1,002,819	-	(20,721)
Support services - instruction	230,050	-	29,376	-	(200,674)
School administration	194,778	-	25,963	-	(168,815)
School administration support services	116,084	-	6,043	-	(110,041)
District administration	479,951	-	45,742	-	(434,209)
District administration support services	457,664	-	58,097	-	(399,567)
Operations and maintenance of plant	2,077,853	-	136,130	682,733	(1,258,990)
Student activities	190,503	-	7,005	-	(183,498)
Student transportation - to and from school	192,297	-	210,915	-	18,618
Community services	19,067	-	19,067	-	-
Food services	330,033	2,700	129,648	-	(197,685)
Total governmental activities	\$ 9,249,649	2,700	2,642,029	682,733	(5,922,187)
General revenues:					
Grants not restricted to specific programs				\$ 5,161,870	
Gain on sale of capital assets				9,085	
Interest from notes receivables				14,324	
Other				10,956	
Total general revenues				5,196,235	
Change in net position				(725,952)	
Net position - beginning of year, as originally stated				24,562,824	
Change in accounting principle				(54,969)	
Net position - beginning of year, as restated				24,507,855	
Net position - end of year				\$ 23,781,903	

12

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2025

	School Operating Fund	SUCCEED Special Revenue Fund	Teacher Housing Special Revenue Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 73,032	-	-	-	-	73,032
Accounts receivable	-	-	15,545	1,125,190	363,279	1,504,014
Due from other funds	834,958	280,313	398,002	-	182,070	1,695,343
Inventory	92,746	-	-	-	12,455	105,201
Prepaid expenses	54,612	-	-	-	-	54,612
Total assets	<u>\$ 1,055,348</u>	<u>280,313</u>	<u>413,547</u>	<u>1,125,190</u>	<u>557,804</u>	<u>3,432,202</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						13
Accounts payable	136,517	2,165	-	-	15,942	154,624
Unearned revenue	-	278,148	-	147,426	82,733	508,307
Due to other funds	860,385	-	-	484,954	350,004	1,695,343
Total liabilities	<u>996,902</u>	<u>280,313</u>	<u>-</u>	<u>632,380</u>	<u>448,679</u>	<u>2,358,274</u>
Fund Balances:						
Nonspendable	147,358	-	-	-	12,455	159,813
Committed	-	-	413,547	492,810	99,337	1,005,694
Unassigned	(88,912)	-	-	-	(2,667)	(91,579)
Total fund balances	<u>58,446</u>	<u>-</u>	<u>413,547</u>	<u>492,810</u>	<u>109,125</u>	<u>1,073,928</u>
Total liabilities and fund balances	<u>\$ 1,055,348</u>	<u>280,313</u>	<u>413,547</u>	<u>1,125,190</u>	<u>557,804</u>	<u>3,432,202</u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position

June 30, 2025

Fund balances - total governmental funds	\$	1,073,928
Total net position reported for governmental activities in the State of Net Position is different because:		
Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.		24,160,991
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences		(101,273)
Proportionate share of the collective net pension liabilities:		
PERS	(1,919,611)	
TRS	(1,445,018)	(3,364,629)
Proportionate share of the collective net OPEB assets:		
PERS	815,646	
TRS	885,334	1,700,980
Deferred inflows and outflows of resources are the results of timing differences in the actuarial report. Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources:		
PERS	209,180	
TRS	167,771	376,951
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources:		
PERS	(34,378)	
TRS	(30,667)	(65,045)
Total net position of governmental activities		<u>23,781,903</u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Year Ended June 30, 2025

	School Operating Fund	Special Revenue Funds		Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
		SUCCEED	Teacher Housing			
Revenues:						
Local sources:						
Charges for services	\$ -	-	84,094	-	2,700	86,794
Interest from notes receivable	14,324	-	-	-	-	14,324
Other	10,956	-	10,000	-	5,356	26,312
Intergovernmental:						
State of Alaska	5,479,151	-	-	44,028	245,733	5,768,912
Federal sources	6,978	756,484	-	638,705	1,011,976	2,414,143
Total revenues	<u>5,511,409</u>	<u>756,484</u>	<u>94,094</u>	<u>682,733</u>	<u>1,265,765</u>	<u>8,310,485</u>
Expenditures:						
Current:						
Instruction	2,172,981	-	-	50,165	535,256	2,758,402
Special education instruction	623,868	-	-	-	56,068	679,936
Special education support services - students	184,192	-	-	-	-	184,192
Support services - students	18,458	739,779	-	-	263,817	1,022,054
Support services - instruction	193,348	-	-	-	21,380	214,728
School administration	180,472	-	-	-	-	180,472
School administration support services	104,506	-	-	-	-	104,506
District administration	437,334	-	-	-	-	437,334
District administration support services	385,230	16,705	-	-	26,621	428,556
Operation and maintenance of plant	1,559,974	-	99,315	767,458	293	2,427,040
Student activities	175,397	-	-	-	2,134	177,531
Student transportation - to and from school	-	-	-	-	146,032	146,032
Community services	-	-	-	-	19,067	19,067
Food services	-	-	-	-	329,252	329,252
Construction and facilities acquisition	-	-	-	7,800	-	7,800
Total expenditures	<u>6,035,760</u>	<u>756,484</u>	<u>99,315</u>	<u>825,423</u>	<u>1,399,920</u>	<u>9,116,902</u>
Excess (deficiency) of revenues over (under) expenditures	(524,351)	-	(5,221)	(142,690)	(134,155)	(806,417)
Other financing sources (uses):						
Proceeds from sale of capital assets	304,631	-	-	-	-	304,631
Transfers in	380,000	-	-	142,690	126,000	648,690
Transfers out	(268,690)	-	-	-	(380,000)	(648,690)
Total other financing sources (uses)	<u>415,941</u>	<u>-</u>	<u>-</u>	<u>142,690</u>	<u>(254,000)</u>	<u>304,631</u>
Net change in fund balance	(108,410)	-	(5,221)	-	(388,155)	(501,786)
Fund balances, beginning of year, as previously reported	<u>166,856</u>	<u>-</u>	<u>-</u>	<u>492,810</u>	<u>916,048</u>	<u>1,575,714</u>
Change within financial reporting entity (Nonmajor to major fund)	-	-	418,768	-	(418,768)	-
Fund balances, beginning of year, as adjusted	<u>166,856</u>	<u>-</u>	<u>418,768</u>	<u>492,810</u>	<u>497,280</u>	<u>1,575,714</u>
Fund balances, end of year	<u>\$ 58,446</u>	<u>-</u>	<u>413,547</u>	<u>492,810</u>	<u>109,125</u>	<u>1,073,928</u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2025

Net change in fund balances - total governmental funds	\$	(501,786)
The change in net position reported for governmental activities in the State of Activities is different because:		
<p style="margin-left: 40px;">Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
<p style="margin-left: 40px;">Change in unfunded net position and OPEB liability and asset:</p>		
PERS	(198,554)	
TRS	<u>(65,931)</u>	(264,485)
<p style="margin-left: 40px;">Changes in deferred inflow and outflow of resources are the results of timing differences in the actuarial report and adjustments to reflect employer and non-employer contributions based on the measurement date of the liabilities:</p>		
PERS	35,024	
TRS	<u>(30,717)</u>	4,307
<p style="margin-left: 40px;">Proceeds received from long-term accounts receivables that were previously recorded as deferred inflows in the governmental funds and recognized as general revenues in prior periods in the Statement of activities.</p>		
		(295,546)
<p style="margin-left: 40px;">Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the costs of those assets are allocated over their estimated useful lives. This is the amount by which capital outlay exceeded depreciation in the current period:</p>		
Capital outlays	1,043,691	
Depreciation expense	<u>(688,736)</u>	354,955
<p style="margin-left: 40px;">Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. The net changes in long-term liability balance is the increase in compensated absences.</p>		
		<u>(23,397)</u>
Change in net position of governmental activities	\$	<u><u>(725,952)</u></u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Statement of Fiduciary Net Position

Custodial Fund - Student Activities

June 30, 2025

Assets

Cash and cash equivalents	\$ <u>229,138</u>
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Net Position

Net position - assets held for others	\$ <u>229,138</u>
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The notes to the financial statements are an integral part of this statement.

SOUTHEAST ISLAND SCHOOL DISTRICT

Custodial Fund - Student Activities

Schedule of Changes in Assets and Liabilities

Year Ended June 30, 2025

Additions:		
Contributions	\$	<u>32,189</u>
Deductions:		
Program expenses		<u>11,487</u>
Change in net position		20,702
Net position, beginning of year		<u>208,436</u>
Net position, end of year	\$	<u><u>229,138</u></u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Southeast Island School District (hereafter referred to as the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

On July 1, 1976 the Legislature of the State of Alaska established Southeast Island School District (hereafter referred to as the District). At that time assets were turned over to the District by the State of Alaska through direct transfer and use permits. The District has 8 attendance centers. The District is operated under the exclusive oversight management and control of a locally elected five-member School Board. The School Board, pursuant to Alaska Statute Title 29.43.030, has the responsibility of establishing, maintaining, and operating a system of public schools for any community within its boundaries that is not provided for by any other public school district. Therefore, the District constitutes an independent local government reporting entity and has no oversight over any other component unit.

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Deferred inflows of resources are the acquisition of Fund Balance/Net Position by the District that are applicable to a future reporting period. Deferred outflows of resources are the consumption of Fund Balance/Net Position by the District that are applicable to a future reporting period.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the Government-Wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

The Government-Wide Financial Statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. There are three categories of funds: governmental, proprietary and fiduciary. The District did not have any proprietary funds in 2025.

The District reports the following major governmental funds:

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

The *SUCCEED Special Revenue Fund* is used to account for funding received from the U.S. Department of Education to provide financial assistance for projects to improve the educational opportunities and achievement of Indian students.

The *Teacher Housing Special Revenue Fund* is used to account for funding regarding aide in teacher housing support.

The *Capital Projects Fund* accounts for all revenue received and expenditures made for the structural repairs for the Thorne Bay K-12 school, the wood fire boiler, school vehicles, teacher housing, and other major repairs and renovations. Revenue is derived primarily from the state.

Additionally, the District reports a Fiduciary Fund for Student Activities.

The *Student Activity Agency Fund* is custodial in nature and does not present results of operations or have a measurement focus. This fund is used to account for assets that the District holds for students in an agency capacity.

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Intergovernmental Revenue

State of Alaska foundation and pupil transportation revenues, and federal aid for the school lunch program are susceptible to accrual and are recorded in the year to which they relate. State of Alaska and Federal government cost reimbursable grants and contracts are recorded to the extent of allowable expenditures in the period in which the expenditures were incurred. On-behalf payments from the State of Alaska are recognized in the year to which they relate.

Local Revenue

Proceeds from the sale of lunches and other miscellaneous revenues are recognized in the year received.

The District's policy is when available, to utilize restricted revenues before unrestricted revenues.

Use of Estimates

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

Indirect Costs

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

D. Assets, Liabilities and Equity

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. There are no statutory limitations on the type of investment allowed. In addition, the District maintains accounts for specific purposes such as the Student Activity accounts.

2. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the Fund Financial Statements and are eliminated in the preparation of the Government-Wide Financial Statements.

3. Inventories and Prepaid Items

Teaching and maintenance supplies are recorded as expenditures when purchased rather than as consumed. Accounting for inventory of heating fuel and food supplies is on the consumption method. The consumption method records the expenditure when consumed rather than when purchased. Inventories are valued at the lesser of cost or market using the first-in, first-out (FIFO) method. Reported inventories are equally offset by a portion of fund balance classified as nonspendable in the Fund Financial Statements, which indicates they do not constitute "available spendable resources" even though they are a component of net current assets.

Payments made to vendors for services that are applicable to future accounting periods are recorded as prepaid items. Prepaid items in governmental funds are based on the consumption method. The prepaid assets recorded in the governmental fund types do not reflect current available resources, and thus, an equivalent portion of fund balance is classified as nonspendable in the Fund Financial Statements.

4. Capital Assets

Capital assets are recorded in the Government-Wide Financial Statements at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets are capitalized over \$5,000. Maintenance and operational costs are borne by the District. Capital assets in the Government-Wide Financial Statements are depreciated on the straight-line method over useful life of the asset, generally 5 to 30 years for equipment and vehicles and 15 to 30 years for buildings.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized in the Government-Wide Financial Statements and are considered operations and maintenance costs.

5. Unearned Revenue

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

6. Compensated Absences

All permanent employees earn and accrue vacation leave and sick leave. A liability is recognized when it is attributable to services already rendered, it accumulates, and it is more likely than not that the government will compensate an employee (either as paid time off or cash payment). Unused leave is accrued utilizing current salary costs as earned by employees, and recorded as a liability in the government-wide statement of net position.

7. Pensions/Other Post Employment Benefit (OPEB) Liability (Asset)

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

8. Net Position

In the Government-Wide Financial Statements, net position is divided into three components:

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

9. Fund Balance

In the fund financial statements, fund balance includes five classifications as follows:

Nonspendable fund balance – amounts that are legally or contractually required to be maintained intact (such as the corpus of an endowment fund) or amounts that are not in a spendable form (such as inventory, prepaid items, supplies, and long-term receivables). Such constraint is binding until the legal or contractual requirement is repealed or the amounts become spendable.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation. Such constraint is binding unless modified or rescinded by external body, laws, or regulation.

Committed fund balance – amounts that can be used only for the specific purposes determined by a formal action of the School Board. Commitments may be changed or lifted by the Board taking the same formal action that imposed the constraint originally.

Assigned fund balance – amounts intended to be used by the District for specific purposes: intent can be expressed by the School Board or Superintendent or designee. Such constraint is binding unless modified or eliminated by the Board or Superintendent. In governmental funds other than the School Operating Fund, assigned fund balance represents the amount that is not restricted or committed.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Unassigned fund balance – amounts not contained in the other classifications and available for any purpose. Positive unassigned amounts will be reported only in the School Operating Fund. If another governmental fund, other than the School Operating Fund, has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund.

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

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

10. Fair Value of Financial Instruments

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

II. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Custodial Credit Risk

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits will not be returned to the District.

Any amount in excess of the Federal Depository Insurance (FDIC) with a maximum of \$250,000 is collateralized with securities held by the District's agent in the District's name. All deposits are carried at fair market value plus accrued interest. The School District has a deposit and investment policy.

At June 30, 2025, the District's bank balances were fully insured or collateralized. As of June 30, 2025, the District's bank balances totaled \$116,419. Deposits in each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The District's collateralized agreement covers \$2,211,075.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

B. Receivables

Receivables as of June 30, 2025 are as follows:

	Teacher Housing Special Revenue Fund	Capital Projects Funds	Other Governmental Funds	Total
Grants	\$ -	1,125,190	363,279	1,488,469
Other	15,545	-	-	15,545
Total	\$ 15,545	1,125,190	363,279	1,504,014

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

C. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Assets not being depreciated:				
Land	\$ 941,798	-	-	941,798
Construction in progress	10,624,307	786,518	(611,671)	10,799,154
Total assets not being depreciated	11,566,105	786,518	(611,671)	11,740,952
Assets being depreciated:				
Buildings	28,866,834	-	-	28,866,834
Machinery and equipment	3,255,299	803,865	(1,105)	4,058,059
Vehicles	1,062,966	79,597	(13,513)	1,129,050
Total assets being depreciated	33,185,099	883,462	(14,618)	34,053,943
Less accumulated depreciation:				
Buildings	(18,098,128)	(412,936)	-	(18,511,064)
Machinery and equipment	(2,147,803)	(217,789)	-	(2,365,592)
Vehicles	(699,237)	(58,011)	-	(757,248)
Total accumulated depreciation	(20,945,168)	(688,736)	-	(21,633,904)
Total assets being depreciated, net	12,239,931	194,726	(14,618)	12,420,039
Total Government Capital Assets Net of Accumulated Depreciation	\$ 23,806,036	981,244	(626,289)	24,160,991

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Machinery and equipment	5-30
Vehicles	5-30
Building	15-30

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

Instruction	\$ 30,531
Special education instruction	1,600
District administration support services	805
Operation and maintenance of plant	606,720
Student activities	2,034
Student transportation – to and from school	46,265
Food services	781
Total depreciation expense per function – governmental	<u>\$ 688,736</u>

D. Interfund Receivables and Payables

Interfund receivables and payables are shown as “Due To Other Funds” and “Due From Other Funds” in each of the individual funds. These balances at June 30, 2024, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School Operating Fund	Capital Projects Fund	484,954
School Operating Fund	Other Governmental Funds	350,004
SUCCEED Special Revenue Fund	School Operating Fund	280,313
Teacher Housing Special Revenue Fund	School Operating Fund	398,002
Other Governmental Funds	School Operating Fund	182,070
		<u>\$ 1,695,343</u>

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

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
Other Governmental Funds	School Operating Fund	\$ 380,000
School Operating Fund	Other Governmental Funds	126,000
School Operating Fund	Capital Projects Fund	142,690
Total		<u>\$ 648,690</u>

Transfers are used to (a) use unrestricted revenues collected in the School Operating Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or (b) use unrestricted revenues collected in the School Operating Fund to meet local match requirements on State and Federal grants.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

E. Long-term Obligations

Compensated absences of governmental activities are also accounted for by the School District. Leave is generally liquidated by the General Fund. Changes in these obligations for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Net Change	Balance June 30, 2025	Due within One Year
Compensated absences	\$ 77,876	23,397	101,273	101,273

Fund Balances

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

	School Operating Fund	Teacher Housing Special Revenue Fund	Capital Projects Fund	Nonmajor Funds	Totals
Nonspendable –					
Inventory	\$ 92,746	-	-	12,455	105,201
Prepaid expense	54,612	-	-	-	54,612
Total nonspendable	147,358	-	-	12,455	159,813
Committed:					
Teacher housing	-	413,547	-	-	413,547
Pupil transportation	-	-	-	95,849	95,849
THRIVE program	-	-	-	3,488	3,488
Maintenance of buildings	-	-	492,810	-	492,810
Total committed	-	413,547	492,810	99,337	1,005,694
Unassigned	(88,912)	-	-	(2,667)	(91,579)
Total Fund Balances	\$ 58,446	413,547	492,810	109,125	1,184,940

III. OTHER INFORMATION**A. Risk Management**

The District is exposed to various risks of loss related to worker's compensation, torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The District mitigates significant risk of loss through the acquisition of commercial insurance policies. With the exception of fire, earthquake and flood insurance the deductibles are minimal. There were no outstanding claims or liabilities at the end of the current period. The District's employee health costs are covered through commercial insurance policies.

The District has elected the reimbursable method of accounting for Employment Security Compensation (ESC). Under this method, the actual costs of ESC are reimbursed to the State of Alaska, Department of Labor. The District records the liability for the accrued unpaid portion of these claims.

B. Contingent Liabilities

Amounts received or receivable from grant or agencies are subject to audit and adjustment by the grantor agencies, principally the federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the School Operating Fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

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

C. Employee Retirement Systems and Plans

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

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

Plan Memberships

The table below includes the plan membership counts from the separately issued financial statements for the various plans:

	<u>PERS</u>	<u>TRS</u>
Retired plan members or beneficiaries		
currently receiving benefits	36,198	13,236
Inactive plan members entitled to but		
not yet receiving benefits	4,516	751
Inactive plan members not entitled to benefits	9,790	1,504
Active plan members	7,963	2,555
Total plan memberships	<u>58,467</u>	<u>18,046</u>

Other Postemployment Benefit Plans (OPEB)

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2025, employer contributions were 0.00% for PERS and 0.00% for TRS.

Occupational Death and Disability Plan (ODD)

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 2025, the employer contribution rates were 0.24% for PERS and 0.08% for TRS.

Retiree Medical Plan (RMP)

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended, June 30, 2025, employer contributions were 0.83% for PERS and 0.68% for TRS.

Health Reimbursement Arrangement Plan (HRA)

The Health Reimbursement Arrangement Plan was established to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants. Employer contributions are 3.00% of the average annual compensation of all employees in the PERS and TRS plans.

Investments

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

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

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return, net of investment expense, for the year ended June 30, 2024 for PERS and TRS for the DB Pension Plan were 8.75% and 8.74%, the ARHCT Plan were 8.89% and 8.90%, the ODD Plan were 9.01% and 8.84%, and the RMP were 9.02% and 8.90%, respectively.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

The long-term expected rate of return on pension and OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below for the PERS and TRS plans (rates shown below exclude an annual inflation component of 2.39%):

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Domestic Equity	5.48%
Global Equity (ex-U.S.)	7.14%
Global Equity	5.79%
Aggregate Bonds	2.10%
Real Assets	4.63%
Private Equity	8.84%
Cash Equivalents	0.77%

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.25%. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.21% as of June 30, 2024.

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

Employer Effective Rate: This is the actual employer pay-in rate. Under current legislation, these rates are statutorily capped at 22.00% for PERS and 12.56% for TRS of eligible wages, subject to the salary floor, and other termination costs as described below. This rate is calculated on all PERS or TRS participating wages, including those wages attributable to employees in the defined benefit plan.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Starting on June 30, 2014, the State of Alaska 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. Effective June 30, 2018, each future year's unfunded service liability is separately amortized on a level percent of pay basis over 25 years.

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

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

Employer Contribution rates for the fiscal year 2025 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	22.00%	26.76%	4.76%
OPEB	0.00%	0.00%	0.00%
Total PERS contribution rates	<u>22.00%</u>	<u>26.76%</u>	<u>4.76%</u>
TRS:			
Pension	12.56%	28.59%	16.03%
OPEB	0.00%	0.00%	0.00%
Total TRS contribution rates	<u>12.56%</u>	<u>28.59%</u>	<u>16.03%</u>

Termination Costs: If the District decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular District function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The District must pay to have a termination study completed. The purpose of the study is to calculate the District's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The District must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS and TRS Administrator. For the fiscal year 2025, the past service rate for PERS and TRS is 17.88%.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2024 (latest available) were determined by an actuarial valuation as of June 30, 2023 which was rolled forward to the measurement date June 30, 2024. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021.

Inflation	2.50% per year.
Salary Increases	Increases range from 2.85% to 8.50% based on service.
Investment return / discount rate	7.25%, net of expenses based on average inflation of 2.50% and a real return of 4.75%.
Mortality	Based upon 2017-2021 actual experience study and applicable tables contained in Pub-2010, projected with MP-2021 generational improvement.
Healthcare cost trend rates	Pre-65 medical: 6.4% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Rx/EGWP: 6.9% grading down to 4.5%. Initial trend rates are for FY2025. Ultimate trend rates reached in FY2050.

The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new demographic and economic assumptions were adopted by the Board at the June 2022 meeting to better reflect expected future experience and were effective for the June 30, 2022 actuarial valuation. For the ARHCT and RM plan, the per capita claims costs were updated to reflect recent experience for the June 30, 2023 actuarial valuation.

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

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

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Employee Contribution Rate. PERS active members are required to contribute 6.75%, 7.50% for peace officers and firefighters, and 9.60% for certain school district employees.

Employer contributions for the year ended June 30, 2025, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ <u>134,871</u>	<u>9,823</u>	<u>144,694</u>

Public Employees' Retirement Plans

For the year ended June 30, 2025 the State of Alaska contributed \$47,327 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2024 to a total of \$126,843 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2025, the District reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the District. The amount recognized by the District as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the District were as follows:

Defined Benefit:	<u>Pension</u>
District's proportionate share of the net pension liability	\$ 1,919,611
State's proportionate share of the net pension liability	<u>719,006</u>
Total	<u>\$ 2,638,617</u>
	<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (770,604)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(286,551)</u>
Total	<u>\$ (1,057,155)</u>
District's proportionate share of the ODD OPEB liability (asset)	<u>\$ (23,250)</u>
District's proportionate share of the RMP OPEB liability (asset)	<u>\$ (21,792)</u>
Total District's share of net pension and OPEB liabilities and assets	<u>\$ 1,103,965</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024 and adjusted to reflect updated assumptions. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for the fiscal years ending FY2026 to FY2039, as determined by projections based on the June 30, 2023 valuation.

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

	June 30, 2024 <u>Measurement</u>	June 30, 2023 <u>Measurement</u>	<u>Change</u>
Pension	0.03500%	0.03300%	0.00200%
OPEB:			
ARHCT	0.03499%	0.03290%	0.00209%
ODD	0.03894%	0.04534%	(0.00640%)
RMP	0.04675%	0.05431%	(0.00756%)

Based on the measurement date of June 30, 2024, the District recognized pension and OPEB expense of \$466,915 and (\$28,055), respectively, for the year ended June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<u>Pension</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Defined Benefit:		
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	18,479	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	134,871	-
Total	<u>\$ 153,350</u>	<u>-</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 417	-
Changes of assumptions	20,690	-
Net difference between projected and actual earnings on OPEB plan investments	11,735	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(8,406)
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 32,842</u>	<u>(8,406)</u>

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(5,446)
Changes of assumptions	-	(58)
Net difference between projected and actual earnings on OPEB plan investments	75	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,534	(1,686)
District contributions subsequent to the measurement date	2,203	-
Total	<u>\$ 5,812</u>	<u>(7,190)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 548	(2,421)
Changes of assumptions	7,374	(14,650)
Net difference between projected and actual earnings on OPEB plan investments	308	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,326	(1,711)
District contributions subsequent to the measurement date	7,620	-
Total	<u>\$ 17,176</u>	<u>(18,782)</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

\$134,871 and \$9,823 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended June 30, 2025 (plan year), respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,		Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2025	\$	(51,450)	(30,616)	(1,268)	(3,177)
2026		95,781	77,724	(460)	(40)
2027		(14,138)	(12,458)	(740)	(3,426)
2028		(11,714)	(10,214)	(661)	(2,365)
2029		-	-	(459)	(1,206)
Thereafter		-	-	7	988
Total	\$	<u>18,479</u>	<u>24,436</u>	<u>(3,581)</u>	<u>(9,226)</u>

For the year ended June 30, 2025, the District recognized \$42,776 and (\$71,635) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

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

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ <u>2,557,103</u>	<u>1,919,611</u>	<u>1,380,140</u>
Net OPEB ARHCT asset	\$ <u>(487,935)</u>	<u>(770,604)</u>	<u>(1,008,477)</u>
Net OPEB ODD asset	\$ <u>(21,838)</u>	<u>(23,250)</u>	<u>(24,356)</u>
Net OPEB RMP liability (asset)	\$ <u>3,775</u>	<u>(21,792)</u>	<u>(41,334)</u>

Sensitivity of the District's Proportionate Share of the Net OPEB Liability and Assets to Changes in the Healthcare Cost Trend Rates. The following present the District's proportionate share of the net OPEB liability (asset), as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT asset	\$ <u>(1,035,634)</u>	<u>(770,604)</u>	<u>(455,768)</u>
Net OPEB ODD asset	\$ <u>N/A</u>	<u>(23,250)</u>	<u>N/A</u>
Net OPEB RMP liability (asset)	\$ <u>(43,913)</u>	<u>(21,792)</u>	<u>7,889</u>

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

Plan Description and Funding Requirements. Districts and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8.00% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5.00% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 0.83% for the retiree medical plan (DB), 0.24% for occupational and death and disability benefits (DB) and 3.00% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is capped at 22.00% with anything in excess of the previously listed rates being contributed to the Defined Benefit Unfunded Liability (DBUL).

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

The District contributed \$98,127 for the year ended June 30, 2025, which included forfeitures of \$15,161 which have been applied as employer contributions.

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

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

Employer contributions for the year ended June 30, 2025, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	<u>82,131</u>	<u>11,245</u>	<u>93,376</u>

Teachers' Retirement Plans

For the year ended June 30, 2025 the State of Alaska contributed \$276,932 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2024 to a total of \$401,543 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2025, the District reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the District. The amount recognized by the District as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the District were as follows:

Defined Benefit:	<u>Pension</u>
District's proportionate share of the net pension liability	\$ 1,445,018
State's proportionate share of the net pension liability	<u>2,485,561</u>
Total	<u>\$ 3,930,579</u>
	<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (809,055)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(1,309,898)</u>
Total	<u>\$ (2,118,953)</u>
District's proportionate share of the ODD OPEB liability (asset)	<u>\$ (19,967)</u>
District's proportionate share of the RMP OPEB liability (asset)	<u>\$ (56,312)</u>
Total District's share of net pension and OPEB liabilities and assets	<u>\$ 559,684</u>

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024 and adjusted to reflect updated assumptions. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for the fiscal years ending FY2026 to FY2039, as determined by projections based on the June 30, 2023 valuation.

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

	<u>June 30, 2024</u> <u>Measurement</u>	<u>June 30, 2023</u> <u>Measurement</u>	<u>Change</u>
Pension	0.07812%	0.07947%	(0.00135%)
OPEB:			
ARHCT	0.08109%	0.08208%	(0.00099%)
ODD	0.25059%	0.25537%	(0.00478%)
RMP	0.25043%	0.25553%	(0.00510%)

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2024, the District recognized pension and OPEB expense of \$539,848 and \$55,376, respectively, for the year ended June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	24,092	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	82,131	-
Total	<u>\$ 106,223</u>	<u>-</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(198)
Changes of assumptions	9,553	-
Net difference between projected and actual earnings on OPEB plan investments	10,250	-
Changes in proportion and differences between District contributions and proportionate share of contributions	911	-
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 20,714</u>	<u>(198)</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(3,156)
Changes of assumptions	-	(28)
Net difference between projected and actual earnings on OPEB plan investments	84	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,675	(789)
District contributions subsequent to the measurement date	1,184	-
Total	<u>\$ 4,943</u>	<u>(3,973)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,862	(3,835)
Changes of assumptions	10,506	(21,851)
Net difference between projected and actual earnings on OPEB plan investments	801	-
Changes in proportion and differences between District contributions and proportionate share of contributions	6,661	(810)
District contributions subsequent to the measurement date	10,061	-
Total	<u>\$ 35,891</u>	<u>(26,496)</u>

\$82,131 and \$11,245 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended June 30, 2025 (plan year), respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2025	\$ (66,429)	(27,451)	(215)	(2,653)
2026	121,103	68,499	337	2,922
2027	(16,532)	(11,281)	(130)	(1,799)
2028	(14,050)	(9,251)	(139)	(1,691)
2029	-	-	116	571
Thereafter	-	-	(183)	1,984
Total	<u>\$ 24,092</u>	<u>20,516</u>	<u>(214)</u>	<u>(666)</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2025, the District recognized (\$53,296) and \$12,041 of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

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

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 2,096,333	1,445,018	893,674
Net OPEB ARHCT asset	\$ (557,600)	(809,055)	(1,019,479)
Net OPEB ODD asset	\$ (20,032)	(19,967)	(19,927)
Net OPEB RMP asset	\$ (14,863)	(56,312)	(87,610)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability and Assets to Changes in the Healthcare Cost Trend Rates. The following present the District's proportionate share of the net OPEB liability (asset), as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT asset	\$ (1,042,453)	(809,055)	(530,206)
Net OPEB ODD asset	\$ N/A	(19,967)	N/A
Net OPEB RMP asset	\$ (91,392)	(56,312)	(8,818)

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

Plan Description and Funding Requirements. Districts and Public Employers in the State of Alaska have a defined contribution retirement plan for new hires first enrolled on or after July 1, 2006. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8.00% of their base salaries. State statutes require the employer to contribute 7.00% of employees' eligible compensation. Additionally, employers are required to contribute to other post-employment benefits (DB): 0.68% for the retiree medical plan, 0.08% for occupational death and disability, and 3.00% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The employer effective contribution rate is 12.56%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The District contributed \$147,998 for the year ended June 30, 2025, which included forfeitures of \$13,237 which have been applied as employer contributions.

D. Subsequent Accounting Pronouncements

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

- GASB 103 *Financial Reporting Model Improvements*: Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
- GASB 104 *Disclosure of Certain Capital Assets*: Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 103 will 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. The changes primarily include updates to three key areas: management’s discussion and analysis, presentation of proprietary fund financial statements, and budgetary comparison information. This Statement also addresses certain application issues.

GASB Statement No. 104 establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. The Statement also establishes requirements for capital assets held for sale and requires additional disclosures for those capital assets. Under the guidance, a capital asset is a capital asset held for sale if: (a) the government has decided to pursue the sale of the asset, and (b) it is probable the sale will be finalized within a year of the financial statement date. A government should disclose the historical cost and accumulated depreciation of capital assets held for sale, by major class of asset.

E. Implementation of New Accounting Standard GASB Statement No. 101

Effective July 1, 2024, the School District implemented GASB Statement No. 101, *Compensated Absences*. This statement modifies the recognition and measurement of the compensated absences liability. Prior to the implementation of GASB Statement No. 101, the School District did not include certain balances related to sick leave. Under GASB Statement No. 101, all earned, accumulating leave that is more likely than not to be paid or settled, is included in the measurement of compensated absences. The School District restated its long-term liabilities to recognize that portion of leave in the compensated absences balance as of July 1, 2024. This resulted in a restatement of previously reported net position, as follows:

	Governmental Activities
Net position, fund balance beginning of year July 1, 2024	\$ 24,562,824
Change in accounting principle:	
Compensated absences	(54,969)
Net position, as adjusted	\$ <u>24,507,855</u>

REQUIRED SUPPLEMENTARY INFORMATION

SOUTHEAST ISLAND SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Interest from notes receivable	\$ -	-	14,324	14,324
Other	25,000	25,000	10,956	(14,044)
Intergovernmental:				
State of Alaska	5,354,357	5,354,357	5,479,151	124,794
Federal sources	290,000	290,000	6,978	(283,022)
Total revenues	<u>5,669,357</u>	<u>5,669,357</u>	<u>5,511,409</u>	<u>(157,948)</u>
Expenditures:				
Current:				
Instruction	2,143,441	2,143,441	2,172,981	(29,540)
Special education instruction	655,850	655,850	623,868	31,982
Special education support services - students	102,712	102,712	184,192	(81,480)
Support services - students	15,275	15,275	18,458	(3,183)
Support services - instruction	194,680	194,680	193,348	1,332
School administration	114,914	114,914	180,472	(65,558)
School administration support services	68,180	68,180	104,506	(36,326)
District administration	434,673	434,673	437,334	(2,661)
District administration support services	384,247	384,247	385,230	(983)
Operations and maintenance of plant	1,274,536	1,274,536	1,559,974	(285,438)
Student activities	188,386	188,386	175,397	12,989
Total expenditures	<u>5,576,894</u>	<u>5,576,894</u>	<u>6,035,760</u>	<u>(458,866)</u>
Excess of revenues over expenditures	<u>92,463</u>	<u>92,463</u>	<u>(524,351)</u>	<u>(616,814)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	304,631	304,631
Transfers in	-	-	380,000	380,000
Transfers out	(100,000)	(100,000)	(268,690)	(168,690)
Net other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>415,941</u>	<u>515,941</u>
Net change in fund balance	\$ <u>(7,537)</u>	<u>(7,537)</u>	<u>(108,410)</u>	<u>(100,873)</u>
Fund balance, beginning of year			<u>166,856</u>	
Fund balance, end of year			\$ <u>58,446</u>	

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

SUCCEED Special Revenue Fund

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

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues -				
Intergovernmental -				
Federal sources	\$ 1,026,738	1,026,738	756,484	(270,254)
Expenditures:				
Current:				
Support services - students	988,505	988,505	739,779	248,726
District administration support services	38,233	38,233	16,705	21,528
Total expenditures	1,026,738	1,026,738	756,484	270,254
Excess (deficiency) of revenues over expenditures	\$ -	-	-	-
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

Teacher Housing Special Revenue Fund

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

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Charges for services	\$ 110,000	110,000	84,094	(25,906)
Other local revenues	-	-	10,000	10,000
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>94,094</u>	<u>(15,906)</u>
Expenditures -				
Current -				
Operations and maintenance of plant	<u>50,000</u>	<u>50,000</u>	<u>99,315</u>	<u>(49,315)</u>
Excess (deficiency) of revenues over expenditures	\$ <u>60,000</u>	<u>60,000</u>	<u>(5,221)</u>	<u>(65,221)</u>
Fund balance, beginning of year			<u>418,768</u>	
Fund balance, end of year			\$ <u>413,547</u>	

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2025

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0554%	\$ 2,686,427	\$ 717,377	\$ 3,403,804	\$ 2,279,236	117.87%	63.96%
2017	0.0330%	\$ 1,846,762	\$ 234,848	\$ 2,081,610	\$ 2,421,546	76.26%	59.55%
2018	0.0388%	\$ 2,006,604	\$ 747,577	\$ 2,754,181	\$ 2,464,319	81.43%	63.37%
2019	0.0304%	\$ 1,511,338	\$ 7,437,051	\$ 8,948,389	\$ 1,902,827	79.43%	65.19%
2020	0.0333%	\$ 1,821,020	\$ 720,723	\$ 2,541,743	\$ 2,111,755	86.23%	63.42%
2021	0.0399%	\$ 2,352,318	\$ 971,866	\$ 3,324,184	\$ 2,128,988	110.49%	61.61%
2022	0.3700%	\$ 1,355,709	\$ 182,935	\$ 1,538,644	\$ 1,810,191	74.89%	76.46%
2023	0.0239%	\$ 1,219,838	\$ 338,655	\$ 1,558,493	\$ 2,177,186	56.03%	67.97%
2024	0.0330%	\$ 1,711,174	\$ 569,292	\$ 2,280,466	\$ 1,068,218	160.19%	68.23%
2025	0.0350%	\$ 1,919,611	\$ 719,006	\$ 2,638,617	\$ 1,018,468	188.48%	67.81%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2025

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.0389%	\$ 328,329	\$ 122,609	\$ 450,938	\$ 2,464,319	13.32%	89.68%
2019	0.0304%	\$ 312,420	\$ 91,225	\$ 403,645	\$ 1,902,827	16.42%	88.12%
2020	0.0332%	\$ 49,267	\$ 19,556	\$ 68,823	\$ 2,111,755	2.33%	98.13%
2021	0.0397%	\$ (179,768)	\$ (74,435)	\$ (254,203)	\$ 2,128,988	-8.44%	106.15%
2022	0.0372%	\$ (953,666)	\$ (122,193)	\$ (1,075,859)	\$ 1,810,191	-52.68%	135.54%
2023	0.0239%	\$ (469,231)	\$ (135,355)	\$ (604,586)	\$ 2,177,186	-21.55%	128.51%
2024	0.0329%	\$ (756,713)	\$ (251,824)	\$ (1,008,537)	\$ 1,068,218	-70.84%	133.96%
2025	0.0350%	\$ (770,604)	\$ (286,551)	\$ (1,057,155)	\$ 1,018,468	-75.66%	130.59%
Occupational Death and Disability (ODD):							
2018	0.0535%	\$ (7,590)	\$ -	\$ (7,590)	\$ 2,464,319	-0.31%	212.97%
2019	0.0598%	\$ (11,619)	\$ -	\$ (11,619)	\$ 1,902,827	-0.61%	270.62%
2020	0.0538%	\$ (13,037)	\$ -	\$ (13,037)	\$ 2,111,755	-0.62%	297.43%
2021	0.0466%	\$ (12,705)	\$ -	\$ (12,705)	\$ 2,128,988	-0.60%	283.80%
2022	0.0383%	\$ (16,869)	\$ -	\$ (16,869)	\$ 1,810,191	-0.93%	374.22%
2023	0.0408%	\$ (17,877)	\$ -	\$ (17,877)	\$ 2,177,186	-0.82%	348.80%
2024	0.0453%	\$ (23,262)	\$ -	\$ (23,262)	\$ 1,068,218	-2.18%	349.24%
2025	0.0389%	\$ (23,250)	\$ -	\$ (23,250)	\$ 1,018,468	-2.28%	346.81%
Retiree Medical Plan (RMP):							
2018	0.0535%	\$ 2,790	\$ -	\$ 2,790	\$ 340,500	0.82%	93.98%
2019	0.0598%	\$ 7,612	\$ -	\$ 7,612	\$ 335,600	2.27%	88.71%
2020	0.0676%	\$ 16,181	\$ -	\$ 16,181	\$ 399,705	4.05%	83.17%
2021	0.0582%	\$ 4,126	\$ -	\$ 4,126	\$ 356,427	1.16%	92.23%
2022	0.0451%	\$ (12,097)	\$ -	\$ (12,097)	\$ 316,164	-3.83%	115.10%
2023	0.0480%	\$ (16,670)	\$ -	\$ (16,670)	\$ 374,855	-4.45%	120.08%
2024	0.0543%	\$ (25,788)	\$ -	\$ (25,788)	\$ 454,050	-5.68%	124.29%
2025	0.0468%	\$ (21,792)	\$ -	\$ (21,792)	\$ 442,118	-4.93%	119.87%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT
 Schedule of District's Contributions (Pensions)
 Public Employees' Retirement System (PERS)
 June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 77,283	\$ (77,283)	\$ -	\$ 2,421,546	3.19%
2017	\$ 89,319	\$ (89,319)	\$ -	\$ 2,464,319	3.62%
2018	\$ 95,194	\$ (95,194)	\$ -	\$ 1,902,827	5.00%
2019	\$ 95,994	\$ (100,564)	\$ (4,570)	\$ 2,111,755	4.55%
2020	\$ 81,626	\$ (72,744)	\$ 8,882	\$ 2,128,988	3.83%
2021	\$ 84,925	\$ (87,464)	\$ (2,539)	\$ 1,810,191	4.69%
2022	\$ 98,442	\$ (98,442)	\$ -	\$ 2,177,186	4.52%
2023	\$ 119,821	\$ (122,154)	\$ (2,333)	\$ 1,068,218	11.22%
2024	\$ 117,579	\$ (115,128)	\$ 2,451	\$ 1,018,468	11.54%
2025	\$ 134,871	\$ (134,871)	\$ -	\$ 1,103,736	12.22%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 27,132	\$ (27,132)	\$ -	\$ 1,902,827	1.43%
2019	\$ 35,081	\$ (35,081)	\$ -	\$ 2,111,755	1.66%
2020	\$ 32,471	\$ (32,471)	\$ -	\$ 2,128,988	1.53%
2021	\$ 10,103	\$ (10,103)	\$ -	\$ 1,810,191	0.56%
2022	\$ 9,993	\$ (9,993)	\$ -	\$ 2,177,186	0.46%
2023	\$ -	\$ -	\$ -	\$ 1,068,218	0.00%
2024	\$ -	\$ -	\$ -	\$ 1,018,468	0.00%
2025	\$ -	\$ -	\$ -	\$ 1,103,736	0.00%
Occupational Death and Disability (ODD):					
2018	\$ 1,083	\$ (1,083)	\$ -	\$ 1,902,827	0.06%
2019	\$ 2,196	\$ (2,196)	\$ -	\$ 2,111,755	0.10%
2020	\$ 2,044	\$ (2,044)	\$ -	\$ 2,128,988	0.10%
2021	\$ 2,042	\$ (2,042)	\$ -	\$ 1,810,191	0.11%
2022	\$ 2,353	\$ (2,353)	\$ -	\$ 2,177,186	0.11%
2023	\$ 2,778	\$ (2,778)	\$ -	\$ 1,068,218	0.26%
2024	\$ 2,672	\$ (2,672)	\$ -	\$ 1,018,468	0.26%
2025	\$ 2,203	\$ (2,203)	\$ -	\$ 1,103,736	0.20%
Retiree Medical Plan (RMP):					
2018	\$ 6,974	\$ (6,974)	\$ -	\$ 335,600	2.08%
2019	\$ 7,937	\$ (7,937)	\$ -	\$ 399,705	1.99%
2020	\$ 10,376	\$ (10,376)	\$ -	\$ 356,427	2.91%
2021	\$ 8,364	\$ (8,364)	\$ -	\$ 316,164	2.65%
2022	\$ 8,121	\$ (8,121)	\$ -	\$ 374,855	2.17%
2023	\$ 10,185	\$ (10,185)	\$ -	\$ 454,050	2.24%
2024	\$ 8,997	\$ (8,997)	\$ -	\$ 442,118	2.03%
2025	\$ 7,620	\$ (7,620)	\$ -	\$ 446,036	1.71%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2025

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0899%	\$ 1,671,672	\$ 2,672,087	\$ 4,343,759	\$ 2,267,494	73.72%	73.82%
2017	0.1092%	\$ 2,492,649	\$ 2,962,960	\$ 5,455,609	\$ 2,104,089	118.47%	68.40%
2018	0.0765%	\$ 1,550,361	\$ 2,703,897	\$ 4,254,258	\$ 1,927,170	80.45%	72.39%
2019	0.0904%	\$ 1,729,651	\$ 2,572,515	\$ 4,302,166	\$ 1,786,951	96.79%	74.09%
2020	0.0937%	\$ 1,751,000	\$ 2,599,243	\$ 4,350,243	\$ 1,646,290	106.36%	74.68%
2021	0.0643%	\$ 1,306,179	\$ 2,266,313	\$ 3,572,492	\$ 2,063,989	63.28%	72.81%
2022	0.1448%	\$ 1,152,686	\$ 980,351	\$ 2,133,037	\$ 1,752,540	65.77%	89.43%
2023	0.0808%	\$ 1,347,278	\$ 1,795,656	\$ 3,142,934	\$ 1,850,502	72.81%	78.33%
2024	0.0795%	\$ 1,397,507	\$ 2,211,519	\$ 3,609,026	\$ 1,936,306	72.17%	77.62%
2025	0.0781%	\$ 1,445,018	\$ 2,485,561	\$ 3,930,579	\$ 1,804,833	80.06%	77.07%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2025

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.0762%	\$ 140,186	\$ 245,620	\$ 385,806	\$ 1,927,170	7.27%	93.75%
2019	0.0902%	\$ 280,407	\$ 418,170	\$ 698,577	\$ 1,786,951	15.69%	90.23%
2020	0.0935%	\$ (142,907)	\$ (212,886)	\$ (355,793)	\$ 1,646,290	-8.68%	105.50%
2021	0.0006%	\$ (229,621)	\$ (399,340)	\$ (628,961)	\$ 2,063,989	-11.13%	113.78%
2022	0.1507%	\$ (1,751,542)	\$ (1,372,899)	\$ (3,124,441)	\$ 1,752,540	-99.94%	145.41%
2023	0.0830%	\$ (727,183)	\$ (929,893)	\$ (1,657,076)	\$ 1,850,502	-39.30%	134.84%
2024	0.0821%	\$ (829,483)	\$ (1,245,135)	\$ (2,074,618)	\$ 1,936,306	-42.84%	140.49%
2025	0.0811%	\$ (809,055)	\$ (1,309,898)	\$ (2,118,953)	\$ 1,804,833	-44.83%	137.40%
Occupational Death and Disability (ODD):							
2018	0.3608%	\$ (11,792)	\$ -	\$ (11,792)	\$ 1,927,170	-0.61%	1342.59%
2019	0.3368%	\$ (11,807)	\$ -	\$ (11,807)	\$ 1,786,951	-0.66%	1304.81%
2020	0.3126%	\$ (12,569)	\$ -	\$ (12,569)	\$ 1,646,290	-0.76%	1409.77%
2021	0.3621%	\$ (15,589)	\$ -	\$ (15,589)	\$ 2,063,989	-0.76%	931.08%
2022	0.3120%	\$ (19,017)	\$ -	\$ (19,017)	\$ 1,752,540	-1.09%	1254.36%
2023	0.2668%	\$ (16,114)	\$ -	\$ (16,114)	\$ 1,850,502	-0.87%	1268.28%
2024	0.2554%	\$ (17,669)	\$ -	\$ (17,669)	\$ 1,936,306	-0.91%	1410.42%
2025	0.2506%	\$ (19,967)	\$ -	\$ (19,967)	\$ 1,804,833	-1.11%	1600.56%
Retiree Medical Plan (RMP):							
2018	0.3608%	\$ (17,103)	\$ -	\$ (17,103)	\$ 1,147,033	-1.49%	118.16%
2019	0.0034%	\$ (10,770)	\$ -	\$ (10,770)	\$ 962,245	-1.12%	109.56%
2020	0.3123%	\$ (11,981)	\$ -	\$ (11,981)	\$ 981,354	-1.22%	110.03%
2021	0.3633%	\$ (35,841)	\$ -	\$ (35,841)	\$ 1,251,409	-2.86%	125.59%
2022	0.3114%	\$ (62,530)	\$ -	\$ (62,530)	\$ 1,103,018	-5.67%	142.54%
2023	0.2663%	\$ (51,564)	\$ -	\$ (51,564)	\$ 1,014,705	-5.08%	140.73%
2024	0.2555%	\$ (56,602)	\$ -	\$ (56,602)	\$ 1,032,906	-5.48%	140.71%
2025	0.2504%	\$ (56,312)	\$ -	\$ (56,312)	\$ 1,088,432	-5.17%	134.72%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT
 Schedule of District's Contributions (Pensions)
 Teachers' Retirement System (TRS)
 June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 67,932	\$ (67,932)	\$ -	\$ 2,104,089	3.23%
2017	\$ 54,175	\$ (54,175)	\$ -	\$ 1,927,170	2.81%
2018	\$ 71,915	\$ (71,915)	\$ -	\$ 1,786,951	4.02%
2019	\$ 5,531	\$ (45,295)	\$ (39,764)	\$ 1,646,290	0.34%
2020	\$ 53,564	\$ (53,885)	\$ (321)	\$ 2,063,989	2.60%
2021	\$ 44,198	\$ (44,107)	\$ 91	\$ 1,752,540	2.52%
2022	\$ 57,969	\$ (57,969)	\$ -	\$ 1,850,502	3.13%
2023	\$ 101,003	\$ (101,003)	\$ -	\$ 1,936,306	5.22%
2024	\$ 80,444	\$ (80,444)	\$ -	\$ 1,804,833	4.46%
2025	\$ 82,132	\$ (82,132)	\$ -	\$ 1,921,775	4.27%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 30,659	\$ (30,659)	\$ -	\$ 1,786,951	1.72%
2019	\$ 27,611	\$ (27,611)	\$ -	\$ 1,646,290	1.68%
2020	\$ 29,845	\$ (29,845)	\$ -	\$ 2,063,989	1.45%
2021	\$ 23,214	\$ (23,214)	\$ -	\$ 1,752,540	1.32%
2022	\$ 35,078	\$ (35,078)	\$ -	\$ 1,850,502	1.90%
2023	\$ -	\$ -	\$ -	\$ 1,936,306	0.00%
2024	\$ -	\$ -	\$ -	\$ 1,804,833	0.00%
2025	\$ -	\$ -	\$ -	\$ 1,921,775	0.00%
Occupational Death and Disability (ODD):					
2018	\$ -	\$ -	\$ -	\$ 1,786,951	0.00%
2019	\$ 975	\$ (975)	\$ -	\$ 1,646,290	0.06%
2020	\$ 1,275	\$ (1,275)	\$ -	\$ 2,063,989	0.06%
2021	\$ 1,129	\$ (1,129)	\$ -	\$ 1,752,540	0.06%
2022	\$ 1,049	\$ (1,049)	\$ -	\$ 1,850,502	0.06%
2023	\$ 1,050	\$ (1,050)	\$ -	\$ 1,936,306	0.05%
2024	\$ 1,114	\$ (1,114)	\$ -	\$ 1,804,833	0.06%
2025	\$ 1,184	\$ (1,184)	\$ -	\$ 1,921,775	0.06%
Retiree Medical Plan (RMP):					
2018	\$ 11,016	\$ (11,016)	\$ -	\$ 962,245	1.14%
2019	\$ 9,635	\$ (9,635)	\$ -	\$ 981,354	0.98%
2020	\$ 17,055	\$ (17,055)	\$ -	\$ 1,251,409	1.36%
2021	\$ 13,130	\$ (13,130)	\$ -	\$ 1,103,018	1.19%
2022	\$ 10,880	\$ (10,880)	\$ -	\$ 1,014,705	1.07%
2023	\$ 11,414	\$ (11,414)	\$ -	\$ 1,032,906	1.11%
2024	\$ 11,422	\$ (11,422)	\$ -	\$ 1,088,432	1.05%
2025	\$ 10,061	\$ (10,061)	\$ -	\$ 1,178,328	0.85%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Required Supplementary Information

June 30, 2025

1. General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except Capital Project Funds. The Capital Project Funds adopt project-length budgets. Budgets are prepared on the modified accrual accounting basis. All annual appropriations lapse at fiscal yearend. Unexpended balances of grants from the state and federal governments for the Special Revenue Funds lapse at June 30 with the exception of those funds established to account for certain direct federal grants which lapse on September 30.

District policy in establishing budgetary data reflected in the financial statements is as follows:

An annual budget for the School Operating Fund is adopted by the School Board for all revenues, expenditures, and interfund transfers. The adopted School Operating Fund budget is submitted to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.

The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs. The original adopted budget and the final revised and approved budget are presented in these financial statements. Expenditure authority for the School Operating Fund is limited to the total approved budget and functional and/or departmental areas of expenditures are not to be overspent.

Annual budgets of the various other Special Revenue Funds are prepared in connection with the application for the special programs' award and are reviewed and approved by the School Board. The District's Special Revenue Funds are used to account for educational programs and operations and maintenance programs that are restricted or committed. Expenditure authority for Special Revenue Fund programs is limited to the actual combined revenues, available fund balance and transfers from other funds.

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

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

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

	Amount in Excess of <u>Appropriations</u>
Special education support services - students	80,261
Support services – students	2,920
School administration	63,036
School administration support services	35,177
Operations and maintenance of plant	277,500

The following functions had expenditures in excess of appropriation in the Teacher Housing Special Revenue Fund:

	Amount in Excess of <u>Appropriations</u>
Operations and maintenance of plant	49,315

Excess of expenditures over appropriation in the School Operating Fund and Teacher Housing Special Revenue Fund were funded through available fund balances.

2. Public Employees' Retirement System

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

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

Changes in Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2022 to June 30, 2023

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2022 to June 30, 2023

Healthcare claim costs are updated for each valuation. The amounts included in the Normal Cost for the administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets. There were no other changes in actuarial assumptions since the prior valuation.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2022 to June 30, 2023

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2022 to June 30, 2023

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2022 to June 30, 2023

Healthcare claim costs are updated for each valuation. The amounts included in the Normal Cost for the administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets. There were no other changes in actuarial assumptions since the prior valuation.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2022 to June 30, 2023

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

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

Schedule of District Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2023 which was rolled forward to June 30, 2024. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

3. Teachers' Retirement System

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

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

Changes in Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2022 to June 30, 2023

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2022 to June 30, 2023

Healthcare claim costs are updated for each valuation. The amounts included in the Normal Cost for the administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets. There were no other changes in actuarial assumptions since the prior valuation.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2022 to June 30, 2023

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plans

a) Changes in Methods Since the Prior Valuation – June 30, 2022 to June 30, 2023

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2022 to June 30, 2023

Healthcare claim costs are updated for each valuation. The amounts included in the Normal Cost for the administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets. There were no other changes in actuarial assumptions since the prior valuation.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2022 to June 30, 2023

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

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

Schedule of District Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2023 which was rolled forward to June 30, 2024. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

SUPPLEMENTARY INFORMATION

SOUTHEAST ISLAND SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Local sources:			
Interest from notes receivable	-	14,324	14,324
Other	\$ 25,000	10,956	(14,044)
Total local	<u>25,000</u>	<u>25,280</u>	<u>280</u>
Intergovernmental:			
State sources:			
Foundation program	4,509,487	4,614,590	105,103
Quality schools	12,106	12,388	282
TRS on-behalf payment	270,625	276,932	6,307
PERS on-behalf payment	46,249	47,327	1,078
House bill 268 one-time grant	514,505	526,497	11,992
Dividend raffle	1,385	1,417	32
Total state sources	<u>5,354,357</u>	<u>5,479,151</u>	<u>124,794</u>
Federal source - pass through - National forest receipts	<u>290,000</u>	<u>6,978</u>	<u>(283,022)</u>
Total revenues	<u>5,669,357</u>	<u>5,511,409</u>	<u>(157,948)</u>
Expenditures:			
Current:			
Instruction:			
Certificated salaries	1,215,821	1,177,145	38,676
Non-certificated salaries	59,007	119,585	(60,578)
Employee benefits	688,597	706,813	(18,216)
Professional and technical services	700	132	568
Staff travel	300	7,757	(7,457)
Student travel	9,000	-	9,000
Utility services	33,800	42,005	(8,205)
Supplies, materials and media	129,369	59,774	69,595
Tuition-students and stipends	6,497	6,497	-
Other expenses	350	53,273	(52,923)
Total instruction	<u>2,143,441</u>	<u>2,172,981</u>	<u>(29,540)</u>
Special education instruction:			
Certificated salaries	222,921	214,151	8,770
Non-certificated salaries	209,421	199,554	9,867
Employee benefits	221,198	207,803	13,395
Professional and technical services	-	497	(497)
Supplies, materials and media	2,310	1,863	447
Total special education instruction	<u>655,850</u>	<u>623,868</u>	<u>31,982</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures, continued:			
Current:			
Special education support services - students:			
Certificated salaries	42,750	62,290	(19,540)
Non-certificated salaries	4,380	3,656	724
Employee benefits	27,436	55,020	(27,584)
Professional and technical services	7,500	30,468	(22,968)
Staff travel	9,000	16,935	(7,935)
Utility services	200	574	(374)
Other purchased services	-	14	(14)
Supplies, materials and media	5,000	10,235	(5,235)
Other expenses	6,446	5,000	1,446
Total special education support services - students	102,712	184,192	(81,480)
Support services - students:			
Certificated salaries	9,500	11,559	(2,059)
Employee benefits	5,775	6,899	(1,124)
Total support services - students	15,275	18,458	(3,183)
Support services - instruction:			
Certificated salaries	-	85	(85)
Non-certificated salaries	67,000	67,000	-
Employee benefits	46,135	46,317	(182)
Professional and technical services	5,000	2,875	2,125
Staff travel	7,400	2,811	4,589
Utility services	5,000	6,900	(1,900)
Other purchased services	5,000	5,215	(215)
Supplies, materials and media	58,650	62,145	(3,495)
Other expenses	495	-	495
Total support services - instruction	194,680	193,348	1,332
School administration:			
Certificated salaries	72,104	111,154	(39,050)
Employee benefits	32,900	64,356	(31,456)
Professional and technical services	-	325	(325)
Staff travel	7,000	692	6,308
Utility services	600	622	(22)
Supplies, materials and media	1,696	2,674	(978)
Other expenses	614	649	(35)
Total school administration	114,914	180,472	(65,558)
School administration support services:			
Non-certificated salaries	50,610	50,635	(25)
Employee benefits	16,070	53,871	(37,801)
Supplies, materials and media	1,500	-	1,500
Total school administration support services	68,180	104,506	(36,326)
District administration:			
Certificated salaries	136,000	141,231	(5,231)
Non-certificated salaries	106,772	106,872	(100)
Employee benefits	129,516	139,960	(10,444)
Professional and technical services	23,980	9,934	14,046
Staff travel	12,000	18,635	(6,635)
Student travel	1,250	-	1,250
Utility services	1,450	1,296	154
Other purchased services	300	-	300
Supplies, materials and media	11,275	5,631	5,644
Tuition and stipends	2,000	-	2,000
Other expenses	10,130	13,775	(3,645)
Total district administration	434,673	437,334	(2,661)

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures, continued:			
Current:			
District administration support services:			
Non-certificated salaries	127,160	123,764	3,396
Employee benefits	90,106	91,624	(1,518)
Professional and technical services	120,000	120,097	(97)
Staff travel	3,000	-	3,000
Utility services	9,000	8,780	220
Other purchased services	3,000	1,536	1,464
Insurance and bond premiums	62,246	67,757	(5,511)
Supplies, materials and media	20,500	14,998	5,502
Other expenses	5,500	-	5,500
Indirect cost recovery	(56,265)	(43,326)	(12,939)
Total district administration support services	<u>384,247</u>	<u>385,230</u>	<u>(983)</u>
Operations and maintenance of plant:			
Non-certificated salaries	320,085	349,757	(29,672)
Employee benefits	113,792	211,723	(97,931)
Professional and technical services	7,000	9,713	(2,713)
Staff travel	9,000	13,631	(4,631)
Utility services	32,200	35,947	(3,747)
Energy	313,863	371,384	(57,521)
Other purchased services	95,496	87,796	7,700
Insurance and bond premiums	235,266	235,714	(448)
Supplies, materials and media	136,334	144,642	(8,308)
Other expenses	1,000	344	656
Equipment	10,500	99,323	(88,823)
Total operations and maintenance of plant	<u>1,274,536</u>	<u>1,559,974</u>	<u>(285,438)</u>
Student activities:			
Certificated salaries	55,181	7,790	47,391
Non-certificated salaries	13,390	43,458	(30,068)
Employee benefits	62,075	11,010	51,065
Professional and technical services	-	1,478	(1,478)
Staff travel	6,126	202	5,924
Student travel	40,914	54,793	(13,879)
Other purchased services	-	1,374	(1,374)
Supplies, materials and media	8,200	49,467	(41,267)
Other expenses	2,500	5,825	(3,325)
Total student activities	<u>188,386</u>	<u>175,397</u>	<u>12,989</u>
Total expenditures	<u>5,576,894</u>	<u>6,035,760</u>	<u>(458,866)</u>
Excess of revenues over expenditures	<u>92,463</u>	<u>(524,351)</u>	<u>(616,814)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	-	304,631	304,631
Transfers in -			
Pupil Transportation Special Revenue Fund	-	380,000	380,000
Transfers out:			
Food Service Special Revenue Fund	(100,000)	(126,000)	(26,000)
Capital Projects Fund	-	(142,690)	(142,690)
Net other financing sources (uses)	<u>(100,000)</u>	<u>415,941</u>	<u>515,941</u>
Net change in fund balance	<u>\$ (7,537)</u>	<u>(108,410)</u>	<u>(100,873)</u>
Fund balance, beginning of year		<u>166,856</u>	
Fund balance, end of year		<u>\$ 58,446</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

SUCCEED Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - direct	\$ 1,026,738	756,484	(270,254)
Expenditures - current:			
Support services - students:			
Certificated salaries	69,766	82,269	(12,503)
Non-certificated salaries	34,013	31,867	2,146
Employee benefits	39,709	45,522	(5,813)
Professional and technical services	339,619	289,249	50,370
Staff travel	296,637	76,517	220,120
Student travel	-	88,552	(88,552)
Utility services	-	622	(622)
Other purchased services	-	6,049	(6,049)
Supplies, materials and media	127,890	83,893	43,997
Tuition - students and stipends	-	35,239	(35,239)
Other expenses	80,871	-	80,871
Total support services - students	<u>988,505</u>	<u>739,779</u>	<u>248,726</u>
District administration support services -			
Indirect costs	<u>38,233</u>	<u>16,705</u>	<u>21,528</u>
Total expenditures	<u>1,026,738</u>	<u>756,484</u>	<u>270,254</u>
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ <u>-</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Teacher Housing Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Local sources :			
Charges for services - rental income	\$ 110,000	84,094	(25,906)
Other	-	10,000	10,000
Total local sources	<u>110,000</u>	<u>94,094</u>	<u>(15,906)</u>
Expenditures - current:			
Operations and maintenance of plant:			
Non-certificated salaries	-	6,277	(6,277)
Employee benefits	-	2,636	(2,636)
Utility services	-	4,804	(4,804)
Energy	-	11,239	(11,239)
Other purchased services	-	62,182	(62,182)
Supplies, materials and media	50,000	12,177	37,823
Total expenditures	<u>50,000</u>	<u>99,315</u>	<u>(49,315)</u>
Excess (deficiency) of revenues over expenditures	\$ <u>60,000</u>	(5,221)	<u>(65,221)</u>
Fund balance, beginning of year		<u>418,768</u>	
Fund balance, end of year		\$ <u><u>413,547</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2025

Revenues:	
Intergovernmental:	
State of Alaska	\$ 44,028
Federal sources:	
Pass through	40,050
Direct	598,655
Total revenues	<u>682,733</u>
Expenditure - current:	
Instruction:	
Staff travel	4,269
Other purchased services	968
Supplies, materials and media	44,928
Total instruction	<u>50,165</u>
Operations and maintenance of plant:	
Non-certificated salaries	9,138
Employee benefits	4,748
Professional and technical services	5,540
Staff travel	1,747
Other purchased services	300,624
Supplies, materials and media	266,605
Other expenses	662
Equipment	178,394
Total operations and maintenance of plant	<u>767,458</u>
Construction and facilities acquisition -	
Professional and technical services	<u>7,800</u>
Total expenditures	<u>825,423</u>
Deficiency of revenues under expenditures	(142,690)
Other financing sources -	
Transfers in - School Operating Fund	<u>142,690</u>
Net change in fund balance	-
Fund balance, beginning of year	<u>492,810</u>
Fund balance, end of year	<u>\$ 492,810</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2025

	Special Revenue Funds							
	Pupil Transportation	Early Learning	Food Service	Title I-A Basic	Title I-C Migrant Education	Title IV-A Innovative	Title II-A Teacher and Principal Training	Carl Perkins
Assets								
Accounts receivable	\$ -	-	785	38,439	20,972	3,199	8,044	8,121
Due from School Operating Fund	95,849	59,581	-	-	-	-	-	-
Inventory	-	-	12,455	-	-	-	-	-
	<u>95,849</u>	<u>59,581</u>	<u>13,240</u>	<u>38,439</u>	<u>20,972</u>	<u>3,199</u>	<u>8,044</u>	<u>8,121</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	-	-	-	-	-	-	-	-
Unearned revenue	-	59,581	-	-	-	-	-	-
Due to School Operating Fund	-	-	3,452	38,439	20,972	3,199	8,044	8,121
Total liabilities	<u>-</u>	<u>59,581</u>	<u>3,452</u>	<u>38,439</u>	<u>20,972</u>	<u>3,199</u>	<u>8,044</u>	<u>8,121</u>
Fund balances:								69
Nonspendable	-	-	12,455	-	-	-	-	-
Committed	95,849	-	-	-	-	-	-	-
Unassigned	-	-	(2,667)	-	-	-	-	-
Total fund balances	<u>95,849</u>	<u>-</u>	<u>9,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>95,849</u>	<u>59,581</u>	<u>13,240</u>	<u>38,439</u>	<u>20,972</u>	<u>3,199</u>	<u>8,044</u>	<u>8,121</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

Assets	Special Revenue Funds							CIS CEO
	Hunter Education	Title I-A School Improvement	Comprehensive State Literacy Development	Rural Utilities	SOAR	THRIVE	REWARDS	
Accounts receivable	\$ -	63,583	56,203	35,274	54,242	-	41,234	-
Due from School Operating Fund	17,694	-	-	-	-	3,488	-	1,320
Inventory	-	-	-	-	-	-	-	-
	<u>17,694</u>	<u>63,583</u>	<u>56,203</u>	<u>35,274</u>	<u>54,242</u>	<u>3,488</u>	<u>41,234</u>	<u>1,320</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	-	553	15,389	-	-	-	-	-
Unearned revenue	17,694	-	-	-	-	-	-	1,320
Due to School Operating Fund	-	63,030	40,814	35,274	54,242	-	41,234	-
Total liabilities	<u>17,694</u>	<u>63,583</u>	<u>56,203</u>	<u>35,274</u>	<u>54,242</u>	<u>-</u>	<u>41,234</u>	<u>1,320</u>
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	3,488	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,488</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>17,694</u>	<u>63,583</u>	<u>56,203</u>	<u>35,274</u>	<u>54,242</u>	<u>3,488</u>	<u>41,234</u>	<u>1,320</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

	Special Revenue Funds					Total Other Governmental Funds
	Whole Kids Foundation	USDA Specialty Crop	POW Health Network	SEIYA	NEA Alaska	
<u>Assets</u>						
Accounts receivable	\$ 1,149	32,034	-	-	-	363,279
Due from School Operating Fund	-	-	525	1,613	2,000	182,070
Inventory	-	-	-	-	-	12,455
	<u>1,149</u>	<u>32,034</u>	<u>525</u>	<u>1,613</u>	<u>2,000</u>	<u>557,804</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	-	-	-	-	-	15,942 ⁷¹
Unearned revenue	-	-	525	1,613	2,000	82,733
Due to School Operating Fund	1,149	32,034	-	-	-	350,004
Total liabilities	<u>1,149</u>	<u>32,034</u>	<u>525</u>	<u>1,613</u>	<u>2,000</u>	<u>448,679</u>
Fund balances:						
Nonspendable	-	-	-	-	-	12,455
Committed	-	-	-	-	-	99,337
Unassigned	-	-	-	-	-	(2,667)
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,125</u>
Total liabilities and fund balances	\$ <u>1,149</u>	<u>32,034</u>	<u>525</u>	<u>1,613</u>	<u>2,000</u>	<u>557,804</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2025

Special Revenue Funds

	Pupil Transportation	Early Learning	Food Service	Fresh Fruit and Vegetables	Alaska Nutritional Foods	Title I-A Basic	Title I-C Migrant Education	Migrant Book
Revenues:								
Local sources:								
Charges for services	\$ -	-	2,700	-	-	-	-	-
Other	-	-	-	-	732	-	-	-
Intergovernmental:								
State of Alaska	210,915	3,691	-	-	-	-	-	-
Federal sources:								
Pass through	-	-	120,477	8,439	-	95,266	67,034	1,434
Direct	-	-	-	-	-	-	-	-
Total revenues	<u>210,915</u>	<u>3,691</u>	<u>123,177</u>	<u>8,439</u>	<u>732</u>	<u>95,266</u>	<u>67,034</u>	<u>1,434</u>
Expenditures:								
Current:								
Instruction	-	3,691	-	-	-	90,781	53,600	1,367
Special education instruction	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	10,278	-
District administration support services	-	-	-	-	-	4,485	3,156	92
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	146,032	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Food services	-	-	320,081	8,439	732	-	-	-
Total expenditures	<u>146,032</u>	<u>3,691</u>	<u>320,081</u>	<u>8,439</u>	<u>732</u>	<u>95,266</u>	<u>67,034</u>	<u>1,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>64,883</u>	<u>-</u>	<u>(196,904)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources -								
Transfers in	-	-	126,000	-	-	-	-	-
Transfers out	(380,000)	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>(380,000)</u>	<u>-</u>	<u>126,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(315,117)</u>	<u>-</u>	<u>(70,904)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>410,966</u>	<u>-</u>	<u>80,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 95,849</u>	<u>-</u>	<u>9,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds							
	Title IV-A Innovative	Positive Behavioral Intervention Strategies	Title II-A Teacher and Principal Training	Title VI-B IDEA	Section 619 Preschool Disabled	Carl Perkins	Safety and Well Being	Hunter Education
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	31,127
Federal sources:								
Pass through	10,020	14,000	19,790	54,404	4,434	22,951	8,883	-
Direct	-	-	-	-	-	-	-	-
Total revenues	<u>10,020</u>	<u>14,000</u>	<u>19,790</u>	<u>54,404</u>	<u>4,434</u>	<u>22,951</u>	<u>8,883</u>	<u>31,127</u>
Expenditures:								
Current:								
Instruction	9,548	14,000	18,858	-	-	21,871	8,465	31,127
Special education instruction	-	-	-	51,843	4,225	-	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-
District administration support services	472	-	932	2,561	209	1,080	418	-
Operations and maintenance of plant	-	-	-	-	-	-	-	73
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Total expenditures	<u>10,020</u>	<u>14,000</u>	<u>19,790</u>	<u>54,404</u>	<u>4,434</u>	<u>22,951</u>	<u>8,883</u>	<u>31,127</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources -								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds						
	Title I-A School Improvement	EHCY Homeless	Comprehensive State Literacy Development	Rural Utilities	SOAR	Indian Education	REAP
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Intergovernmental:							
State of Alaska	-	-	-	-	-	-	-
Federal sources:							
Pass through	95,197	559	127,696	-	98,132	-	-
Direct	-	-	-	10,463	-	11,907	3,173
Total revenues	<u>95,197</u>	<u>559</u>	<u>127,696</u>	<u>10,463</u>	<u>98,132</u>	<u>11,907</u>	<u>3,173</u>
Expenditures:							
Current:							
Instruction	90,716	533	118,127	-	28,119	11,346	3,173
Special education instruction	-	-	-	-	-	-	-
Support services - students	-	-	3,558	-	69,081	-	74
Support services - instruction	-	-	-	10,463	639	-	-
District administration support services	4,481	26	6,011	-	-	561	-
Operations and maintenance of plant	-	-	-	-	293	-	-
Student activities	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Total expenditures	<u>95,197</u>	<u>559</u>	<u>127,696</u>	<u>10,463</u>	<u>98,132</u>	<u>11,907</u>	<u>3,173</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds						Total Other Governmental Funds
	Select-Klawock	THRIVE	Whole Kids Foundation	USDA Specialty Crop	POW Health Network	RurAL CAP	
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	-	-	-	2,700
Other	-	-	1,149	-	3,475	-	5,356
Intergovernmental:							
State of Alaska	-	-	-	-	-	-	245,733
Federal sources:							
Pass through	93,008	-	-	50,014	-	-	891,738
Direct	-	94,695	-	-	-	-	120,238
Total revenues	<u>93,008</u>	<u>94,695</u>	<u>1,149</u>	<u>50,014</u>	<u>3,475</u>	<u>-</u>	<u>1,265,765</u>
Expenditures:							
Current:							
Instruction	-	-	59	29,875	-	-	535,256
Special education instruction	-	-	-	-	-	-	56,068
Support services - students	93,008	94,695	-	-	3,475	-	263,817 ⁵
Support services - instruction	-	-	-	-	-	-	21,380
District administration support services	-	-	-	2,162	-	-	26,621
Operations and maintenance of plant	-	-	-	-	-	-	293
Student activities	-	-	-	-	-	2,134	2,134
Student transportation - to and from school	-	-	-	-	-	-	146,032
Community services	-	-	1,090	17,977	-	-	19,067
Food services	-	-	-	-	-	-	329,252
Total expenditures	<u>93,008</u>	<u>94,695</u>	<u>1,149</u>	<u>50,014</u>	<u>3,475</u>	<u>2,134</u>	<u>1,399,920</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,134)</u>	<u>(134,155)</u>
Other financing sources -							
Transfers in	-	-	-	-	-	-	126,000
Transfers out	-	-	-	-	-	-	(380,000)
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(254,000)</u>
Net change in fund balance	-	-	-	-	-	(2,134)	(388,155)
Fund balances, beginning of year	<u>-</u>	<u>3,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,134</u>	<u>497,280</u>
Fund balances, end of year	<u>\$ -</u>	<u>3,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,125</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Pupil Transportation Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental -			
State of Alaska	\$ 238,612	210,915	27,697
Expenditures - current:			
Student transportation - to and from school:			
Non-certificated salaries	78,947	82,252	(3,305)
Employee benefits	26,123	40,542	(14,419)
Professional and technical services	1,200	-	1,200
Staff travel	250	202	48
Utility services	-	1,489	(1,489)
Other purchased services	2,600	160	2,440
Supplies, materials and media	32,500	17,946	14,554
Student transportation - in-lieu-of agreements	-	2,034	(2,034)
Other expenses	600	1,407	(807)
Total expenditures	<u>142,220</u>	<u>146,032</u>	<u>(3,812)</u>
Excess (deficiency) of revenues over expenditures	<u>96,392</u>	<u>64,883</u>	<u>23,885</u>
Other financing sources (uses) -			
Transfers out - School Operating Fund	<u>-</u>	<u>(380,000)</u>	<u>(380,000)</u>
Net change in fund balance	\$ <u><u>96,392</u></u>	(315,117)	<u><u>(356,115)</u></u>
Fund balance, beginning of year		<u>410,966</u>	
Fund balance, end of year		\$ <u><u>95,849</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Early Learning Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
State of Alaska	\$ 2,970	3,691	721
Expenditures - current:			
Instruction:			
Certificated salaries	-	680	(680)
Non-certificated salaries	190	170	20
Employee benefits	-	122	(122)
Professional and technical services	2,780	2,719	61
Total expenditures	<u>2,970</u>	<u>3,691</u>	<u>(721)</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Food Service Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources - charges for services	\$ 2,000	2,700	700
Intergovernmental -			
Federal sources - passed through the State of Alaska	<u>140,000</u>	<u>120,477</u>	<u>(19,523)</u>
Total revenues	<u>142,000</u>	<u>123,177</u>	<u>(18,823)</u>
Expenditures - current:			
Food services:			
Non-certificated salaries	108,037	117,765	(9,728)
Employee benefits	28,428	34,024	(5,596)
Staff travel	2,250	4,663	(2,413)
Supplies, materials and media	163,478	163,629	(151)
Other expenses	600	-	600
Total expenditures	<u>302,793</u>	<u>320,081</u>	<u>(17,288)</u>
Excess (deficiency) of revenues over expenditures	(160,793)	(196,904)	(36,111)
Other financing sources -			
Transfers in - School Operating Fund	<u>-</u>	<u>126,000</u>	<u>126,000</u>
Net change in fund balance	\$ <u>(160,793)</u>	(70,904)	<u>89,889</u>
Fund balance, beginning of year		<u>80,692</u>	
Fund balance, end of year		\$ <u><u>9,788</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Fresh Fruit and Vegetables Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 8,625	8,439	(186)
Expenditures - current -			
Food services -			
Supplies, materials and media	8,625	8,439	186
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Alaska Nutritional Foods Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Local sources - other local revenues	\$ 732	732	-
Expenditures - current:			
Food services -			
Supplies, materials and media	732	732	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title I-A Basic Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 101,672	95,266	(6,406)
Expenditures - current:			
Instruction:			
Certificated salaries	21,000	20,929	71
Non-certificated salaries	17,600	16,980	620
Employee benefits	8,953	8,962	(9)
Staff travel	17,094	11,304	5,790
Student travel	5,100	4,800	300
Utility services	600	622	(22)
Other purchased services	6,150	5,450	700
Supplies, materials and media	18,909	20,589	(1,680)
Other expenses	1,480	1,145	335
Total instruction	96,886	90,781	6,105
District administration support services - Indirect costs	4,786	4,485	301
Total expenditures	101,672	95,266	6,406
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title I-C Migrant Education Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 107,101	67,034	(40,067)
Expenditures - current:			
Instruction:			
Certificated salaries	19,900	13,579	6,321
Non-certificated salaries	17,357	13,816	3,541
Employee benefits	12,764	5,255	7,509
Professional and technical services	1,500	-	1,500
Other purchased services	5,760	5,760	-
Supplies, materials and media	29,000	15,190	13,810
Total instruction	86,281	53,600	32,681
Support services - instruction:			
Non-certificated salaries	9,842	7,834	2,008
Employee benefits	5,936	2,444	3,492
Total support services - instruction	15,778	10,278	5,500
District administration support services - Indirect costs	5,042	3,156	1,886
Total expenditures	107,101	67,034	40,067
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Migrant Book Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 3,479	1,434	(2,045)
Expenditures - current:			
Instruction -			
Supplies, materials and media	3,315	1,367	1,948
District administration support services -			
Indirect costs	164	67	97
Total expenditures	3,479	1,434	2,045
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title IV-A Innovative Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 14,742	10,020	(4,722)
Expenditures - current:			
Instruction:			
Professional and technical services	6,200	6,500	(300)
Staff travel	2,148	-	2,148
Other purchased services	2,300	2,300	-
Supplies, materials and media	3,400	748	2,652
Total instruction	14,048	9,548	4,500
District administration support services -			
Indirect costs	694	472	222
Total expenditures	14,742	10,020	4,722
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Positive Behavioral Intervention Strategies Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 14,000	14,000	-
Expenditures - current:			
Instruction:			
Professional and technical services	4,200	4,200	-
Staff travel	9,800	9,800	-
Total expenditures	14,000	14,000	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title II-A Teacher and Principal Training Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 27,958	19,790	(8,168)
Expenditures - current:			
Instruction:			
Employee benefits	2,682	2,682	-
Professional and technical services	350	350	-
Staff travel	10,600	6,947	3,653
Other purchased services	892	-	892
Supplies, materials and media	9,117	5,878	3,239
Other expenses	3,001	3,001	-
Total instruction	<u>26,642</u>	<u>18,858</u>	<u>7,784</u>
District administration support services -			
Indirect costs	1,316	932	384
Total expenditures	<u>27,958</u>	<u>19,790</u>	<u>8,168</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		<u>\$ -</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title VI-B IDEA Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 54,404	54,404	-
Expenditures - current:			
Special education instruction -			
Professional and technical services	51,843	51,843	-
District administration support services -			
Indirect costs	2,561	2,561	-
Total expenditures	54,404	54,404	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Section 619 Preschool Disabled Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 4,434	4,434	-
Expenditures - current:			
Special education instruction -			
Professional and technical services	4,225	4,225	-
District administration support services -			
Indirect costs	209	209	-
Total expenditures	4,434	4,434	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Carl Perkins Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 26,991	22,951	(4,040)
	<u> </u>	<u> </u>	<u> </u>
Expenditures - current:			
Instruction:			
Certificated salaries	7,000	7,306	(306)
Employee benefits	2,250	1,473	777
Staff travel	4,000	-	4,000
Supplies, materials and media	12,470	13,092	(622)
Total instruction	<u>25,720</u>	<u>21,871</u>	<u>3,849</u>
District administration support services -			
Indirect costs	1,271	1,080	191
Total expenditures	<u>26,991</u>	<u>22,951</u>	<u>4,040</u>
Excess of revenues over expenditures	\$ <u> </u> <u> </u>	-	<u> </u> <u> </u>
Fund balance, beginning of year		<u> </u>	
Fund balance, end of year		\$ <u> </u> <u> </u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Safety and Well Being Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 9,999	8,883	(1,116)
Expenditures - current -			
Instruction:			
Professional and technical services	875	-	875
Staff travel	8,653	8,465	188
Total instruction	<u>9,528</u>	<u>8,465</u>	<u>1,063</u>
District administration support services -			
Indirect costs	471	418	53
Total expenditures	<u>9,999</u>	<u>8,883</u>	<u>1,116</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Hunter Education Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues -			
Intergovernmental -			
State of Alaska	\$ 48,820	31,127	(17,693)
	<u> </u>	<u> </u>	<u> </u>
Expenditures - current:			
Instruction:			
Certificated salaries	4,236	4,236	-
Employee benefits	1,702	1,702	-
Staff travel	3,623	3,623	-
Supplies, materials and media	39,259	21,566	17,693
Total expenditures	<u>48,820</u>	<u>31,127</u>	<u>17,693</u>
Excess of revenues over expenditures	\$ <u> </u>	-	<u> </u>
Fund balance, beginning of year		<u> </u>	
Fund balance, end of year		\$ <u> </u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title I-A School Improvement Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 97,170	95,197	(1,973)
	<u> </u>	<u> </u>	<u> </u>
Expenditures - current:			
Instruction:			
Certificated salaries	22,860	22,860	-
Non-certificated salaries	1,100	1,106	(6)
Employee benefits	11,909	11,820	89
Professional and technical services	6,850	6,865	(15)
Staff travel	30,879	31,432	(553)
Supplies, materials and media	18,998	16,633	2,365
Total instruction	<u>92,596</u>	<u>90,716</u>	<u>1,880</u>
District administration support services -			
Indirect costs	4,574	4,481	93
Total expenditures	<u>97,170</u>	<u>95,197</u>	<u>1,973</u>
Excess of revenues over expenditures	\$ <u> </u> <u> </u>	-	<u> </u> <u> </u>
Fund balance, beginning of year		<u> </u>	
Fund balance, end of year		\$ <u> </u> <u> </u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

EHCY Homeless Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 1,000	559	(441)
Expenditures - current:			
Instruction -			
Staff travel	953	533	420
District administration support services -			
Indirect costs	47	26	21
Total expenditures	1,000	559	441
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Comprehensive State Literacy Development Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 162,592	127,696	(34,896)
Expenditures - current:			
Instruction:			
Certificated salaries	51,073	47,227	3,846
Non-certificated salaries	90	90	-
Employee benefits	8,297	8,296	1
Professional and technical services	39,000	27,528	11,472
Staff travel	12,406	7,535	4,871
Supplies, materials and media	33,629	24,368	9,261
Other expenses	5,000	3,083	1,917
Total instruction	<u>149,495</u>	<u>118,127</u>	<u>31,368</u>
Support services - students:			
Staff travel	3,294	2,001	1,293
Supplies, materials and media	2,149	1,557	592
Total support services - students	<u>5,443</u>	<u>3,558</u>	<u>1,885</u>
District administration support services -			
Indirect costs	7,654	6,011	1,643
Total expenditures	<u>162,592</u>	<u>127,696</u>	<u>34,896</u>
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Rural Utilities Services

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - direct	\$ 609,099	10,463	(598,636)
Expenditures - current -			
Support services - instruction -			
Supplies, materials and media	609,099	10,463	598,636
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

SOAR Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental - federal sources -			
Other intermediate agencies	\$ 65,977	98,132	32,155
Expenditures - current:			
Instruction:			
Certificated salaries	-	1,364	(1,364)
Non-certificated salaries	27,234	22,253	4,981
Employee benefits	10	4,264	(4,254)
Supplies, materials and media	-	238	(238)
Total instruction	<u>27,244</u>	<u>28,119</u>	<u>(875)</u>
Support services - students:			
Employee benefits	-	8,326	(8,326)
Staff travel	2,140	-	2,140
Student travel	2,300	11,213	(8,913)
Supplies, materials and media	33,361	49,542	(16,181)
Total support services - students	<u>37,801</u>	<u>69,081</u>	<u>(31,280)</u>
Support services - instruction -			
Supplies, materials and media	<u>639</u>	<u>639</u>	<u>-</u>
Operations and maintenance of plant -			
Supplies, materials and media	<u>293</u>	<u>293</u>	<u>-</u>
Total expenditures	<u>65,977</u>	<u>98,132</u>	<u>(32,155)</u>
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Indian Education Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - direct	\$ 11,907	11,907	-
Expenditures - current:			
Instruction:			
Non-certificated salaries	2,313	2,313	-
Employee benefits	731	731	-
Staff travel	203	203	-
Supplies, materials and media	8,099	8,099	-
Total instruction	<u>11,346</u>	<u>11,346</u>	<u>-</u>
District administration support services -			
Indirect costs	561	561	-
Total expenditures	<u>11,907</u>	<u>11,907</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

REAP Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - direct	\$ 3,173	3,173	-
Expenditures - current -			
Instruction -			
Supplies, materials and media	3,173	3,173	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Select-Klawock Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues -			
Intergovernmental - Federal sources - passed through other intermediate agencies	\$ 120,000	93,008	(26,992)
	<u> </u>	<u> </u>	<u> </u>
Expenditures - current -			
Support services - students - Supplies, materials and media	120,000	93,008	26,992
	<u> </u>	<u> </u>	<u> </u>
Excess of revenues over expenditures	\$ -	-	-
	<u> </u>	<u> </u>	<u> </u>
Fund balance, beginning of year		-	
		<u> </u>	
Fund balance, end of year		\$ -	
		<u> </u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

THRIVE Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - direct	\$ 95,187	94,695	(492)
Expenditures - current:			
Support services - students:			
Certificated salaries	72,308	72,307	1
Employee benefits	22,879	22,388	491
Total expenditures	95,187	94,695	492
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		3,488	
Fund balance, end of year		\$ 3,488	

SOUTHEAST ISLAND SCHOOL DISTRICT

Whole Kids Foundation Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Local sources - other	\$ 3,000	1,149	(1,851)
Expenditures - current:			
Instruction -			
Supplies, materials and media	-	59	(59)
Community services -			
Supplies, materials and media	3,000	1,090	1,910
Total expenditures	3,000	1,149	1,851
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

USDA Specialty Crop Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 44,389	50,014	5,625
Expenditures - current:			
Instruction:			
Non-certificated salaries	25,935	21,002	4,933
Employee benefits	7,714	6,553	1,161
Professional and technical services	6,000	-	6,000
Staff travel	1,690	1,402	288
Supplies, materials and media	3,050	859	2,191
Other expenses	-	59	(59)
Total instruction	44,389	29,875	14,514
District administration and support services -			
Indirect costs	-	2,162	(2,162)
Community services:			
Non-certificated salaries	-	7,199	(7,199)
Employee benefits	-	2,246	(2,246)
Supplies, materials and media	-	8,532	(8,532)
Total community services	-	17,977	(17,977)
Total expenditures	44,389	50,014	(5,625)
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

POW Health Network Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Local sources -			
Other local revenues	\$ 4,000	3,475	(525)
Expenditures - current:			
Support services - students:			
Staff travel	-	400	(400)
Supplies, materials and media	4,000	3,075	925
Total expenditures	4,000	3,475	525
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

RurAL CAP Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Local sources -			
Other local revenues	\$ -	-	-
Expenditures - current -			
Student activities -			
Other purchased services	2,134	2,134	-
Deficiency of revenues under expenditures	<u>(2,134)</u>	(2,134)	<u>(4,268)</u>
Fund balance, beginning of year		2,134	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Hollis K-12 School Design and Replacement - GR-20-002 / GR-22-001

Schedule of the Results of Operations of Capital Projects

Year Ended June 30, 2025

	Prior Years	Current Year	Inception to Date
Expenditures:			
Non-certificated salaries	113,103	9,138	122,241
Employee benefits	47,419	4,748	52,167
Professional and technical services	709,130	5,540	714,670
Utility services	501	-	501
Energy	2,674	-	2,674
Other purchased services	8,866,113	10,379	8,876,492
Insurance and bond premiums	94,455	-	94,455
Supplies, materials and media	173,009	5,303	178,312
Other expenses	6,233	-	6,233
Total expenditures	10,012,637	35,108	10,047,745

SOUTHEAST ISLAND SCHOOL DISTRICT

Schedule of Compliance - AS 14.17.505

June 30, 2025

Total fund balance - School Operating Fund	\$	58,446
less exemptions per 4 AAC 09.160(a)		
Inventory		92,746
Prepaid expenses		<u>54,612</u>
Fund Balance Subject to 10% Limitation	\$	<u>(88,912)</u>

Nonexempt fund balance as a percentage of current year expenditures:

$$\frac{\text{Fund balance subject to limitation}}{\text{Current year expenditures}} = \frac{(88,912)}{6,035,760} = \underline{\underline{-1.47\%}}$$

SOUTHEAST ISLAND SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2025

<u>Grant Title</u>	<u>Grant Number</u>	<u>Assistance Listing Number</u>	<u>Total Federal Expended</u>	<u>Passed through to Subrecipients</u>
U.S. Department of Education:				
Passed through the State of Alaska Department of Education and Early Development:				
Title I-A Basic	IP 25.SISS.01	84.010A	95,266	-
Title I-1 School Improvement	SI 25.SISS.01	84.010A	95,197	-
Total ALN 84.010			<u>190,463</u>	<u>-</u>
Title I-C Migrant Education	IP 25.SISS.01	84.011A	67,034	-
Migrant Education Books	MB 25.SISS.01	84.011A	1,434	-
Total ALN 84.011			<u>68,468</u>	<u>-</u>
Carl Perkins Vocational Ed Secondary	EK 25.SISS.01	84.048A	22,951	-
Education for Homeless Children and Youth	AH 25.SISS.01	84.196A	559	-
Title II-A Improving Teacher Quality	IP 25.SISS.01	84.367A	19,790	-
Comprehensive State Literacy Development	AL 25.SISS.01	84.371C	127,696	35,085
Title IV-A Student Support and Academic Enrichment Safety and Well Being	IP 25.SISS.01 SW 25.SISS.01	84.424A 84.424A	10,020 8,883	- -
Total ALN 84.424			<u>18,903</u>	<u>-</u>
Special Education Cluster:				
Positive Behavioral Intervention Strategies	PB 25.SISS.01	84.027	14,000	-
Title VI-B Special Education	SE 25.SISS.01	84.027A	54,404	-
Title VI-B Section 619 Preschool Disabled	SE 25.SISS.01	84.173A	4,434	-
Total Special Education Cluster			<u>72,838</u>	<u>-</u>
Passed through:				
Klawock City School District:				
SOAR	S356A220034-23	84.356A	98,132	-
SELECT-KLAWOCK	S356A190012	84.356A	93,008	-
Total ALN 84.356			<u>191,140</u>	<u>-</u>
Direct programs:				
Indian Education	S060A242401	84.060A	11,907	-
SUCCEED	S299A220018	84.299A	756,484	5,345
Project THRIVE	S299A220018	84.299A	94,695	-
Total ALN 84.299			<u>851,179</u>	<u>5,345</u>
REAP	S358C240016	84.358C	3,173	-
Total U.S. Department of Education			<u>1,579,067</u>	<u>40,430</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards, Continued

<u>Grant Title</u>	<u>Grant Number</u>	<u>Assistance Listing Number</u>	<u>Total Federal Expended</u>	<u>Passed through to Subrecipients</u>
U.S. Department of Agriculture:				
Passed through the State of Alaska Department of Education and Early Development:				
Local Food for Schools Co-Op	LF 24.SISS.01	10.560	5,137	-
Child Nutrition Cluster:				
Commodities	None	10.555	5,571	-
NSL Breakfast	None	10.553	35,928	-
NSL Lunch	None	10.555	73,841	-
Fresh Fruit & Vegetable Program	FF 25.SISS.02	10.582	8,439	-
Total Child Nutrition Cluster			<u>123,779</u>	<u>-</u>
Passed through the State of Alaska Department of Commerce and Economic Development -				
National Forest Receipts Title I	None	10.665	6,978	-
Passed through Alaska Energy Authority -				
Wood Utilization Assistance	7910082	10.674	40,050	-
Passed through the State of Alaska Department of Natural resources -				
Micro Migrants for Food Security	23SCBPAK1169-00	10.170	50,014	-
Direct programs:				
Distance Learning and Telemedicine	AK0717-D16	10.855	10,463	-
Total U.S. Department of Agriculture			<u>236,421</u>	<u>-</u>
U.S. Department of Justice -				
Direct -				
Public Safety Partnership and Community Policing	15JCOPS-24-GG-03649-SCAX	16.071	369,145	-
U.S. Department of Homeland Security -				
Passed through the State of Alaska Division of Homeland Security and Emergency Management -				
Homeland Security Program	EMW-2024-SS-05168	97.067	229,510	-
Total Expenditure of Federal Awards			<u>\$ 2,414,143</u>	<u>40,430</u>

See accompanying notes to the schedule.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Southeast Island School District under programs of the federal government for the year ended June 30, 2025. 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 Southeast Island School District, it is not intended to and does not present the basic financial statements of Southeast Island School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Southeast Island School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Nonmonetary Assistance

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed at June 30, 2025 the District had food commodities totaling \$5,571.

SOUTHEAST ISLAND SCHOOL DISTRICT

Schedule of State Financial Assistance

Year Ended June 30, 2025

<u>Grant Title</u>	<u>Grant Number</u>	<u>Total State Expended</u>
Department of Education and Early Development:		
Direct programs:		
* Public School Foundation Program	None	\$ 4,614,590
Pupil Transportation	None	190,634
HB 268 One-Time Pupil Transportation	None	20,281
Early Learning	PE 24.SISS.01	3,691
Hunter Education	HE 25.SISS.01	31,127
Education Dividend Raffle Funds	None	1,417
Quality Schools	None	12,388
* HB 268 One-Time Grant	None	526,497
Hollis K-12 School Replacement	GR-20-002/GR-22-001	35,108
Total Department of Education and Early Development		<u>5,435,733</u>
Alaska Housing Finance Corporation -		
Direct -		
Rural Professional Housing	RPH-24-SIS-1	<u>8,920</u>
Total State Expenditures		<u>\$ 5,444,653</u>

See accompanying notes to the schedule.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2025

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Southeast Island School District under programs of the State of Alaska for the year ended June 30, 2025. 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 Southeast Island School District, it is not intended to and does not present the basic financial statements of Southeast Island School District.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Subrecipients

No state funds were passed through to Subrecipients.

Note 4. Major Programs

* denotes a major program for compliance audit purposes.

Note 5. Reconciliation of State Expenditures to the Financial Statements

The following programs are reported as Intergovernmental – State of Alaska revenues, however are not subject to compliance in accordance with the State of Alaska Audit Guide and Compliance Supplement for State Single Audits:

Total Schedule of State Financial Assistance	\$	5,444,653
PERS On-Behalf		47,327
TRS On-Behalf		276,932
Total State Financial Assistance	\$	<u>5,768,912</u>

COMPLIANCE REPORTS

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

Independent Auditor's Report

Members of the School Board
Southeast Island School District
Thorne Bay, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Southeast Island School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Southeast Island School District's basic financial statements, and have issued our report thereon dated December 4, 2025.

Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Altman, Rogers & Co.

Anchorage, Alaska
December 4, 2025

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

Independent Auditor's Report

Members of the School Board
Southeast Island School District
Thorne Bay, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Southeast Island School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Southeast Island School District's major federal programs for the year ended June 30, 2025. Southeast Island School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southeast Island School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

Members of the School Board
Southeast Island School District

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.

Altman, Rogers & Co.

Anchorage, Alaska
December 4, 2025

SOUTHEAST ISLAND SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Financial Statements

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

Is a going concern emphasis-of-matter paragraph included in the audit report? Yes No

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

Noncompliance material to the financial statements noted? Yes No

Federal Awards

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

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

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.299	Indian Education – Special Programs for Indian Children
16.071	School Violence Prevention Program

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

Auditee qualified as low-risk auditee? Yes No

SOUTHEAST ISLAND SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

Southeast Island School District did not have any findings related to the financial statements.

Section III – Federal Award Findings and Questioned Costs

Southeast Island School District did not have any findings related to federal awards.

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

Independent Auditor's Report

Members of the School Board
Southeast Island School District
Thorne Bay, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Southeast Island School District's compliance with the types of compliance requirements identified as subject to audit in the State of Alaska Audit Guide and Compliance Supplements that could have a direct and material effect on each of Southeast Island School District's major state programs for the year ended June 30, 2025. Southeast Island School District's major state programs are identified on the Schedule of State Financial Assistance.

In our opinion, Southeast Island School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2025.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Southeast Island School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the 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 Southeast Island School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Southeast Island School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Southeast Island School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of Southeast Island School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Altman, Rogers & Co.

Anchorage, Alaska
December 4, 2025

SOUTHEAST ISLAND SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

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

State Awards

Internal control over major programs:

Material weakness(es) identified?

 Yes X No

Significant deficiency(ies) identified?

 Yes X None reported

Type of auditors’ report issued on compliance
for major program:

Unmodified

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes No

Section II – Financial Statement Findings

Southeast Island School District did not have any findings related to the financial statements.

Section III – State Award Findings and Questioned Costs

Southeast Island School District did not have any findings related to state awards.



SOUTHEAST ISLAND SCHOOL DISTRICT

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(907) 828-8254 Fax: (907) 828-8257 E-mail: sisd@sisd.org

Summary Schedule of Prior Audit Findings

June 30, 2025

State Award Findings

Finding 2024-001 **Significant Deficiency**

Noncompliance with Reporting Requirement

Condition and Context:

We selected a sample of student counts reported to DEED during the year under audit. While testing the data elements suggested in the compliance supplement, a student was selected that was not actually enrolled or attended the District during the period of reporting.

Status of Finding:

This finding has been resolved.