Petersburg School District

(A Component Unit of
Petersburg Borough, Alaska)

Basic Financial Statements, Required Supplementary Information, Additional Supplementary Information, Government Auditing Standards, and State of Alaska Single Audit Reports

Year Ended June 30, 2026

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The report accompanying these financial statements was issued by
BDO USA, P.C., a Virginia professional corporation, and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

Petersburg School District

(A Component Unit of
Petersburg Borough, Alaska)

Basic Financial Statements, Required Supplementary Information,
Additional Supplementary Information, Government Auditing Standards,
and State of Alaska Single Audit Reports

Year Ended June 30, 2026

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

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(A Component Unit of Petersburg Borough, Alaska)

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

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Independent Auditor's Report

Members of the School Board
Petersburg School District
Petersburg, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Petersburg School District (the "District"), a component unit of the Petersburg Borough, Alaska as of and for the year ended June 30, 2026, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2026, 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.

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Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

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BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules; the schedules of the Districts proportionate share of the net pension and net OPEB liability or asset and schedules of the District's contribution 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit for the year ended June 30, 2026 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The companying combining and individual fund financial statements and schedules, Schedule of Compliance as required by Alaska Statute 14.17.505 and the Schedule of State Financial Assistance as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* for the year ended June 30, 2026 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2026 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 combining and individual fund financial statements, schedules and the Schedule of State Financial are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2026.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated [date of report] 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
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Basic Financial Statements

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Statement of Net Position

June 30, 2026		Governmental Activities
Assets and Deferred Outflows of Resources		
Assets		
Cash and investments	$	4,879,799
Accounts receivable		329,583
Inventory		13,551
Prepaid items		585,394
Net other postemployment benefits assets- restricted		3,445,365
Capital assets, net of accumulated depreciation		2,122,553
Total Assets		11,376,245
Deferred Outflows of Resources		
Pension related		403,516
Other postemployment benefits related		92,678
Total Deferred Outflows of Resources		496,194
Total Assets and Deferred Outflows of Resources	$	11,872,439
Liabilities, Deferred Inflows of Resources and Net Position		
Liabilities		
Accounts payable	$	769,288
Accrued payroll and related liabilities		9,062
Due within one year - compensated absences		163,300
Unearned revenue		175,963
Noncurrent liabilities:		
Due in more than one year - compensated absences		486,251
Due in more than one year - net pension liability		4,586,422
Total Liabilities		6,190,286
Deferred Inflows of Resources		
Pension related		142,841
Other postemployment benefits related		218,721
Total Deferred Inflows of Resources		361,562
Net Position		
Net investment in capital assets		2,122,553
Restricted for other post employment benefit assets		3,445,365
Restricted for scholarships		58,628
Restricted for capital projects		-
Unrestricted (deficit)		(305,955)
Total Net Position		5,320,591
Total Liabilities, Deferred Inflows of Resources and Net Position	$	11,872,439

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See accompanying notes to basic financial statements.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Statement of Activities

Year Ended June 30, 2026	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities					
Instruction	$ 4,218,419	$ -	$ 245,995	$ -	$ (3,972,424)
Special education instruction	1,622,325	-	121,385	-	(1,500,940)
Support services - students	658,636	-	310,162	-	(348,474)
Support services - instruction	811,816	-	(8,041)	-	(819,857)
School administration	346,796	-	(25,860)	-	(372,656)
School administration support services	340,314	-	(192)	-	(340,506)
District administration	320,734	-	(15,487)	-	(336,221)
District administration support services	453,809	-	41,439	-	(412,370)
Operations and maintenance of plant	1,659,220	-	4,590	-	(1,654,630)
Student activities	963,376	468,461	(10,043)	-	(504,958)
Student transportation - to and from school	253,434	-	210,310	-	(43,124)
Food service	683,083	19,771	572,279	-	(91,033)
Expendable trust	3,900	-	-	-	(3,900)
Construction and facilities acquisition	-	-	25,825	1,465,844	1,491,669
	$ 12,335,862	$ 488,232	$ 1,472,362	$ 1,465,844	(8,909,424)
General Revenues					
Local appropriation					3,250,000
State grants and entitlements not restricted to specific purpose					7,018,381
Earnings on investments					106,060
E-rate					101,448
Other					136,767
Transfer to primary government					(623,111)
Total General Revenues					9,989,545
Change in Net Position					1,080,121
Net Position, beginning of year					4,240,470
Net Position, end of year					$ 5,320,591

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See accompanying notes to basic financial statements.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Governmental Funds
Balance Sheet

June 30, 2026	Major Funds: General Fund	Major Funds: Capital Projects Fund	Nonmajor Governmental Special Revenue Funds	Total Governmental Funds
Assets				
Cash and investments	$ 1,136,318	$ 2,832,931	$ 910,550	$ 4,879,799
Accounts receivable	624	-	328,959	329,583
Inventory	-	-	13,551	13,551
Prepaid items	530,383	-	55,011	585,394
Due from other funds	75,873	333,569	-	409,442
Total Assets	$ 1,743,198	$ 3,166,500	$ 1,308,071	$ 6,217,769
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 2,426	$ 766,862	$ -	$ 769,288
Accrued payroll and related liabilities	9,062	-	-	9,062
Due to other funds	-	37,190	372,252	409,442
Unearned revenue	-	-	175,963	175,963
Total Liabilities	11,488	804,052	548,215	1,363,755
Fund Balances				
Nonspendable	530,383	-	68,562	598,945
Restricted	-	-	58,628	58,628
Assigned	74,859	2,362,448	686,223	3,123,530
Unassigned (Deficit)	1,126,468	-	(53,557)	1,072,911
Total Fund Balances	1,731,710	2,362,448	759,856	4,854,014
Total Liabilities and Fund Balances	$ 1,743,198	$ 3,166,500	$ 1,308,071	$ 6,217,769

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See accompanying notes to basic financial statements.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2026

Total fund balances for governmental funds		$ 4,854,014
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets for governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation, consist of:		
Construction in progress, building improvements, equipment, and vehicles	$ 5,348,924	
Accumulated depreciation	(3,226,371)	
Total capital assets, net		2,122,553
Certain other postemployment benefit plans have been funded in excess of the required contributions. These assets are not financial resources and therefore are not reported in the funds.		
Net other postemployment benefits asset		3,445,365
Noncurrent liabilities are not due and payable in the current period and therefore are not reported as fund liabilities.		
Noncurrent liabilities reported in these statements consist of:		
Compensated absences	(649,551)	
Net pension liability	(4,586,422)	
Total noncurrent liabilities		(5,235,973)
Certain changes in net pension liabilities and net other postemployment benefits liabilities and assets are deferred rather than recognized immediately. These are amortized over time:		
Deferred outflows of resources related to pensions	403,516	
Deferred outflows of resources related to other postemployment benefits	92,678	
Deferred inflows of resources related to pensions	(142,841)	
Deferred inflows of resources related to other postemployment benefits	(218,721)	
Total deferred pension and other postemployment benefits items		134,632
Total Net Position of Governmental Activities		$ 5,320,591

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See accompanying notes to basic financial statements.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances

	Major Funds			
Year Ended June 30, 2026	General Fund	Capital Projects Fund	Nonmajor Governmental Special Revenue Funds	Total Governmental Funds
Revenues				
Local sources	$ 3,574,077	$ 10,347	$ 551,406	$ 4,135,830
State of Alaska	7,803,975	1,465,844	249,576	9,519,395
Federal grants:				
Passed through State of Alaska	-	-	1,343,595	1,343,595
Direct federal grants and contracts	-	-	49,113	49,113
Other	-	-	194,235	194,235
Other sources	-	-	925	925
Total Revenues	11,378,052	1,476,191	2,388,850	15,243,093
Expenditures				
Current:				
Instruction	4,719,460	-	512,347	5,231,807
Special education instruction	1,649,689	-	173,904	1,823,593
Support services - students	400,327	-	337,250	737,577
Support services - instruction	900,573	-	39,368	939,941
School administration	446,582	-	400	446,982
School administration support services	360,629	-	-	360,629
District administration	404,236	-	-	404,236
District administration support services	333,916	76,408	41,625	451,949
Operations and maintenance of plant	1,563,416	-	5,000	1,568,416
Student activities	611,610	-	412,602	1,024,212
Student transportation - to and from school	-	-	253,434	253,434
Food service	-	-	737,280	737,280
Expendable trust	-	-	3,900	3,900
Construction and facilities acquisition	-	3,548,085	25,825	3,573,910
Total Expenditures	11,390,438	3,624,493	2,542,935	17,557,866
Deficiency of Revenues Over Expenditures	(12,386)	(2,148,302)	(154,085)	(2,314,773)
Other Financing Sources (Uses)				
Transfers in	-	798,624	-	798,624
Transfers out	(798,624)	-	-	(798,624)
Transfer from primary government	-	2,439,082	-	2,439,082
Net Other Financing Sources (Uses)	(798,624)	3,237,706	-	2,439,082
Net Change in Fund Balances	(811,010)	1,089,404	(154,085)	124,309
Fund Balances, beginning of year	2,542,720	1,273,044	913,941	4,729,705
Fund Balances, end of year	$ 1,731,710	$ 2,362,448	$ 759,856	$ 4,854,014

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See accompanying notes to basic financial statements.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2026

Net change in fund balances - total governmental funds		$ 124,309
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is comprised of:		
Capital outlay	$ 708,704	
Depreciation expense	(229,709)	
		478,995
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 the governmental funds.		
Increase in net pension liability and related deferred outflows and inflows of resources	(75,456)	
Increase in net other postemployment benefits assets and related deferred outflows and inflows of resources	723,317	
		647,861
Other noncurrent liabilities reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the increase in compensated absences.		(171,044)
Change in Net Position of Governmental Activities		$ 1,080,121

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See accompanying notes to basic financial statements.

1. Summary of Significant Accounting Policies

The financial statements of the Petersburg School District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The accompanying financial statements include all the activities of the District. The District is a component unit of the Petersburg Borough, Alaska.

Pursuant to Alaska Statutes, Title 29.43.030, the Petersburg Borough (the Borough) has the responsibility of establishing, maintaining, and operating a system of public schools. The Borough has delegated the administrative responsibilities for these functions to the School Board of the District. Members of the School Board are elected by the public. The School Board has control over hiring and firing of employees and the power to contract and purchase equipment. The School Board is required to submit an annual budget to the Borough Assembly for approval, and all bonded indebtedness is through the Borough.

The financial statements included in this report are for the District only. There are no component units for which the District is financially accountable, the District receives funding from the Borough for construction projects.

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) fees, fines and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The Borough’s local appropriation and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. The major funds are presented in separate columns. Nonmajor funds are aggregated and presented in a single column.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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The following are the District's major governmental funds:

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

The *Capital Projects Fund* accounts for deferred maintenance and other grant/nongrant capital improvements.

The other governmental funds of the District are considered nonmajor.

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

D. Budgets

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

The adopted School Operating Fund budget is submitted to the Petersburg Borough for approval of the request for local appropriation, then to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.

The School Board authorizes formal budget revisions periodically each year to adjust the revenues and expenditures to available resources and program needs. The final revised and approved budget is presented in these financial statements. Expenditure authority for the School Operating Fund is limited to the total approved budget. The Superintendent has the authority to make line-item transfers limited to under $10,000. These budget adjustments must be included in the School Board's next formal budget revision. Any interfund transfers require prior approval by the School Board.

Annual budgets of the Grant Program Special Revenue Fund are prepared in connection with the application for the special programs' funding and are reviewed and approved in total by the School Board. Expenditure authority for different projects in the Grant Program Special Revenue Fund is limited to the actual combined revenues and transfers from other funds. Unexpended balances of grants from the State and federal governments for the Grant Program Special Revenue Fund typically lapse at June 30.

Project budgets are adopted for the various construction funds based on the lives of the construction projects.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the School Operating Fund and Special Revenue Funds. Encumbrances, if any, outstanding at year end are reported as appropriate constraints of fund balance if they meet the fund balance classification criteria described later in these notes. Encumbrances are included as reductions of fund balances for the purpose of calculating fund balance limits in accordance with state regulations.

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F. Cash and Investments

Cash includes amounts in demand deposits. Investments include pooled investments that are invested with the Alaska Municipal League investment Pool, Inc. (AMLIP) that can be redeemed on a daily basis with no prior notification.

G. Short-Term Interfund 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.

H. Inventories

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

I.Capital Assets

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

All purchased capital assets are valued at cost. Donated capital assets are valued at acquisition value on the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The District maintains a capitalization threshold of $5,000. The District does not possess any infrastructure.

All reported capital assets are depreciated, except construction in progress. Depreciation is computed on the straight-line method over the estimated useful life of the assets, generally 3 to 10 years for equipment and vehicles, and 10 to 20 years for building improvements. Maintenance and repairs of a routine nature that do not add to the value of the asset are charged as expenditures as incurred and are not capitalized.

J. Compensated Absences

Compensated absences are leave benefits for which employees will be paid, such as vacation or sick leave. The District's policy permits employees to accumulate earned but unused vacation leave benefits, ranging from 6 days up to the hours worked with no set limit for certain employee contracts, which are eligible for payment upon separation from service. The District also permits employees to accumulate earned unused sick leave, calculated based on their contract and hours worked with no set limit, which are not paid out upon separation from service. The liability for such leave is reported as incurred in the financial statements. The liability for compensated absences includes salary-related payments, where applicable.

K. Fund Balances

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

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

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

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

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

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

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

L. Unearned Revenue
Amounts received from grantor agencies, which are restricted as to use and have not been expended for the intended use are shown on the balance sheet as unearned revenue.

M. Interfund Transfers
During the course of normal operations, the District has numerous transactions between funds, including expenditures and transfers of resources to provide services and construct assets. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. The classification of amounts recorded as subsidies, advances, or other transfers is determined by the School Board.

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

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O. Deferred Outflows/Inflows of Resources
In addition to assets, the statement of the net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District reports certain pension and OPEB related items as deferred outflows of resources. These items are amortized to expense over time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports certain pension and OPEB related items as deferred inflows of resources. These items are as a reduction to expense over varying periods of time based on their nature.

P. Net Position
Net position represents the difference between assets and liabilities in the government wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding borrowings, if any, used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Q. Management Estimates and Assumptions

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

2. Cash and Investments

The District utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "cash and investments" or included in "due to other funds." The balances at June 30, 2026 were as follows:

Cash and cash equivalents	$ 4,329,100
AMLIP investments	550,699
Total Cash and Investments	$ 4,879,799

Custodial credit risk – Custodial credit risk is the risk that in the event of bank or broker failure, the District's deposits and investments may not be returned to it. The District does not have a deposit policy for custodial credit risk, but does seek to mitigate this risk on its deposits through the use of a tri-party collateralization agreement. All the District's deposits in financial institutions as of June 30, 2026 are insured or covered by a tri-party collateralization agreement.

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The AMLIP is an external investment pool (Pool) which is rated AAA for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. The Pool is incorporated in the State of Alaska as a nonprofit corporation and reports to a board of directors, Alaska Statute 37.23.050 requires the retention of an investment manager. The manager is required to produce monthly disclosure statements on the Pool. The Pool also has retained an investment adviser who monitors performance of the investment manager to ensure compliance with investment policies. All participation in the Pool is voluntary. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase investments having remaining maturities of 397 days or less. On a monthly basis, the investments in the Pool are reviewed for fair value by an independent pricing service. As of June 30, 2026, the fair value of the investments in the Pool approximates amortized cost and is equal to the value of Pool shares. The District has no unfunded commitments to the Pool. The District can redeem its investment in AMLIP on a daily basis with no prior notification.

3. Receivables

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

4. Interfund Receivables, Payables, and Transfers

A schedule of interfund balances and transfers for the year ended June 30, 2026, follows:

Due to Other Funds:	
To the General Fund from:	
Nonmajor governmental funds for short-term advances	$ 75,873
To Capital Project Funds from:	
Nonmajor governmental funds for short-term advances	333,569
Total Due to Other Funds	$ 409,442
Transfers to Other Funds:	
From the General Fund to -	
Capital Projects Funds	$ 798,624

5. Capital Assets

Capital asset activity for the year ended June 30, 2026 was as follows:

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Governmental Activities	Balance July 1, 2025	Additions	Deductions	Balance June 30, 2026
Capital assets not being depreciated:				
Construction in progress	$ -	$ 3,573,910	$ (3,062,193)	$ 511,717
Assets being depreciated:				
Equipment and vehicles	1,835,290	196,987	-	2,032,277
Building improvements	2,804,930	-	-	2,804,930
Total assets being depreciated	4,640,220	196,987	-	4,837,207
Accumulated depreciation	(2,996,662)	(229,709)	-	(3,226,371)
Total Governmental Capital Assets Net of Depreciation	$ 1,643,558	$ 3,541,188	$ (3,062,193)	$ 2,122,553

Depreciation expense was charged to governmental functions as follows for the year ended June 30, 2026:

Instruction	$ 13,656
District administration support services	4,753
Operations and maintenance of plant	198,248
Student activities	2,159
Food service	10,893
Total Depreciation Allocated to Governmental Functions	$ 229,709

In addition, significant capital construction and related work in progress on buildings was performed by the District, which is funded from transfers from Petersburg Borough (Borough) and a grant from the State of Alaska. For the current year, the net of the transfers from the Borough of $2,462,360 and the cost of the capital asset transferred back to the Borough of $3,062,193, has been reported as a transfer to the Borough in the amount of $599,833. Out of the $2,462,360 that was transferred, the remaining $23,278 will be used for the project and is included in restricted fund balance.

6. Noncurrent Liabilities

The following schedule shows the changes in compensated absences for the year ended June 30, 2026.

	Balance July 1, 2025	Change	Balance June 30, 2026	Due Within One Year
Compensated absences*	$ 478,507	$ 171,044	$ 649,551	$ 163,300

*The change in compensated absences liability is presented as a net change as allowed under the provisions of GASB Statement 101.

7. Pension and Other Postemployment Benefits Plans

(a) Defined Benefit (DB) Pension Plans

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General Information About the Plans

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

Both Plans are included in annual comprehensive financial reports that includes financial statements and other required supplemental information. Those reports are available via the internet at https://drb.alaska.gov/docs/reports/#pers and https://drb.alaska.gov/docs/reports/#trs. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on these websites.

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

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

Historical Context and Special Funding Situation

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

Alaska Statutes 14.25.085 and 39.35.280 require the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay each Plans' past service liability contribution rate as adopted by the Alaska Retirement Management Board (ARM Board). As such, both Plans are considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

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The District recorded the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

Employee Contribution Rates

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

Employer and Other Contribution Rates

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

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% of eligible wages for PERS and 12.56% of eligible wages for TRS, subject to a wage floor, and other termination events. These rates are calculated on all PERS/TRS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

ARM Board Adopted Rate: This is the rate formally adopted by the ARM Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method

over a closed 25-year term which ends in 2039. This change results in a lower ARM Board Rates than previously adopted.

State Contribution Rate: This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

Contribution rates for the year ended June 30, 2026 were determined in the June 30, 2024 actuarial valuations. The District's contribution rates for the 2026 fiscal year were as follows:

PERS	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans - Pension	21.43%	6.33%
Defined contribution - Pension	6.90%	-%
Total Contribution Rates	28.33%	6.33%

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

TRS	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans - Pension	23.68%	18.77%
Defined contribution - Pension	7.65%	-%
Total Contribution Rates	31.33%	18.77%

Alaska Statute 14.25.070(a) capped the employer rate at 12.56% with the State of Alaska making a nonemployer contribution for the difference between actuarially required contribution and the cap. For the fiscal year the employer rate is 12.56% for pension and 0.00% for ARHCT. The contribution requirements for the District are established and may be amended by the ARM Board. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the DC Plan payroll.

The DBUL amount is computed as the difference between (a) amount calculated for the statutory employer contribution rate of 12.56% on eligible salary less (b) total of the employer contribution for (1) defined contribution employer matching amount, (2) major medical, (3) occupational death and disability, and (4) health reimbursement arrangement. The difference is deposited based on an actuarial allocation into the defined benefit plan's pension and healthcare funds.

In 2026, the District was credited with the following contributions to the pension plans:

PERS	Measurement Period July 1, 2024 to June 30, 2025	District Fiscal Year July 1, 2025 to June 30, 2026
Employer contributions (including DBUL)	$ 169,660	$ 187,330
Nonemployer contributions (on-behalf)	61,098	87,409
Total Contributions	$ 230,758	$ 274,739

TRS	Measurement Period July 1, 2024 to June 30, 2025	District Fiscal Year July 1, 2025 to June 30, 2026
Employer contributions (including DBUL)	$ 215,106	$ 216,186
Nonemployer contributions (on-behalf)	552,425	698,185
Total Contributions	$ 767,531	$ 914,371

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In addition, employee contributions to the Plans totaled $9,697 for PERS and $111,968 for TRS during the District's fiscal year.

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

At June 30, 2026, the District reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the District. The amount recognized by the District for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the District were as follows:

	PERS	TRS
District's proportionate share of NPL	$ 1,985,414	$ 2,601,008
State's proportionate share of NPL associated with the District	608,706	3,994,298
Total Net Pension Liability	$ 2,594,120	$ 6,595,306

The total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025 to calculate the net pension liability as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2025 measurement date, the District's proportion for PERS was 0.04001 percent, which was an increase of 0.00542 percent from its proportion measured as of June 30, 2024. At the June 30, 2025 measurement date, the District's proportion for TRS was 0.16732 percent, which was an increase of 0.01579 percent from its proportion measured as of June 30, 2024.

For the year ended June 30, 2026, the District recognized pension expense (benefit) of $354,131 for PERS and $55,381 for TRS. In addition, the District recognized on-behalf revenue of $28,345 and $(98,420) for support provided by the State for PERS and TRS, respectively. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ (49,354)
District contributions subsequent to the measurement date	187,330	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	$ 187,330	$ (49,354)

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TRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ (93,487)
District contributions subsequent to the measurement date	216,186	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	$ 216,186	$ (93,487)

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The $187,330 for PERS and $216,186 for TRS reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	*PERS*	*TRS*
2027	$ 77,166	$ 187,559
2028	(48,484)	(107,259)
2029	(45,714)	(101,941)
2030	(32,322)	(71,846)
Total Amortization	$ (49,354)	$ (93,487)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2024, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025:

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Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For PERS, increases range from 6.75% to 2.85% based on service. For TRS, increases range from 7.00% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2025 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2026 to 2039. The liability is expected to go to zero at 2039.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality PERS	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled

	retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
TRS	Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time. Post-commencement mortality rates for healthy retirees were based on 97% of the Pub-2010 Teachers Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 100% of male and 95% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

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The total pension liability was determined by an actuarial valuation as of June 30, 2024, rolled forward to the measurement date of June 30, 2025. The actuarial assumptions used in the June 30, 2024 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021.

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Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.51%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	26%	+/- 6%	5.74%
Global equity (non-U.S.)	17%	+/- 4%	6.37%
Global equity	-%	-%	5.88%
Aggregate bonds	23%	+/- 10%	2.30%
Multi-asset	6%	+/- 4%	-%
Real assets	14%	+/- 7%	4.54%
Private equity	14%	+/- 7%	9.28%
Cash equivalents	-%	-%	0.60%

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Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

PERS	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	0.04001%	$ 2,714,281	$ 1,985,414	$ 1,367,792

TRS	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	0.16732%	$ 3,972,363	$ 2,601,008	$ 1,438,802

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net positions are available in the separately issued PERS and TRS financial reports.

(b) Defined Contribution (DC) Pension Plans

Employees hired after July 1, 2006 participate in PERS Tier IV or TRS Tier III, both DC plans. These Plans are administered by the State of Alaska, Department of Administration in conjunction with the DB plans noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The ARM Board may also amend contribution requirements. Included in the Plans are individual pension accounts, a retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. These Plans are included in the annual comprehensive financial reports for PERS and TRS, and at the following websites, https://drb.alaska.gov/docs/reports/#pers and https://drb.alaska.gov/docs/reports/#trs, respectively.

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

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2026 to cover a portion of the District's employer match contributions. For the year ended June 30, 2026, forfeitures reduced pension expense by $5,420 for PERS and $0 for TRS.

Employee Contribution Rate

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

Employer Contribution Rate

For the year ended June 30, 2026, the District was required to contribute 5% of covered salary into the Plan for PERS and 7% of covered salary for TRS.

The District and employee contributions to PERS for pensions for the year ended June 30, 2026 were $74,318 and $118,909, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2026 were $206,449 and $235,942, respectively. The District contribution amount was recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plans

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

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

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Employer Contribution Rate

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

Employer contribution rates for the year ended June 30, 2026 were as follows:

	PERS	TRS
Retiree Medical Plan	0.86%	0.74%
Occupational Death and Disability Benefits	0.24%	0.08%
Total Contribution Rates	1.10%	0.82%

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In 2026, the District was credited with the following contributions to the OPEB plans:

PERS	Measurement Period July 1, 2024 to June 30, 2025	District Fiscal Year July 1, 2025 to June 30, 2026
Employer contributions – RMP	$ 10,430	$ 12,782
Employer contributions - ODD	3,016	3,567
Total Contributions	$ 13,446	$ 16,349

TRS	Measurement Period July 1, 2024 to June 30, 2025	District Fiscal Year July 1, 2025 to June 30, 2026
Employer contributions – RMP	$ 16,948	$ 21,824
Employer contributions - ODD	1,994	2,259
Total Contributions	$ 18,942	$ 24,083

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

At June 30, 2026, the District reported an asset for its proportionate share of the net OPEB assets (NOA) that reflected a reduction for State OPEB support provided to the District. The amount recognized by the District for its proportional share, the related State proportion, and the total were as follows:

	PERS	TRS
District's proportionate share of NOA – ARHCT	$ 1,085,489	$ 2,138,215
District's proportionate share of NOA – RMP	37,730	112,245
District's proportionate share of NOA - ODD	32,649	39,037
Total District's Proportionate Share of NOA	$ 1,155,868	$ 2,289,497
State's proportionate share of the ARHCT NOA associated with the District	308,044	2,933,884
Total Net OPEB Assets	$ 1,463,912	$ 5,223,381

The total OPEB liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025 and adjusted to reflect updated assumptions to calculate the net OPEB assets as of that date. The District's proportion of the net OPEB assets was based on a projection of the District's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

PERS	June 30, 2024 Measurement Date Employer Proportion	June 30, 2025 Measurement Date Employer Proportion	Change
District's proportionate share of the net OPEB assets:			
ARHCT	0.03463%	0.04079%	0.00616 %
RMP	0.06417%	0.05960%	(0.00457)%
ODD	0.05346%	0.04602%	(0.00744)%

TRS	June 30, 2024 Measurement Date Employer Proportion	June 30, 2025 Measurement Date Employer Proportion	Change
District's proportionate share of the net OPEB assets:			
ARHCT	0.15710%	0.17884%	0.02174 %
RMP	0.43052%	0.41704%	(0.01348)%
ODD	0.43065%	0.41804%	(0.01261)%

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For the year ended June 30, 2026, the District recognized OPEB expense of $(266,692) for PERS and $(764,443) for TRS. Of these amounts, $(30,025) for PERS and $(318,305) for TRS was recorded for on-behalf revenue and expense for support provided by the ARHCT plans. OPEB expense (benefit) and on-behalf revenue for the year ended is listed by plan in the table below:

PERS	OPEB Expense (Benefit)	On-behalf Revenue
ARHCT	$ (238,779))	$ (30,025)
RMP	3,148	-
ODD	(1,036)	-
Total	$ (236,667)	$ (30,025)

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TRS	OPEB Expense (Benefit)	On-behalf Revenue
ARHCT	$ (443,825)	$ (318,305)
RMP	727	-
ODD	(3,040)	-
Total	$ (446,138)	$ (318,305)

At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

PERS	ARHCT	RMP	ODD	Total
Deferred Outflows of Resources:				
Difference between expected and actual experience	$ -	$ 2,935	$ -	$ 2,935
Changes in assumptions	-	7,344	-	7,344
Changes in proportion and differences between District contributions and proportionate share of contributions	-	1,157	3,383	4,540
District contributions subsequent to the measurement date	-	12,782	3,567	16,349
Total Deferred Outflows of Resources Related to OPEB Plans	$ -	$ 24,218	$ 6,950	$ 31,168

PERS	ARHCT	RMP	ODD	Total
Deferred Inflows of Resources:				
Difference between expected and actual experience	$ -	$ (2,512)	$ (6,308)	$ (8,820)
Changes in assumptions	-	(18,244)	(38)	(18,282)
Net difference between projected and actual investment earnings	(42,877)	(3,449)	(799)	(47,125)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(546)	(1,104)	(1,650)
Total Deferred Inflows of Resources Related to OPEB Plans	$ (42,877)	$ (24,751)	$ (8,249)	$ (75,877)

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Amounts reported as deferred outflows of resources related to OPEB plans resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net OPEB assets in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

PERS	ARHCT	RMP	ODD	Total
Year Ending June 30,				
2027	$ 63,832	$ (1,351)	$ (1,037)	$ 61,444
2028	(41,281)	(5,514)	(1,531)	(48,326)
2029	(38,666)	(4,272)	(1,355)	(44,293)
2030	(26,762)	(2,975)	(953)	(30,690)
2031	-	384	(248)	136
Thereafter	-	413	258	671
Total Amortization	$ (42,877)	$ (13,315)	$ (4,866)	$ (61,058)

At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

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TRS	ARHCT	RMP	ODD	Total
Deferred Outflows of Resources:				
Difference between expected and actual experience	$ -	$ 18,844	$ -	$ 18,844
Changes in assumptions	-	14,591	-	14,591
Changes in proportion and differences between District contributions and proportionate share of contributions	-	2,802	1,190	3,992
District contributions subsequent to the measurement date	-	21,824	2,259	24,083
Total Deferred Outflows of Resources Related to OPEB Plans	$ -	$ 58,061	$ 3,449	$ 61,510

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TRS	ARHCT	RMP	ODD	Total
Deferred Inflows of Resources:				
Difference between expected and actual experience	$ -	$ (5,263)	$ (5,821)	$ (11,084)
Changes in assumptions	-	(35,796)	(38)	(35,834)
Net difference between projected and actual investment earnings	(78,245)	(6,552)	(617)	(85,414)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(6,827)	(3,685)	(10,512)
Total Deferred Inflows of Resources Related to OPEB Plans	$ (78,245)	$ (54,438)	$ (10,161)	$ (142,844)

Amounts reported as collective deferred outflows of resources related to OPEB plans resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net OPEB assets in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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TRS	ARHCT	RMP	ODD	Total
Year Ending June 30,				
2027	$ 105,060	$ (474)	$ (1,429)	$ 103,157
2028	(70,887)	(8,370)	(2,249)	(81,506)
2029	(66,410)	(7,733)	(1,914)	(76,057)
2030	(46,008)	(4,163)	(1,697)	(51,868)
2031	-	24	(886)	(862)
Thereafter	-	2,515	(796)	1,719
Total Amortization	$ (78,245)	$ (18,201)	$ (8,971)	$ (105,417)

Actuarial Assumptions

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2025:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For PERS, increases range from 6.75% to 2.85% based on service. For TRS ARHCT Plan, increase range from 7.00% to 2.85% based on

	service. For TRS ODD and RMP Plans, increases range from 7.25% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2025 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2026 to 2039.
Investment rate of return	7.25%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Healthcare cost trend rates (ARHCT and RMP Plans)	Pre-65 medical: 6.2% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Rx/EGWP: 8.5% grading down to 4.5% Initial trend rates are from FY 2026 Ultimate trend rates reached in FY 2050
Mortality	
PERS	
(ARHCT and RMP Plans)	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
(ODD Plan)	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female

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	rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
TRS	
(ARHCT and RMP Plans)	Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 100% of female rates of the Pub-2010 Teachers Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 100% of male and 94% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
(ODD Plan)	Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time. Post-commencement mortality rates for healthy retirees were based on 97% of the Pub-2010 Teachers Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 100% of male and 95% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
Participation (ARHCT)	100% system paid of members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible.
PERS	25% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.
TRS	20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

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The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2024, rolled forward to the measurement date of June 30, 2025. The actuarial assumptions used in the June 30, 2024 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. For the ARHCT and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2024 actuarial valuation. Employer Group Waiver Program (EGWP) subsidies were updated to reflect higher expected subsidies due to the Inflation Reduction Act. Because of the significant increase in the EGWP subsidy for FY25 and beyond due to the Inflation Reduction Act, and uncertainty regarding future subsidy levels, the ARMB has adopted a smoothing of EGWP subsidy estimates over five years. In addition, the prescription drug and EGWP trend assumption was updated to reflect recent survey information indicating higher than initial trend rates in part due to the recent higher-than-expected inflationary environment.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.51% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2025 are summarized in the following table:

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Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	26%	+/- 6%	5.74%
Global equity (non-U.S.)	17%	+/- 4%	6.37%
Global equity	-%	-%	5.88%
Aggregate bonds	23%	+/- 10%	2.30%
Multi-asset	6%	+/- 4%	-%
Real assets	14%	+/- 7%	4.54%
Private equity	14%	+/- 7%	9.28%
Cash equivalents	-%	-%	0.60%

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2025 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position or each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

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

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

PERS	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net OPEB asset (liability):				
ARHCT	0.04079%	$ 758,534	$ 1,085,489	$ 1,361,137
RMP	0.05960%	$ 898	$ 37,730	$ 65,905
ODD	0.04602%	$ 30,706	$ 32,649	$ 34,171

TRS	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net OPEB asset:				
ARHCT	0.17884%	$ 1,586,108	$ 2,138,215	$ 2,600,997
RMP	0.41704%	$ 34,351	$ 112,245	$ 171,206
ODD	0.41804%	$ 39,170	$ 39,037	$ 38,949

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

The following presents the District's proportionate share of the net OPEB asset calculated using the healthcare cost trend rates as summarized in the 2024 actuarial valuation reports as well as what the District's proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

PERS	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB asset (liability):				
ARHCT	0.04079%	$ 1,392,503	$ 1,085,489	$ 721,767
RMP	0.05960%	$ 69,562	$ 37,730	$ (4,915)
ODD	0.04602%	$ n/a	$ n/a	$ n/a

TRS	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB asset:				
ARHCT	0.17884%	$ 2,651,073	$ 2,138,215	$ 1,527,186
RMP	0.41704%	$ 178,245	$ 112,245	$ 23,183
ODD	0.41804%	$ n/a	$ n/a	$ n/a

OPEB Plan Fiduciary Net Position

Detailed information about each OPEB plan's fiduciary net position is available in the separately issued PERS and TRS financial reports.

(d) Defined Contribution OPEB Plans

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

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Contribution Rate

AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2025, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates $2,468 per year for each full-time employee, and $1.58 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2026, the District contributed $63,353 in DC OPEB costs to PERS and $87,323 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

The aggregate amounts of the liabilities, assets, deferred outflows of resources, deferred inflows of resources and expense for the plans listed above are shown below:

Pension Plan	PERS	TRS	Total
Deferred Outflows of Resources	$ 187,330	$ 216,186	$ 403,516
Net Pension Liability	(1,985,414)	(2,601,008)	(4,586,422)
Deferred Inflows of Resources	(49,354)	(93,487)	(142,841)
Net Pension Expense	354,131	55,381	409,512

OPEB Plan	PERS	TRS	Total
Deferred Outflows of Resources	$ 31,168	$ 61,510	$ 62,678
Net OPEB Assets	1,155,868	2,289,497	3,445,365
Deferred Inflows of Resources	(75,877)	(142,844)	(218,721)
Net OPEB Expense (Benefit)	(266,692)	(764,443)	(1,031,135)

8. Fund Balances

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

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Inventory	$ -	$ -	$ 13,551	$ 13,551
Prepaid items	530,383	-	55,011	585,394
Total nonspendable	530,383	-	68,562	598,945
Restricted:				
Scholarship funds	-	-	58,628	58,628
Assigned:				
Student transportation	-	-	266,910	266,910
Student activities	-	-	189,282	189,282
Food service	-	-	230,031	230,031
Encumbrances	74,859	-	-	74,859
Capital projects	-	2,362,448	-	2,362,448
Total assigned	74,859	2,362,448	686,223	3,123,530
Unassigned (Deficit)	1,126,468	-	(53,557)	1,072,911
Total Fund Balances	$ 1,731,710	$ 2,362,448	$ 759,856	$ 4,854,014

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9. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and State governments. Any disallowed claims, including amounts already collected, would become a liability of the General Fund. The District believes that such adjustments, if any, would be immaterial.

The District receives a substantial portion of its revenue from state and local grants and the Petersburg Borough. Significant changes in these revenue sources could have a material effect on the operations of the District.

The District provides services solely to those residents of Petersburg, Alaska and nearby communities within the state-defined District boundaries. Any significant changes in the number of enrolled students could have a material effect on any funding dependent on the number of enrolled students.

10. Risk Management

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

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Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for employee medical costs. The District participates in the Alaska Public Entity Insurance (APEI) which provides insurance coverage for property, general liability, and worker's compensation. APEI is a public entity risk pool organized to share risks among its members. The APEI's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year or at the discretion of the Board.

Supplemental contributions are based on each member's annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. No supplemental contributions have been assessed for the last several years. The District has no coverage for environmental damages.

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11. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates. The following new accounting standards were implemented by the District for 2026 reporting:

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

GASB Statement No. 104 – Disclosure of Certain Capital Assets – Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The disclosure requirements will improve consistency and comparability between governments. The District evaluated the impacts of GASB statement 104 and determined there to be no impacts to the District's financial statements for the current fiscal year.

The GASB has issued new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

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GASB Statement No. 105 – Subsequent Events – Effective for year-end June 30, 2027. Earlier application is encouraged. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

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Required Supplementary Information

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

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

Year Ended June 30, 2026	Budget Original	Budget Final	Variance With Original Budget	Actual	Variance With Final Budget
Revenues					
Local sources	$ 3,497,460	$ 3,537,850	$ 40,390	$ 3,574,077	$ 36,227
State of Alaska	7,027,261	7,895,146	867,885	7,803,975	(91,171)
Total Revenues	10,524,721	11,432,996	908,275	11,378,052	(54,944)
Expenditures					
Instruction	4,695,570	4,944,678	(249,108)	4,719,460	225,218
Special education instruction	1,686,245	1,774,912	(88,667)	1,649,689	125,223
Support services - students	338,040	392,773	(54,733)	400,327	(7,554)
Support services - instruction	908,899	942,438	(33,539)	900,573	41,865
School administration	443,650	452,233	(8,583)	446,582	5,651
School administration support services	342,438	355,626	(13,188)	360,629	(5,003)
District administration	468,193	427,877	40,316	404,236	23,641
District administration support services	380,425	436,397	(55,972)	333,916	102,481
Operations and maintenance of plant	1,409,600	1,510,651	(101,051)	1,563,416	(52,765)
Student activities	531,495	651,265	(119,770)	611,610	39,655
Total Expenditures	11,204,555	11,888,850	(684,295)	11,390,438	498,412
Excess (Deficiency) of Revenues Over Expenditures	(679,834)	(455,854)	223,980	(12,386)	443,468
Other Financing Uses - transfers out	-	(645,000)	(645,000)	(798,624)	(153,624)
Net Change in Fund Balance	$ (679,834)	$ (1,100,854)	$ (421,020)	(811,010)	$ 289,844
Fund Balance, beginning of year				2,542,720	
Fund Balance, end of year				$ 1,731,710	

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See accompanying notes to Required Supplementary Information.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

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

Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the Net Pension Liability	0.04001%	0.03459%	0.03688%	0.03913%	0.04177%	0.03486%	0.03210%	0.03887%	0.03841%	0.04741%
District's Proportionate Share of the Net Pension Liability	$ 1,985,414	$ 1,897,001	$ 1,912,294	$ 1,994,553	$ 1,532,304	$ 2,057,097	$ 1,756,981	$ 1,931,620	$ 1,985,572	$ 2,649,754
State of Alaska Proportionate Share of the Net Pension Liability	608,706	713,354	636,332	556,119	210,103	853,778	697,437	557,581	740,885	336,853
Total Net Pension Liability	$ 2,594,120	$ 2,610,355	$ 2,548,626	$ 2,550,672	$ 1,742,407	$ 2,910,875	$ 2,454,418	$ 2,489,201	$ 2,726,457	$ 2,986,607
District's Covered Payroll	1,424,893	1,446,198	1,338,025	1,138,284	1,082,033	1,144,346	1,138,871	1,111,864	1,121,141	1,071,115
District's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	139.34%	131.17%	142.92%	175.22%	141.61%	179.76%	154.27%	173.73%	177.10%	247.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.23%	67.81%	68.23%	67.97%	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%

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Schedule of the District's Contributions

Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	$ 187,330	$ 169,660	$ 185,862	$ 166,167	$ 124,863	$ 116,943	$ 108,668	$ 117,591	$ 129,522	$ 110,025
Contributions Relative to the Contractually Required Contribution	187,330	169,660	185,862	166,167	124,863	116,943	108,668	117,591	129,522	110,025
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	1,595,631	1,424,893	1,446,198	1,338,025	1,138,284	1,082,033	1,144,346	1,138,871	1,111,864	1,121,141
Contributions as a Percentage of Covered Payroll	11.74%	11.91%	12.85%	12.42%	10.97%	10.81%	9.50%	10.33%	11.65%	9.81%

See accompanying notes to Required Supplementary Information.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

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

	ARHCT								
Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
District's Proportion of the Net OPEB Liability (Asset)	0.04079%	0.03463%	0.03682%	0.03898%	0.04177%	0.03481%	0.03222%	0.03882%	0.03844%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (1,085,489)	$ (762,613)	$ (847,270)	$ (767,013)	$ (1,071,645)	$ 157,649	$ 47,808	$ 398,362	$ 324,763
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	(308,044)	(283,126)	(284,077)	(219,576)	(143,261)	(65,482)	18,961	115,881	121,512
Total Net OPEB Liability (Asset)	$ (1,393,533)	$ (1,045,739)	$ (1,131,347)	$ (986,589)	$ (1,214,906)	$ 92,167	$ 66,769	$ 514,243	$ 446,275
District's Covered Payroll	168,280	246,520	244,729	229,650	259,286	328,573	364,023	416,856	$441,738
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-645.05%	-309.35%	-346.21%	-333.99%	-413.31%	47.98%	13.13%	95.56%	73.52%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	136.81%	130.59%	133.96%	128.51%	135.54%	106.15%	98.13%	88.12%	89.68%

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Schedule of the District's Contributions

	ARHCT								
Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	$ -	$ -	$ -	$ -	$ 14,836	$ 19,745	$ 43,334	$ 42,417	$ 36,876
Contributions Relative to the Contractually Required Contribution	-	-	-	-	14,836	19,745	43,334	42,417	36,876
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	109,279	168,280	246,520	244,729	229,650	259,286	328,573	364,023	416,856
Contributions as a Percentage of Covered Payroll	0.000%	0.000%	0.000%	0.000%	6.460%	7.615%	13.19%	11.65%	8.85%

See accompanying notes to Required Supplementary Information.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

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

	RMP								
Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
District's Proportion of the Net OPEB Liability (Asset)	0.05960%	0.06417%	0.06413%	0.05746%	0.05630%	0.06037%	0.06206%	0.06525%	0.06164%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (37,730)	$ (29,913)	$ (30,451)	$ (19,956)	$ (15,112)	$ 4,282	$ 14,848	$ 8,303	$ 3,215
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	$ (37,730)	$ (29,913)	$ (30,451)	$ (19,956)	$ (15,112)	$ 4,282	$ 14,848	$ 8,303	$ 3,215
District's Covered Payroll	1,256,613	1,199,678	1,093,296	908,634	822,747	815,772	774,848	695,028	679,402
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-3.00%	-2.49%	-2.79%	-2.20%	-1.84%	0.52%	1.92%	1.19%	0.47%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	123.73%	119.87%	124.29%	120.08%	115.10%	95.23%	83.17%	88.71%	93.98%

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Schedule of the District's Contributions

	RMP								
Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	$ 12,782	$ 10,430	$ 12,350	$ 12,026	$ 9,722	$ 10,449	$ 10,768	$ 7,283	$ 7,159
Contributions Relative to the Contractually Required Contribution	12,782	10,430	12,350	12,026	9,722	10,449	10,768	7,283	7,159
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	1,486,352	1,256,613	1,199,678	1,093,296	908,634	822,747	815,772	774,848	695,028
Contributions as a Percentage of Covered Payroll	0.860%	0.830%	1.029%	1.100%	1.070%	1.270%	1.32%	0.94%	1.03%

See accompanying notes to Required Supplementary Information.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

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

	ODD								
Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
District's Proportion of the Net OPEB Liability (Asset)	0.04602%	0.05346%	0.05354%	0.04882%	0.04782%	0.04836%	0.04934%	0.06525%	0.06164%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (32,649)	$ (31,913)	$ (27,470)	$ (21,402)	$ (21,074)	$ (13,184)	$ (11,963)	$ (12,672)	$ (8,746)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	$ (32,649)	$ (31,913)	$ (27,470)	$ (21,402)	$ (21,074)	$ (13,184)	$ (11,963)	$ (12,672)	$ (8,746)
District's Covered Payroll	1,424,893	1,446,198	1,338,025	1,138,284	1,082,033	1,144,346	1,138,871	1,111,864	679,402
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.29%	-2.21%	-2.05%	-1.88%	-1.95%	-1.15%	-1.05%	-1.14%	-1.29%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	353.09%	346.81%	349.24%	348.80%	374.22%	283.80%	297.43%	270.62%	212.97%

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Schedule of the District's Contributions

	ODD								
Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	$ 3,567	$ 3,016	$ 3,668	$ 3,280	$ 2,817	$ 2,551	$ 2,121	$ 2,015	$ 1,112
Contributions Relative to the Contractually Required Contribution	3,567	3,016	3,668	3,280	2,817	2,551	2,121	2,015	1,112
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	1,595,631	1,424,893	1,446,198	1,338,025	1,138,284	1,082,033	1,144,346	1,138,871	1,111,864
Contributions as a Percentage of Covered Payroll	0.224%	0.212%	0.254%	0.245%	0.247%	0.236%	0.185%	0.177%	0.100%

See accompanying notes to Required Supplementary Information.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Teachers' Retirement System - Pension Plan
Schedule of the District's Proportionate Share of the Net Pension Liability

Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the Net Pension Liability	0.16732%	0.15153%	0.16398%	0.19859%	0.22563%	0.16313%	0.17371%	0.17071%	0.16272%	0.18109%
District's Proportionate Share of the Net Pension Liability	$ 2,601,008	$ 2,803,052	$ 2,883,517	$ 3,310,272	$ 1,795,942	$ 3,316,529	$ 3,254,783	$ 3,267,931	$ 3,297,713	$ 4,134,925
State of Alaska Proportionate Share of the Net Pension Liability	3,994,298	4,817,813	4,559,908	4,409,762	1,524,499	5,757,512	4,816,886	4,860,590	5,755,371	4,912,845
Total Net Pension Liability	$ 6,595,306	$ 7,620,865	$ 7,443,425	$ 7,720,034	$ 3,320,441	$ 9,074,041	$ 8,071,669	$ 8,128,521	$ 9,053,084	$ 9,047,770
District's Covered Payroll	3,833,584	3,736,704	3,604,909	3,443,208	3,575,921	3,320,679	3,392,700	3,341,983	3,306,207	3,284,085
District's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	67.85%	75.01%	79.99%	96.14%	50.22%	99.88%	95.93%	97.78%	99.74%	125.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.65%	77.07%	77.62%	78.33%	89.43%	72.81%	74.68%	74.09%	72.39%	68.40%

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Schedule of the District's Contributions

Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	$ 216,186	$ 215,106	$ 207,138	$ 204,227	$ 130,013	$ 136,269	$ 173,571	$ 189,249	$ 203,759	$ 179,601
Contributions Relative to the Contractually Required Contribution	216,186	215,106	207,138	204,227	130,013	136,269	173,571	189,249	203,759	179,601
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	4,254,627	3,833,584	3,736,704	3,604,909	3,443,208	3,575,921	3,320,679	3,392,700	3,341,983	3,306,207
Contributions as a Percentage of Covered Payroll	5.08%	5.61%	5.54%	5.67%	3.78%	3.81%	5.23%	5.58%	6.10%	5.43%

See accompanying notes to Required Supplementary Information.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Teachers' Retirement System - OPEB ARHCT Plan
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)

	ARHCT								
Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
District's Proportion of the Net OPEB Liability (Asset)	0.17884%	0.15710%	0.16848%	0.20319%	0.23395%	0.16266%	0.17352%	0.17038%	0.16215%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (2,138,215)	$ (1,567,325)	$ (1,702,718)	$ (1,780,954)	$ (2,720,041)	$ (581,896)	$ (265,174)	$ 529,775	$ 298,239
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	(2,933,884)	(2,542,743)	(2,572,308)	(2,284,512)	(2,127,608)	(1,014,515)	(394,714)	789,954	523,636
Total Net OPEB Liability (Asset)	$ (5,072,099)	$ (4,110,068)	$ (4,275,026)	$ (4,065,466)	$ (4,847,649)	$ (1,596,411)	$ (659,888)	$ 1,319,729	$ 821,875
District's Covered Payroll	1,341,221	1,342,621	1,463,270	1,528,983	1,845,170	2,038,572	2,155,827	2,266,865	2,384,326
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-159.42%	-116.74%	-116.36%	-116.48%	-147.41%	-28.54%	-12.30%	23.37%	12.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	144.35%	137.40%	140.49%	134.84%	145.41%	113.78%	105.50%	90.23%	93.75%

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Schedule of the District's Contributions

	ARHCT								
Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	$ -	$ -	$ -	$ -	$ 99,385	$ 127,502	$ 97,918	$ 92,990	$ 100,684
Contributions Relative to the Contractually Required Contribution	-	-	-	-	99,385	127,502	97,918	92,990	100,684
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	1,294,428	1,341,221	1,342,621	1,463,270	1,528,983	1,845,170	2,038,572	2,155,827	2,266,865
Contributions as a Percentage of Covered Payroll	0.000%	0.000%	0.000%	0.000%	6.500%	6.910%	4.80%	4.31%	4.44%

See accompanying notes to Required Supplementary Information.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Teachers' Retirement System - OPEB RMP Plan
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)

	RMP								
Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
District's Proportion of the Net OPEB Liability (Asset)	0.41704%	0.43052%	0.41712%	0.38882%	0.38173%	0.31325%	0.31674%	0.34303%	0.23388%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (112,245)	$ (96,806)	$ (92,397)	$ (75,299)	$ (76,651)	$ (30,902)	$ (12,150)	$ (10,970)	$ (11,086)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	$ (112,245)	$ (96,806)	$ (92,397)	$ (75,299)	$ (76,651)	$ (30,902)	$ (12,150)	$ (10,970)	$ (11,086)
District's Covered Payroll	2,492,363	2,394,083	2,141,639	1,917,224	1,730,751	1,282,108	1,236,874	1,075,117	921,880
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-4.50%	-4.04%	-4.31%	-3.93%	-4.43%	-2.41%	-0.98%	-1.02%	-1.20%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	136.41%	134.72%	140.71%	140.73%	142.54%	125.59%	110.03%	109.56%	118.16%

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Schedule of the District's Contributions

	RMP								
Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	$ 21,824	$ 16,948	$ 19,636	$ 18,632	$ 15,888	$ 16,096	$ 13,975	$ 9,771	$ 9,784
Contributions Relative to the Contractually Required Contribution	21,824	16,948	19,636	18,632	15,888	16,096	13,975	9,771	9,784
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	2,960,199	2,492,363	2,394,083	2,141,639	1,917,224	1,730,751	1,282,108	1,236,874	1,075,117
Contributions as a Percentage of Covered Payroll	0.737%	0.680%	0.820%	0.870%	0.829%	0.930%	1.09%	0.79%	0.91%

See accompanying notes to Required Supplementary Information.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Teachers' Retirement System - OPEB ODD Plan
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)

	ODD								
Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
District's Proportion of the Net OPEB Liability (Asset)	0.41804%	0.43065%	0.41685%	0.38960%	0.38249%	0.31221%	0.31703%	0.34303%	0.23388%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (39,037)	$ (34,314)	$ (28,842)	$ (23,532)	$ (23,313)	$ (13,441)	$ (12,748)	$ (12,027)	$ (7,643)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	$ (39,037)	$ (34,314)	$ (28,842)	$ (23,532)	$ (23,313)	$ (13,441)	$ (12,748)	$ (12,027)	$ (7,643)
District's Covered Payroll	3,833,583	3,736,704	3,604,909	3,443,208	3,575,921	3,320,679	3,392,700	3,341,983	921,880
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-1.02%	-0.92%	-0.80%	-0.68%	-0.65%	-0.40%	-0.38%	-0.36%	-0.83%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	1826.06%	1600.56%	1410.42%	1268.28%	1254.36%	931.08%	1409.77%	1304.81%	1342.59%

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Schedule of the District's Contributions

	ODD								
Years Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	$ 2,259	$ 1,994	$ 1,915	$ 1,714	$ 1,532	$ 1,385	$ 1,026	$ 990	$ -
Contributions Relative to the Contractually Required Contribution	2,259	1,994	1,915	1,714	1,532	1,385	1,026	990	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	4,254,627	3,833,584	3,736,704	3,604,909	3,443,208	3,575,921	3,320,679	3,392,700	3,341,983
Contributions as a Percentage of Covered Payroll	0.053%	0.052%	0.051%	0.048%	0.044%	0.039%	0.031%	0.029%	0.000%

See accompanying notes to Required Supplementary Information.

1. Budgetary Comparison Schedules and Variances

The budgetary comparison schedules are presented on the modified accrual basis of accounting. The District's budgeted state revenue in the general operating fund changed significantly from the original to final budget. The October count student enrollment came in above the original projection used to set the budget, increasing state foundation funding. Additionally, the Alaska Legislature voted to override Governor Mike Dunleavy's $200 line-item veto to the Base Student Allocation (BSA), further increasing state foundation funding.

2. Public Employees' Retirement System and Teachers' Retirement System - Pension Plan

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

These tables are presented based on the Plan measurement date. For June 30, 2026, the Plan measurement date is June 30, 2025.

Changes in Assumptions:

The total pension liability was determined by an actuarial valuation as of June 30, 2024, rolled forward to the measurement date of June 30, 2025. The actuarial assumptions used in the June 30, 2024 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021.

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In 2022, the discount rate was lowered from 7.38% to 7.25%.

Amounts reported reflect a change in assumptions between 2016 and 2017 in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

Schedule of the District's Contributions

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

3. Public Employees' Retirement System and Teachers' Retirement System - OPEB Plans

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

These tables are presented based on the Plan measurement date. For June 30, 2026, the Plan measurement date is June 30, 2025.

Changes in Assumptions:

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2024, rolled forward to the measurement date of June 30, 2025. The actuarial assumptions used in the June 30, 2024 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. For the ARHCT and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2024 actuarial valuation. Employer Group Waiver Program (EGWP) subsidies were updated to reflect higher expected subsidies due to the Inflation Reduction Act. Because of the significant increase in the EGWP subsidy for FY25 and beyond due to the Inflation Reduction Act, and uncertainty regarding future subsidy levels, the ARMB has adopted a smoothing of EGWP subsidy estimates over five years. In addition, the prescription drug and EGWP trend assumption was updated to reflect recent survey information indicating higher than initial trend rates in part due to the recent higher-than-expected inflationary environment.

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In 2022, the discount rate was lowered from 7.38% to 7.25%.

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

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 the District's Contributions

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

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.

Additional Supplementary Information

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
General (School Operating) Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Final Budget	Actual	Variance With Final Budget
Revenues			
Local sources:			
District appropriation	$ 3,250,000	$ 3,250,000	$ -
E-rate	101,450	101,448	(2)
Student activity revenue	76,350	83,712	7,362
Earnings on investments	70,050	88,307	18,257
Other	40,000	50,610	10,610
Total local sources	3,537,850	3,574,077	36,227
State of Alaska:			
TRS on-behalf	784,120	698,185	(85,935)
PERS on-behalf	93,220	87,409	(5,811)
Public school funding	7,015,806	7,015,807	1
Other state revenue	2,000	2,574	574
Total State of Alaska	7,895,146	7,803,975	(91,171)
Total Revenues	11,432,996	11,378,052	(54,944)
Expenditures			
Instruction:			
Certificated salaries	2,459,271	2,486,474	(27,203)
Noncertificated salaries	320,479	305,011	15,468
Employee benefits	1,738,162	1,619,878	118,284
Professional and technical services	4,400	3,889	511
Student travel	6,600	5,100	1,500
Supplies, materials and media	270,321	232,140	38,181
Other expenditures	10,000	3,960	6,040
Equipment	135,445	63,008	72,437
Total instruction	4,944,678	4,719,460	225,218
Special education instruction:			
Certificated salaries	400,954	400,424	530
Noncertificated salaries	600,366	600,587	(221)
Employee benefits	664,192	547,863	116,329
Professional and technical services	93,500	92,659	841
Staff travel	4,500	-	4,500
Student travel	1,200	258	942
Other purchased services	4,200	2,745	1,455
Supplies, materials and media	5,750	4,903	847
Other expenditures	250	250	-
Total special education instruction	1,774,912	1,649,689	125,223

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
General (School Operating) Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual, continued

Year Ended June 30, 2026	Final Budget	Actual	Variance With Final Budget
Expenditures, continued			
Support services - students:			
Certificated salaries	$ 176,308	$ 177,092	$ (784)
Noncertificated salaries	17,900	17,001	899
Employee benefits	84,265	94,178	(9,913)
Professional and technical services	103,000	102,172	828
Supplies, materials and media	7,300	7,191	109
Other expenditures	4,000	2,693	1,307
Total support services - students	392,773	400,327	(7,554)
Support services - instruction:			
Certificated salaries	298,418	296,152	2,266
Noncertificated salaries	65,279	67,868	(2,589)
Employee benefits	193,326	194,165	(839)
Professional and technical services	51,792	51,777	15
Staff travel	2,500	2,306	194
Utilities services	123,600	114,971	8,629
Other purchased services	86,333	70,094	16,239
Insurance and bond premiums	4,700	2,912	1,788
Supplies, materials and media	116,490	100,328	16,162
Total support services - instruction	942,438	900,573	41,865
School administration:			
Certificated salaries	265,608	265,308	300
Employee benefits	174,875	171,770	3,105
Staff travel	4,800	3,150	1,650
Supplies, materials and media	5,000	4,479	521
Other expenditures	1,950	1,875	75
Total school administration	452,233	446,582	5,651
School administration support services:			
Noncertificated salaries	181,829	185,861	(4,032)
Employee benefits	160,220	164,616	(4,396)
Professional and technical services	3,200	3,240	(40)
Staff travel	2,400	-	2,400
Utilities services	6,677	5,811	866
Supplies, materials and media	1,300	1,101	199
Total school administration support services	355,626	360,629	(5,003)

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
General (School Operating) Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual, continued

Year Ended June 30, 2026	Final Budget	Actual	Variance With Final Budget
Expenditures, continued			
District administration:			
Certificated salaries	$ 169,120	$ 169,031	$ 89
Noncertificated salaries	45,600	44,160	1,440
Employee benefits	113,628	109,645	3,983
Professional and technical services	26,090	21,569	4,521
Staff travel	17,500	13,141	4,359
Utilities services	1,525	1,320	205
Supplies, materials and media	14,034	12,839	1,195
Other expenditures	40,380	32,531	7,849
Total district administration	427,877	404,236	23,641
District administration support services:			
Noncertificated salaries	173,798	174,311	(513)
Employee benefits	84,679	84,997	(318)
Professional and technical services	114,950	96,811	18,139
Staff travel	7,500	6,677	823
Insurance and bond premiums	86,050	81,436	4,614
Supplies, materials and media	950	970	(20)
Other expenditures	10,000	6,748	3,252
Indirect costs	(41,530)	(118,034)	76,504
Total district administration support services	436,397	333,916	102,481
Operations and maintenance of plant:			
Noncertificated salaries	346,416	353,845	(7,429)
Employee benefits	147,340	153,734	(6,394)
Professional and technical services	20,000	19,757	243
Staff travel	4,000	869	3,131
Utilities services	88,293	93,419	(5,126)
Energy	536,269	582,923	(46,654)
Other purchased services	59,170	64,831	(5,661)
Insurance and bond premiums	125,938	119,145	6,793
Supplies, materials and media	104,150	98,229	5,921
Other expenditures	2,000	10	1,990
Equipment	77,075	76,654	421
Total operations and maintenance of plant	1,510,651	1,563,416	(52,765)

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
General (School Operating) Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual, continued

Year Ended June 30, 2026	Final Budget	Actual	Variance With Final Budget
Expenditures, continued			
Student activities:			
Certificated salaries	$ 115,703	$ 108,179	$ 7,524
Noncertificated salaries	75,431	66,846	8,585
Employee benefits	71,756	67,671	4,085
Staff travel	9,200	9,677	(477)
Student travel	298,988	305,121	(6,133)
Utilities services	1,545	-	1,545
Supplies, materials and media	23,703	24,148	(445)
Other expenditures	6,939	7,989	(1,050)
Equipment	48,000	21,979	26,021
Total student activities	651,265	611,610	39,655
Total Expenditures	11,888,850	11,390,438	498,412
Deficiency of Revenues Over Expenditures	(455,854)	(12,386)	443,468
Other Financing Uses - transfers out	(645,000)	(798,624)	(153,624)
Net Change in Fund Balance	$ (1,100,854)	(811,010)	$ 289,844
Fund Balance, beginning of year		2,542,720	
Fund Balance, end of year		$ 1,731,710	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Nonmajor Special Revenue Funds
Combining Balance Sheet

June 30, 2026	Student Transportation	Alaska Garden Micro Grant	Alaska Mental Health Trust Thriving Together	Farm to School	Food Service	Local Food for Local Schools Grant	Alaska Team Nutrition Grant	Title I-A Basic
Assets								
Cash and investments	$ 266,910	$ 2,537	$ -	$ -	$ 219,767	$ -	$ -	$ -
Accounts receivable	-	-	10,000	3,365	10,264	1,712	1,488	26,876
Inventory	-	-	-	-	13,551	-	-	-
Prepaid expenses	-	-	8,582	-	1,454	-	-	-
Total Assets	$ 266,910	$ 2,537	$ 18,582	$ 3,365	$ 245,036	$ 1,712	$ 1,488	$ 26,876
Liabilities and Fund Balances								
Liabilities								
Unearned revenue	$ -	$ 2,537	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	18,582	3,365	-	1,712	1,488	26,876
Total Liabilities	-	2,537	18,582	3,365	-	1,712	1,488	26,876
Fund Balances								
Nonspendable	-	-	8,582	-	15,005	-	-	-
Restricted	-	-	-	-	-	-	-	-
Assigned	266,910	-	-	-	230,031	-	-	-
Unassigned (Deficit)	-	-	(8,582)	-	-	-	-	-
Total Fund Balances	266,910	-	-	-	245,036	-	-	-
Total Liabilities and Fund Balances	$ 266,910	$ 2,537	$ 18,582	$ 3,365	$ 245,036	$ 1,712	$ 1,488	$ 26,876

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Nonmajor Special Revenue Funds
Combining Balance Sheet, continued

June 30, 2026	Title I-C Migrant Education	Migrant Education Book	Title VI-B IDEA	Carl Perkins	CLSD Compre-hensive Literacy	Raising the Bar AK	Indian Education	Small, Rural School Achievement	HMI Scales Grant
Assets									
Cash and investments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable	55,805	1,958	38,750	13,729	107,863	13,020	10,007	2,194	31,928
Inventory	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	8,347	36,628	-	-	-
Total Assets	$ 55,805	$ 1,958	$ 38,750	$ 13,729	$ 116,210	$ 49,648	$ 10,007	$ 2,194	$ 31,928
Liabilities and Fund Balances									
Liabilities									
Unearned revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	55,805	1,958	38,750	13,729	116,210	49,648	10,007	2,194	31,928
Total Liabilities	55,805	1,958	38,750	13,729	116,210	49,648	10,007	2,194	31,928
Fund Balances									
Nonspendable	-	-	-	-	8,347	36,628	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	(8,347)	(36,628)	-	-	-
Total Fund Balances	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	$ 55,805	$ 1,958	$ 38,750	$ 13,729	$ 116,210	$ 49,648	$ 10,007	$ 2,194	$ 31,928

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Nonmajor Special Revenue Funds
Combining Balance Sheet, continued

June 30, 2026	Kito Memorial Trust Scholarship	Erwin Memorial Trust Scholarship	Cold Storage Trust Scholarship	Esther Evans Memorial Scholarship	Thru the Cultural Lens Grant	Hurst Wood SPED Grant	Student Activity	William K Neumann Bequest Shop Program	Totals
Assets									
Cash and investments	$ 8,893	$ 8,959	$ 22,538	$ 18,238	$ 25,173	$ 129,217	$ 189,282	$ 19,036	$ 910,550
Accounts receivable	-	-	-	-	-	-	-	-	328,959
Inventory	-	-	-	-	-	-	-	-	13,551
Prepaid expenses	-	-	-	-	-	-	-	-	55,011
Total Assets	$ 8,893	$ 8,959	$ 22,538	$ 18,238	$ 25,173	$ 129,217	$ 189,282	$ 19,036	$ 1,308,071
Liabilities and Fund Balances									
Liabilities									
Unearned revenue	$ -	$ -	$ -	$ -	$ 25,173	$ 129,217	$ -	$ 19,036	$ 175,963
Due to other funds	-	-	-	-	-	-	-	-	372,252
Total Liabilities	-	-	-	-	25,173	129,217	-	19,036	548,215
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	68,562
Restricted	8,893	8,959	22,538	18,238	-	-	-	-	58,628
Assigned	-	-	-	-	-	-	189,282	-	686,223
Unassigned (Deficit)	-	-	-	-	-	-	-	-	(53,557)
Total Fund Balances	8,893	8,959	22,538	18,238	-	-	189,282	-	759,856
Total Liabilities and Fund Balances	$ 8,893	$ 8,959	$ 22,538	$ 18,238	$ 25,173	$ 129,217	$ 189,282	$ 19,036	$ 1,308,071

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2026	Suicide Prevention	Student Transpor-tation	Alaska Garden Micro Grant	Alaska Mental Health Trust Thriving Together	Team Nutrition Travel Grant	Farm to School	Food Service	Local Food for Local Schools Grant	Alaska Team Nutrition Grant
Revenues									
Local sources	$ -	$ 4,462	$ 4,500	$ -	$ -	$ -	$ 22,715	$ -	$ -
State of Alaska	26,500	212,076	-	10,000	-	-	-	-	-
Federal grants:									
Passed through State of Alaska	-	-	2,463	-	500	5,000	485,620	4,253	3,500
Direct federal grants and contracts	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other sources	-	-	-	-	-	-	-	-	-
Total Revenues	26,500	216,538	6,963	10,000	500	5,000	508,335	4,253	3,500
Expenditures									
Instruction	-	-	-	-	-	-	-	-	3,500
Special education instruction	-	-	-	-	-	-	-	-	-
Support services - students	25,330	-	-	10,000	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-	-	-
District administration support services	1,170	-	109	-	-	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	253,434	-	-	-	-	-	-	-
Food service	-	-	6,854	-	500	5,000	652,142	4,253	-
Expendable trust	-	-	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-	-	-
Total Expenditures	26,500	253,434	6,963	10,000	500	5,000	652,142	4,253	3,500
Net Change in Fund Balances	-	(36,896)	-	-	-	-	(143,807)	-	-
Fund Balances, beginning of year	-	303,806	-	-	-	-	388,843	-	-
Fund Balances, end of year	$ -	$ 266,910	$ -	$ -	$ -	$ -	$ 245,036	$ -	$ -

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, continued

Year Ended June 30, 2026	Title I-A Basic	Title I-C Migrant Education	Title I-A Highly Qualified	Migrant Education Book	Title VI-B IDEA	Preschool Disabled	Embrace Training Travel	Carl Perkins	Safety & Wellbeing Travel Grant
Revenues									
Local sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State of Alaska	-	-	-	-	-	-	-	-	-
Federal grants:									
Passed through State of Alaska	130,194	161,748	3,514	3,920	156,417	1,744	4,286	27,000	4,684
Direct federal grants and contracts	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other sources	-	-	-	-	-	-	-	-	-
Total Revenues	130,194	161,748	3,514	3,920	156,417	1,744	4,286	27,000	4,684
Expenditures									
Instruction	-	-	-	-	-	-	4,097	25,808	-
Special education instruction	-	-	-	-	149,510	1,667	-	-	-
Support services - students	124,445	154,618	3,359	3,747	-	-	-	-	4,477
Support services - instruction	-	-	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-	-	-
District administration support services	5,749	7,130	155	173	6,907	77	189	1,192	207
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-	-
Expendable trust	-	-	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-	-	-
Total Expenditures	130,194	161,748	3,514	3,920	156,417	1,744	4,286	27,000	4,684
Net Change in Fund Balances	-	-	-	-	-	-	-	-	-
Fund Balances, beginning of year	-	-	-	-	-	-	-	-	-
Fund Balances, end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, continued

Year Ended June 30, 2026	CLSD Compre-hensive Literacy	Raising the Bar AK	Indian Education	Small, Rural School Achievement	HMI Scales Grant	Kito Memorial Trust Scholarship	Erwin Memorial Trust Scholarship	Cold Storage Trust Scholarship	Esther Evans Memorial Scholarship
Revenues									
Local sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State of Alaska	-	-	-	-	-	-	-	-	-
Federal grants:									
Passed through State of Alaska	348,752	-	-	-	-	-	-	-	-
Direct federal grants and contracts	-	-	28,462	20,651	-	-	-	-	-
Other	-	122,538	-	-	71,697	-	-	-	-
Other sources	-	-	-	-	-	-	-	-	-
Total Revenues	348,752	122,538	28,462	20,651	71,697	-	-	-	-
Expenditures									
Instruction	322,077	122,538	28,462	-	-	-	-	-	-
Special education instruction	-	-	-	-	-	-	-	-	-
Support services - students	11,274	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	20,651	-	-	-	-	-
School administration	-	-	-	-	-	-	-	-	-
District administration support services	15,401	-	-	-	3,166	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-	-	-	-	
Student activities	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-	-
Food service	-	-	-	-	68,531	-	-	-	-
Expendable trust	-	-	-	-	-	1,000	500	400	2,000
Construction and facilities acquisition	-	-	-	-	-	-	-	-	-
Total Expenditures	348,752	122,538	28,462	20,651	71,697	1,000	500	400	2,000
Net Change in Fund Balances	-	-	-	-	-	(1,000)	(500)	(400)	(2,000)
Fund Balances, beginning of year	-	-	-	-	-	9,893	9,459	22,938	20,238
Fund Balances, end of year	$ -	$ -	$ -	$ -	$ -	$ 8,893	$ 8,959	$ 22,538	$ 18,238

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, continued

Year Ended June 30, 2026	Donors Choose Fund	Hurst Wood SPED Grant	Small Local Grants	Student Activity	William K Neumann Bequest Shop Program	Totals
Revenues						
Local sources	$ 1,520	$ 44,748	$ 5,000	$ 468,461	$ -	$ 551,406
State of Alaska	-	-	1,000	-	-	249,576
Federal grants:						
Passed through State of Alaska	-	-	-	-	-	1,343,595
Direct federal grants and contracts	-	-	-	-	-	49,113
Other	-	-	-	-	-	194,235
Other sources	-	-	-	-	925	925
Total Revenues	1,520	44,748	6,000	468,461	925	2,388,850
Expenditures						
Instruction	1,520	-	1,000	2,420	925	512,347
Special education instruction	-	18,923	-	3,804	-	173,904
Support services - students	-	-	-	-	-	337,250
Support services - instruction	-	-	-	18,717	-	39,368
School administration	-	-	-	400	-	400
District administration support services	-	-	-	-	-	41,625
Operations and maintenance of plant	-	-	5,000	-	-	5,000
Student activities	-	-	-	412,602	-	412,602
Student transportation - to and from school	-	-	-	-	-	253,434
Food service	-	-	-	-	-	737,280
Expendable trust	-	-	-	-	-	3,900
Construction and facilities acquisition	-	25,825	-	-	-	25,825
Total Expenditures	1,520	44,748	6,000	437,943	925	2,542,935
Net Change in Fund Balances	-	-	-	30,518	-	(154,085)
Fund Balances, beginning of year	-	-	-	158,764	-	913,941
Fund Balances, end of year	$ -	$ -	$ -	$ 189,282	$ -	$ 759,856

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Suicide Prevention Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
State of Alaska	$ 26,500	$ 26,500	$ -
Expenditures			
Support services - students:			
Professional and technical services	16,850	16,850	-
Staff travel	3,703	3,703	-
Other purchased services	4,440	4,440	-
Supplies, material and media	337	337	-
Total support services - students	25,330	25,330	-
District administration support services - indirect costs	1,170	1,170	-
Total Expenditures	26,500	26,500	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Student Transportation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Local sources - earnings on investments	$ 4,462	$ 4,462	$ -
State of Alaska	212,076	212,076	-
Total Revenues	216,538	216,538	-
Expenditures			
Student transportation - to and from school:			
Professional and technical services	246,138	246,138	-
Other expenditures	7,296	7,296	-
Total Expenditures	253,434	253,434	-
Net Change in Fund Balance	$ (36,896)	(36,896)	$ -
Fund Balance, beginning of year		303,806	
Fund Balance, end of year		$ 266,910	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Alaska Garden Micro Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Local sources	$ 4,500	$ 4,500	$ -
Federal grants passed through the State of Alaska	5,000	2,463	(2,537)
Total Revenues	9,500	6,963	(2,537)
Expenditures			
District administration support services - indirect costs	109	109	-
Food service - equipment	6,854	6,854	-
Total Expenditures	6,963	6,963	-
Net Change in Fund Balance	$ 2,537	-	$ (2,537)
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Alaska Mental Health Trust Thriving Together Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
State of Alaska	$ 10,000	$ 10,000	$ -
Expenditures			
Support services - students - professional and technical services	10,000	10,000	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Team Nutrition Travel Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 500	$ 500	$ -
Expenditures			
Food service - staff travel	500	500	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Farm to School Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 5,000	$ 5,000	$ -
Expenditures			
Food service:			
Noncertificated salaries	95	95	-
Employee benefits	9	9	-
Supplies, materials and media	4,896	4,896	-
Total Expenditures	5,000	5,000	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Food Service Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Local sources - food services	$ 21,500	$ 19,771	$ (1,729)
Local sources - earnings on investments	-	2,944	2,944
Federal grants passed through the State of Alaska	485,620	485,620	-
Total Revenues	507,120	508,335	1,215
Expenditures			
Food service:			
Noncertificated salaries	268,512	227,699	40,813
Employee benefits	131,805	113,790	18,015
Professional and technical services	1,197	1,197	-
Staff travel	1,299	1,299	-
Supplies, materials and media	284,161	282,527	1,634
Equipment	25,630	25,630	-
Total Expenditures	712,604	652,142	60,462
Net Change in Fund Balance	$ (205,484)	(143,807)	$ 61,677
Fund Balance, beginning of year		388,843	
Fund Balance, end of year		$ 245,036	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Local Food for Local Schools Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 4,253	$ 4,253	$ -
Expenditures			
Food service - supplies, materials and media	4,253	4,253	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Alaska Team Nutrition Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 3,500	$ 3,500	$ -
Expenditures			
Instruction - supplies, materials and media	3,500	3,500	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Title I-A Basic Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 152,406	$ 130,194	$ (22,212)
Expenditures			
Support services - students:			
Certificated salaries	102,321	88,417	13,904
Employee benefits	41,780	35,200	6,580
Supplies, materials and media	1,574	828	746
Total support services - students	145,675	124,445	21,230
District administration support services - indirect costs	6,731	5,749	982
Total Expenditures	152,406	130,194	22,212
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

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

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 190,985	$ 161,748	$ (29,237)
Expenditures			
Support services - students:			
Certificated salaries	11,832	11,832	-
Noncertificated salaries	22,904	13,741	9,163
Employee benefits	18,235	15,181	3,054
Professional and technical services	21,912	14,639	7,273
Student travel	12,500	11,000	1,500
Supplies, materials and media	72,830	67,959	4,871
Tuition and stipends	1,400	300	1,100
Other expenditures	21,000	19,966	1,034
Total support services - students	182,613	154,618	27,995
District administration support services - indirect costs	8,372	7,130	1,242
Total Expenditures	190,985	161,748	29,237
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Title I-A Highly Qualified Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 4,367	$ 3,514	$ (853)
Expenditures			
Support services - students - staff travel	4,174	3,359	815
District administration support services - indirect costs	193	155	38
Total Expenditures	4,367	3,514	853
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Migrant Education Book Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 3,920	$ 3,920	$ -
Expenditures			
Support services - students - supplies, materials and media	3,747	3,747	-
District administration support services - indirect costs	173	173	-
Total Expenditures	3,920	3,920	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Title VI-B IDEA Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 166,870	$ 156,417	$ (10,453)
Expenditures			
Special education instruction:			
Certificated salaries	95,400	95,700	(300)
Employee benefits	54,601	52,456	2,145
Staff travel	3,400	1,174	2,226
Supplies, materials and media	6,100	180	5,920
Total special education instruction	159,501	149,510	9,991
District administration support services - indirect costs	7,369	6,907	462
Total Expenditures	166,870	156,417	10,453
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Preschool Disabled Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 1,744	$ 1,744	$ -
Expenditures			
Special education instruction - supplies, materials and media	1,667	1,667	-
District administration support services - indirect costs	77	77	-
Total Expenditures	1,744	1,744	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Embrace Training Travel Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 4,289	$ 4,286	$ (3)
Expenditures			
Instruction - staff travel	4,100	4,097	3
District administration support services - indirect costs	189	189	-
Total Expenditures	4,289	4,286	3
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Carl Perkins Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 27,000	$ 27,000	$ -
Expenditures			
Instruction:			
Certificated salaries	2,826	2,250	576
Employee benefits	408	324	84
Professional and technical services	1,725	1,725	-
Staff travel	2,349	2,314	35
Supplies, materials and media	18,500	19,195	(695)
Total instruction	25,808	25,808	-
District administration support services - indirect costs	1,192	1,192	-
Total Expenditures	27,000	27,000	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Safety & Wellbeing Travel Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 4,864	$ 4,684	$ (180)
Expenditures			
Support services - students - staff travel	4,650	4,477	173
District administration support services - indirect costs	214	207	7
Total Expenditures	4,864	4,684	180
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

CLSD Comprehensive Literacy Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	$ 350,000	$ 348,752	$ (1,248)
Expenditures			
Instruction:			
Certificated salaries	124,777	122,860	1,917
Noncertificated salaries	975	975	-
Employee benefits	53,198	53,640	(442)
Professional and technical services	58,256	58,255	1
Staff travel	17,136	5,745	11,391
Supplies, materials and media	77,002	78,202	(1,200)
Other expenditures	3,200	2,400	800
Total instruction	334,544	322,077	12,467
Support services - students - staff travel	-	11,274	(11,274)
District administration support services - indirect costs	15,456	15,401	55
Total Expenditures	350,000	348,752	1,248
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Raising the Bar AK Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal sources passed through other agencies	$ 122,538	$ 122,538	$ -
Expenditures			
Instruction:			
Certificated salaries	69,000	69,000	-
Noncertificated salaries	2,478	2,478	-
Employee benefits	10,128	10,128	-
Professional and technical services	2,585	2,585	-
Staff travel	35,110	35,110	-
Supplies, materials and media	3,237	3,237	-
Total Expenditures	122,538	122,538	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Indian Education Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Direct federal grants	$ 28,462	$ 28,462	$ -
Expenditures			
Instruction:			
Certificated salaries	15,750	15,750	-
Employee benefits	8,857	8,857	-
Student travel	3,855	3,855	-
Total Expenditures	28,462	28,462	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Small, Rural School Achievement Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Direct federal grants	$ 20,651	$ 20,651	$ -
Expenditures			
Support services - instruction:			
Professional and technical services	3,557	3,557	-
Staff travel	17,094	17,094	-
Total Expenditures	20,651	20,651	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

HMI Scales Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Federal sources passed through other agencies	$ 71,697	$ 71,697	$ -
Expenditures			
District administration support services - indirect costs	3,166	3,166	-
Food service:			
Noncertificated salaries	38,864	41,219	(2,355)
Employee benefits	15,769	15,769	-
Professional and technical services	3,089	3,089	-
Staff travel	7,469	7,469	-
Equipment	3,340	985	2,355
Total food service	68,531	68,531	-
Total Expenditures	71,697	71,697	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Kito Memorial Trust Scholarship Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Expenditures		
Expendable trust - scholarship payments	$	1,000
Net Change in Fund Balance		(1,000)
Fund Balance, beginning of year		9,893
Fund Balance, end of year	$	8,893

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Erwin Memorial Trust Scholarship Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Expenditures		
Expendable trust - scholarship payments	$	500
Net Change in Fund Balance		(500)
Fund Balance, beginning of year		9,459
Fund Balance, end of year	$	8,959

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Cold Storage Trust Scholarship Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Expenditures		
Expendable trust - scholarship payments	$	400
Net Change in Fund Balance		(400)
Fund Balance, beginning of year		22,938
Fund Balance, end of year	$	22,538

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Esther Evans Memorial Scholarship Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Expenditures		
Expendable trust - scholarship payments	$	2,000
Net Change in Fund Balance		(2,000)
Fund Balance, beginning of year		20,238
Fund Balance, end of year	$	18,238

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Donors Choose Fund Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues		
Local sources	$	1,520
Expenditures		
Instruction - supplies, materials and media		1,520
Net Change in Fund Balance		-
Fund Balance, beginning of year		-
Fund Balance, end of year	$	-

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Hurst Wood SPED Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Local sources	$ 44,748	$ 44,748	$ -
Expenditures			
Special education instruction:			
Noncertificated salaries	783	783	-
Employee benefits	35	35	-
Professional and technical services	3,127	3,127	-
Staff travel	14,232	14,232	-
Other expenditures	746	746	-
Total Special education instruction	18,923	18,923	-
Construction and facilities acquisition - capital outlay	25,825	25,825	-
Total Expenditures	44,748	44,748	-
Net Change in Fund Balance	$ -	-	$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Small Local Grants Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2026	Budget	Actual	Variance With Final Budget
Revenues			
Local sources	$ -	$ 5,000	$ 5,000
State of Alaska	-	1,000	1,000
Total Revenues	-	6,000	6,000
Expenditures			
Instruction - supplies, materials and media	1,000	1,000	-
Operations and maintenance of plant - equipment	5,000	5,000	-
Total Expenditures	6,000	6,000	-
Net Change in Fund Balance	$ (6,000)	-	$ 6,000
Fund Balance, beginning of year		-	
Fund Balance, end of year		$ -	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Student Activity Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues	
Other local revenue	$ 468,461
Expenditures	
Instruction - supplies, material and media	2,420
Special education instruction:	
Student travel	2,200
Supplies, materials and media	670
Other expenditures	934
Total special education instruction	3,804
Support services - instruction:	
Supplies, materials and media	16,207
Other expenditures	2,510
Total support services - instruction	18,717
School administration - supplies, materials and media	400
Student activities:	
Noncertificated salaries	889
Employee benefits	228
Staff travel	4,786
Student travel	161,082
Other purchased services	2,000
Supplies, materials and media	107,172
Other expenditures	136,445
Total student activities	412,602
Total Expenditures	437,943
Net Change in Fund Balance	30,518
Fund Balance, beginning of year	158,764
Fund Balance, ending	$ 189,282

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

William K Neumann Bequest - Shop Program Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues		
Other sources	$	925
Expenditures		
Instruction - supplies, material and media		925
Net Change in Fund Balance		-
Fund Balance, beginning of year		-
Fund Balance, ending	$	-

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Capital Project Funds
Combining Balance Sheet

June 30, 2026	Capital Projects	ADA	Carpet Replacement	Vehicle Replacement	Structural Damage	Career Technical Education Equipment	Petersburg Middle/High School Roof Replacement	Totals
Assets								
Cash and investments	$ 1,905,993	$ 262,730	$ 93,193	$ 92,270	$ -	$ 45,452	$ 433,293	$ 2,832,931
Due from other funds	-	-	-	-	-	-	333,569	333,569
Total Assets	$ 1,905,993	$ 262,730	$ 93,193	$ 92,270	$ -	$ 45,452	$ 766,862	$ 3,166,500
Liabilities and Fund Balances								
Liabilities								
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ 766,862	$ 766,862
Due to other funds	37,190	-	-	-	-	-	-	37,190
Total Liabilities	37,190	-	-	-	-	-	766,862	804,052
Fund Balances								
Restricted	-	-	-	-	-	-	-	-
Assigned	1,868,803	262,730	93,193	92,270	-	45,452	-	2,362,448
Total Fund Balance	1,868,803	262,730	93,193	92,270	-	45,452	-	2,362,448
Total Liabilities and Fund Balances	$ 1,905,993	$ 262,730	$ 93,193	$ 92,270	$ -	$ 45,452	$ 766,862	$ 3,166,500

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Capital Project Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2026	Capital Projects	ADA	Carpet Replacement	Vehicle Replacement	Structural Damage	Career Technical Education Equipment
Revenues						
Local sources	$ 5,043	$ 3,456	$ 1,029	$ 819	$ -	$ -
State of Alaska	-	-	-	-	-	-
Total Revenues	5,043	3,456	1,029	819	-	-
Expenditures						
District administration support services	-	-	-	-	-	-
Construction and facilities acquisition	-	480	-	-	-	-
Total Expenditures	-	480	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	5,043	2,976	1,029	819	-	-
Other Financing Sources (Uses)						
Transfers in (out)	1,363,869	-	15,000	30,000	(8,821)	30,000
Transfer from primary government	-	-	-	-	-	-
Net Other Financing Sources (Uses)	1,363,869	-	15,000	30,000	(8,821)	30,000
Net Change in Fund Balances	1,368,912	2,976	16,029	30,819	(8,821)	30,000
Fund Balances, beginning of year	499,891	259,754	77,164	61,451	8,821	15,452
Fund Balances, end of year	$ 1,868,803	$ 262,730	$ 93,193	$ 92,270	$ -	$ 45,452

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Capital Project Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, continued

Year Ended June 30, 2026	Petersburg Middle/High School Roof Replacement	PHS Office Security Remodel	Door Security Upgrades	DW Exterior & Substructure	Campus HVAC & Electrical	Totals
Revenues						
Local sources	$ -	$ -	$ -	$ -	$ -	$ 10,347
State of Alaska	1,465,844	-	-	-	-	1,465,844
Total Revenues	1,465,844	-	-	-	-	1,476,191
Expenditures						
District administration support services	52,520	23,888	-	-	-	76,408
Construction and facilities acquisition	2,202,625	769,328	485,412	45,120	45,120	3,548,085
Total Expenditures	2,255,145	793,216	485,412	45,120	45,120	3,624,493
Excess (Deficiency) of Revenues Over Expenditures	(789,301)	(793,216)	(485,412)	(45,120)	(45,120)	(2,148,302)
Other Financing Sources (Uses)						
Transfers in (out)	(1,207,076)	-	485,412	45,120	45,120	798,624
Transfer from primary government	1,645,866	793,216	-	-	-	2,439,082
Net Other Financing Sources (Uses)	438,790	793,216	485,412	45,120	45,120	3,237,706
Net Change in Fund Balances	(350,511)	-	-	-	-	1,089,404
Fund Balances, beginning of year	350,511	-	-	-	-	1,273,044
Fund Balances, end of year	$ -	$ -	$ -	$ -	$ -	$ 2,362,448

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Capital Projects Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues	
Local sources	$ 5,043
Excess of Revenues Over Expenditures	5,043
Other Financing Sources -	
transfers in	1,363,869
Net Change in Fund Balance	1,368,912
Fund Balance, beginning of year	499,891
Fund Balance, end of year	$ 1,868,803

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

ADA Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues		
Local sources	$	3,456
Expenditures		
Construction and facilities acquisition - supplies, material and media		480
Net Change in Fund Balance		2,976
Fund Balance, beginning of year		259,754
Fund Balance, end of year	$	262,730

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Carpet Replacement Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues		
Local sources	$	1,029
Excess of Revenues Over Expenditures		1,029
Other Financing Sources -		
transfers in		15,000
Net Change in Fund Balance		16,029
Fund Balance, beginning of year		77,164
Fund Balance, end of year	$	93,193

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Vehicle Replacement Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues		
Local sources	$	819
Excess of Revenues Over Expenditures		819
Other Financing Sources -		
transfers in		30,000
Net Change in Fund Balance		30,819
Fund Balance, beginning of year		61,451
Fund Balance, end of year	$	92,270

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Structural Damage Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Other Financing Uses - transfers out	$	(8,821)
Net Change in Fund Balance		(8,821)
Fund Balance, beginning of year		8,821
Fund Balance, end of year	$	-

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Career Technical Education Equipment Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Other Financing Sources - transfers in	$	30,000
Net Change in Fund Balance		30,000
Fund Balance, beginning of year		15,452
Fund Balance, end of year	$	45,452

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Petersburg Middle/High School Roof Replacement Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues	
State of Alaska	$ 1,465,844
Expenditures	
District administration support services - indirect costs	52,520
Construction and facilities acquisition:	
Noncertificated salaries	9,691
Employee benefits	1,489
Professional and technical services	26,400
Capital outlay	2,165,045
Total construction and facilities acquisition	2,202,625
Total Expenditures	2,255,145
Deficiency of Revenues Over Expenditures	(789,301)
Other Financing Sources (Uses)	
Transfers out	(1,207,076)
Transfer from primary government	1,645,866
Net Other Financing Sources (Uses)	438,790
Net Change in Fund Balance	(350,511)
Fund Balance, beginning of year	350,511
Fund Balance, end of year	$ -

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
PHS Office Security Remodel Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Expenditures		
District administration support services - indirect costs	$	23,888
Construction and facilities acquisition:		
Noncertificated salaries		8,055
Employee benefits		1,462
Professional and technical services		19,684
Capital outlay		740,127
Total construction and facilities acquisition		769,328
Total Expenditures		793,216
Deficiency of Revenues Over Expenditures		(793,216)
Other Financing Sources - transfer from primary government		793,216
Net Change in Fund Balance		-
Fund Balance, beginning of year		-
Fund Balance, end of year	$	-

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Door Security Upgrades Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Expenditures		
Construction and facilities acquisition:		
Professional and technical services	$	169,010
Capital outlay		316,402
Total construction and facilities acquisition		485,412
Deficiency of Revenues Over Expenditures		(485,412)
Other Financing Sources -		
transfers in		485,412
Net Change in Fund Balance		-
Fund Balance, beginning of year		-
Fund Balance, end of year	$	-

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
DW Exterior & Substructure Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Expenditures		
Construction and facilities acquisition - professional and technical services	$	45,120
Deficiency of Revenues Over Expenditures		(45,120)
Other Financing Sources - transfers in		45,120
Net Change in Fund Balance		-
Fund Balance, beginning of year		-
Fund Balance, end of year	$	-

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Campus HVAC & Electrical Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Expenditures		
Construction and facilities acquisition - professional and technical services	$	45,120
Deficiency of Revenues Over Expenditures		(45,120)
Other Financing Sources - transfers in		45,120
Net Change in Fund Balance		-
Fund Balance, beginning of year		-
Fund Balance, end of year	$	-

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Schedule of Compliance - AS 14.17.505
Year Ended June 30, 2026

Total fund balance - School Operating Fund	$ 1,731,710	
less exemptions per 4 AAC 09.160(a):		
Encumbrances	74,859	
Prepaid items	530,383	
Fund Balance Subject to 10% Limitation	$ 1,126,468	
Nonexempt fund balance as a percentage of current year expenditures:		
Fund balance subject to limitation	$ 1,126,468	9.89%
Current year expenditures	$ 11,390,438	

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Schedule of State Financial Assistance
Year Ended June 30, 2026

State Agency/ Program Title	Award Number	Total Award Amount	Passed through to Subre-cipients	State Expenditures
Department of Education and Early Development				
Major Program:				
*Public School Funding	FY26	$ 6,995,130	$ -	$ 6,995,130
Nonmajor Programs:				
Quality Schools	FY26	20,677	-	20,677
Petersburg High/Middle School Roof Replacement	GR-25-014	2,777,384	-	1,465,844
State of Alaska Raffle Fund	FY26	2,574	-	2,574
Suicide Awareness, Prevention and Postvention	SP 26.PBSD.01	26,500	-	26,500
Pupil Transportation	FY26	212,076	-	212,076
Total Department of Education and Early Development			-	8,722,801
Alaska State Council on the Arts				
Cultural Collaborations Access Grant	FY 26CCACC003	1,000	-	1,000
Alaska Mental Health Trust Authority				
Thriving Together: Collaborative Student Wellness	FY26	114,082	-	10,000
Total State Financial Assistance			$ -	$ 8,733,801

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Note 1. Major Program Notation

* denotes a major program

Note 2. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Petersburg School District under programs of the State of Alaska for the year ended June 30, 2026. 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 Petersburg School District, it is not intended to and does not present the financial position, or changes in net position of Petersburg School District.

Note 3. Summary of Significant Accounting Policies

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

Single Audit Reports

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3601 C Street, Suite 600
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Members of the School Board
Petersburg School District
Petersburg, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Petersburg School District (the "District"), a component unit of Petersburg Borough, Alaska, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated [August 15, 20X1].

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

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XXXX, XXXX

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3601 C Street, Suite 600
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Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Members of the School Board
Petersburg School District
Petersburg, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Petersburg School District 's (the District) compliance with the types of compliance requirements identified as subject to audit in the *State of Alaska Audit Guide and Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2026. The District's major State programs are identified in the accompanying Schedule of State Financial Assistance.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2026.

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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; and the audit requirements of the *State of Alaska Audit Guide*. Our responsibilities under those standards and the State of Alaska Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 unmodified opinions on compliance for each major state program. Our audit does not provide a legal determination of the 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 the District's state programs.

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Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 the 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 Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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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 Audit Guide and Compliance Supplement for the State Single Audits*. Accordingly, this report is not suitable for any other purpose.

Anchorage, Alaska
XXXX, XXXX

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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2026

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 Financial Assistance

Type of auditor's report issued on compliance for major state programs:		Unmodified
Internal control over major state programs:		
Material weakness(es) identified?	___ yes	_X_ no
Significant deficiency(ies) identified?	___ yes	_X_ (none reported)
Dollar threshold used to distinguish between Type A and Type B programs:		$ 750,000
Auditee qualified as low-risk auditee?	_X_ yes	___ no

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

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

Section III – State Award Findings and Questioned Costs

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