SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

Year Ended June 30, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

Year Ended June 30, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Table of Contents

	Exhibit	Page
Independent Auditor's Report		1-4
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	A-1	5
Statement of Activities	B-1	6
Fund Financial Statements:		
Balance Sheet – Governmental Funds	C-1	7
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	C-2	8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	D-1	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-2	10
Notes to Basic Financial Statements		11-37
Required Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Original and Final Budget and Actual:		
School Operating Fund	E-1	38
Public Employees' Retirement System:		
Schedule of District's Proportionate Share of the Net Pension Liability	F-1	39
Schedule of District's Proportionate Share of the Net OPEB Liability (Asset)	F-2	40
Schedule of District's Contributions (Pensions)	F-3	41
Schedule of District's Contributions (OPEB)	F-4	42
Teachers' Retirement System:		
Schedule of District's Proportionate Share of the Net Pension Liability	F-5	43
Schedule of District's Proportionate Share of the Net OPEB Liability (Asset)	F-6	44
Schedule of District's Contributions (Pensions)	F-7	45
Schedule of District's Contributions (OPEB)	F-8	46
Notes to Required Supplementary Information		47-51

FINAL DRAFT
FOR DISCUSSION PURPOSES

Table of Contents, Continued

	Exhibit	Page
Supplementary Information:		
Major Governmental Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:		
School Operating Fund	G-1	52-54
Other Governmental Funds:		
Combining Balance Sheet	H-1	55-59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	H-2	60-65
Other Governmental Funds:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance (deficit) – Budget and Actual (Where Applicable)		
Special Revenue Funds:		
Student Transportation	H-3	66
Community Schools	H-4	67
Alternative Schools Grant	H-5	68
Kapor Foundation	H-6	69
Preschool Development	H-7	70
AK Literacy Program	H-8	71
Positive Behavioral Intervention and Supports	H-9	72
Team Nutrition Alaska	H-10	73
Farm to School	H-11	74
Whole Kids	H-12	75
Local Foods for Schools	H-13	76
Micro Grants for Food	H-14	77
Food Service Program	H-15	78
Fresh Fruit and Vegetable FY26	H-16	79
Fresh Fruit and Vegetable FY25	H-17	80
Title I-A	H-18	81
Title VI-B	H-19	82
Section 619 Special Education	H-20	83
Title IV-A ESEA Consolidated	H-21	84
Title VI-B Discretionary Special Education	H-22	85
Title I-C	H-23	86
Consolidated Admin Pool	H-24	87
School Improvement	H-25	88
CTE	H-26	89
Title II - A	H-27	90
Safety and Well-Being	H-28	91
New Visions FY26	H-29	92
New Visions FY25	H-30	93
STEPS	H-31	94
Sitka AmeriCorps	H-32	95

FINAL DRAFT

Table of Contents, Continued

	Exhibit	Page
Supplementary Information, Continued:		
Other Governmental Funds:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance –		
Budget and Actual (Where Applicable) -		
Special Revenue Funds:		
Serve Alaska, Sitka AmeriCorps Program 25	H-33	96
AmeriCorps Mini-Grant	H-34	97
Hunter Education	H-35	98
Sea Alaska Heritage Institute	H-36	99
Sea Alaska Heritage Institute TCL	H-37	100
STEAM-Making	H-38	101
Raven Writes	H-39	102
SHI Language	H-40	103
Youth Cultural	H-41	104
Indian Education	H-42	105
Project Achieve	H-43	106
SNEP in Schools	H-44	107
Walking Together	H-45	108
Equipment and Textbooks	H-46	109
Charitable Trust	H-47	110
Citizens Donation	H-48	111
Project Transform	H-49	112
Reuben E. Crossett	H-50	113
Safeway – Albertson's Foundation	H-51	114
Community Schools Recycling Project	H-52	115
Swimming Pool	H-53	116
Ventures	H-54	117
Performing Arts Center	H-55	118
Student Activities	H-56	119
Schedule of Compliance with AS 14.17.505	I-1	120
Schedule of Expenditures of Federal Awards	J-1	121
Notes to Schedule of Expenditures of Federal Awards		122
Schedule of State Financial Assistance	K-1	123
Notes to Schedule of State Financial Assistance		124

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Table of Contents, Continued

	Exhibit	Page
Compliance Section:		
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*		125-126
Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the *Uniform Guidance*		127-129
Federal Schedule of Findings and Questioned Costs		130-131
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*		132-134
State Schedule of Findings and Questioned Costs		135-137
Summary Schedule of Prior Audit Findings		138-139
Corrective Action Plan		140-141

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Independent Auditor's Report

Members of the School Board
Sitka School District
Sitka, 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 Sitka School District a component unit of the City and Borough of Sitka, Alaska (the District) 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.

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 *Governmental Auditing Standards*, issued by the comptroller General of the United States (Government Auditing Standards). 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.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

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.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of revenues, expenditures, and changes in fund balance - Original and Final Budget and Actual: School Operating Fund, the schedules of the District's proportionate share of the net pension/OPEB liabilities (assets) and contributions for Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS), and the Notes to Required Supplementary Information on pages 38-51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Members of the School Board
Sitka School District

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated Month XX, 2026, 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
Month XX, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

BASIC FINANCIAL STATEMENTS

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Statement of Net Position

June 30, 2026

	Governmental Activities
Assets and Deferred Outflows of Resources	
Current assets:	
Cash and cash equivalents	$ 818,148
Accounts receivable	2,048,235
Prepaid items	22,615
Inventories	15,036
Total current assets	2,904,034
Long-term assets:	
Capital assets	1,415,798
Accumulated depreciation	(1,384,933)
Net OPEB assets	9,003,087
Total long-term assets	9,033,952
Deferred outflows of resources -	
Pension and OPEB deferrals	1,173,618
Total assets and deferred outflows of resources	$ 13,111,604
Liabilities, Deferred Inflows of Resources, and Net Position	
Current liabilities:	
Accounts payable	296,464
Payroll liabilities	75,465
Compensated absences	253,680
Unearned revenues	33,100
Total current liabilities	658,709
Long-term liabilities:	
Compensated absences	230,095
Net pension liabilities	11,705,473
Total long-term liabilities	11,935,568
Deferred inflows of resources -	
Pension and OPEB deferrals	864,156
Total liabilities and deferred inflows of resources	13,458,433
Net Position	
Net investment in capital assets	30,865
Restricted	20,127
Unrestricted	(397,821)
Total net position	(346,829)
Total liabilities, deferred inflows of resources and net position	$ 13,111,604

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Statement of Activities

Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental activities:				
Instruction	$ 9,119,413	-	1,127,363	(7,992,050)
Special education instruction	4,823,099	-	180,960	(4,642,139)
Special education support services - students	1,012,663	-	(79,696)	(1,092,359)
Support services - students	628,210	-	66,834	(561,376)
Support services - instruction	167,444	-	3,954	(163,490)
School administration	809,550	-	(110,673)	(920,223)
School administration support services	890,534	-	-	(890,534)
District administration	569,182	-	(37,165)	(606,347)
District administration support services	1,083,733	-	38,459	(1,045,274)
Operations and maintenance of plant	2,176,914	-	-	(2,176,914)
Student activities	1,073,143	-	240,302	(832,841)
Student transportation- to and from school	594,684	-	511,826	67,394
Community services	1,052,099	315,083	374,006	(363,010)
Food services	656,587	150,252	296,637	(359,950)
Total governmental activities	$ 24,657,255	315,083	2,612,807	(21,579,113)

General revenues:	
City and Borough appropriations	$ 8,797,775
Forest receipts-passed through City and Borough of Sitka	1,169,820
E-rate	74,567
Other	282,177
State grants not restricted to specific programs	12,756,606
Federal grants not restricted to specific programs	47,308
Total general revenues	23,128,253
Change in net position	1,549,140
Net position (deficit), beginning of the year	(1,895,969)
Net position (deficit), end of year	$ (346,829)

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Balance Sheet - Governmental Funds

June 30, 2026

		School Operating Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$	818,148	-	818,148
Accounts receivable		957,734	1,090,501	2,048,235
Due from other funds		1,323,474	1,228,954	2,552,428
Prepaid items		22,615	-	22,615
Inventories		-	15,036	15,036
Total assets	$	3,121,971	2,334,491	5,456,462
Liabilities and Fund Balances				
Liabilities:				
Accounts payable		235,454	61,010	296,464
Payroll liabilities		75,465	-	75,465
Unearned revenues		-	33,100	33,100
Due to other funds		1,228,954	1,323,474	2,552,428
Total liabilities		1,539,873	1,417,584	2,957,457
Fund Balances:				
Nonspendable:				
Prepaid items		22,615	-	22,615
Inventories		-	15,036	15,036
Restricted - Reuben E. Crossett		-	20,127	20,127
Committed:				
Community Schools		-	72,015	72,015
Kapor Foundation		-	8,233	8,233
Sitka AmeriCorps		-	21,232	21,232
Equipment and Textbooks		-	8,954	8,954
Charitable Trust		-	18,084	18,084
Citizens Donation		-	330,496	330,496
Safeway Albertson's Foundation		-	4,620	4,620
Community Schools Recycling Project		-	25,515	25,515
Ventures		-	245,520	245,520
Performing Arts Center		-	100,527	100,527
Student Activities		-	378,855	378,855
Unassigned		1,559,483	(332,307)	1,227,176
Total fund balances		1,582,098	916,907	2,499,005
Total liabilities and fund balances	$	3,121,971	2,334,491	5,456,462

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

June 30, 2026

Total fund balance - governmental funds		$ 2,499,005
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds.		30,865
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences		(483,775)
Proportionate share of the collective net OPEB assets:		
PERS	$ 2,188,661	
TRS	6,814,426	
		9,003,087
Proportionate share of the collective net pension liabilities:		
PERS	(3,804,146)	
TRS	(7,901,327)	
		(11,705,473)
Deferred inflows and outflows of resources are the results of timing differences in the actuarial report:		
Pension and OPEB balances in the current fiscal year presented as deferred outflows of resources:		
PERS	417,159	
TRS	756,459	
		1,173,618
Pension and OPEB balances in the current fiscal year presented as deferred inflows of resources:		
PERS	(225,550)	
TRS	(638,606)	
		(864,156)
Net position of governmental activities		$ (346,829)

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

Year Ended June 30, 2026

	School Operating Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Local sources:			
Charges for services	$ -	465,335	465,335
Other local revenue	282,177	1,258,898	1,541,075
E-rate	74,567	-	74,567
Intergovernmental:			
City and Borough appropriations	7,982,616	815,159	8,797,775
Forest receipts-passed through City and Borough of Sitka	1,169,820	-	1,169,820
State of Alaska	14,625,294	670,740	15,296,034
Federal sources	47,308	1,953,675	2,000,983
Total revenues	24,181,782	5,163,807	29,345,589
Expenditures:			
Current:			
Instruction	9,874,321	1,864,682	11,739,003
Special education instruction	5,536,175	361,659	5,897,834
Special education support services - students	1,313,531	-	1,313,531
Support services - students	783,283	141,425	924,708
Support services - instruction	159,914	7,530	167,444
School administration	1,338,519	-	1,338,519
School administration support services	883,037	-	883,037
District administration	740,234	-	740,234
District administration support services	1,165,801	52,107	1,217,908
Operations and maintenance of plant	2,176,914	-	2,176,914
Student activities	335,305	784,046	1,119,351
Student transportation - to and from school	-	594,684	594,684
Community services	-	1,052,099	1,052,099
Food services	-	648,672	648,672
Total expenditures	24,307,034	5,506,904	29,813,938
Excess (deficiency) of revenues over expenditures	(125,252)	(343,097)	(468,349)
Other financing sources (uses):			
Transfers in	61,022	-	61,022
Transfers out	-	(61,022)	(61,022)
Net other financing sources (uses)	61,022	(61,022)	-
Net change in fund balances	(64,230)	(404,119)	(468,349)
Fund balances, beginning of year	1,646,328	1,321,026	2,967,354
Fund balances, end of year	$ 1,582,098	916,907	2,499,005

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, 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 government funds		$ (468,349)
Amounts reported for *governmental activities* in the Statement of Activities are different because:		
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in unfunded net pension and OPEB liabilities and assets:		
PERS	$ 1,114,185	
TRS	2,246,732	3,360,917
Changes in deferred inflow and outflow of resources are the results of timing differences in the actuarial report and adjustments to reflect employer and non-employer contributions based on the measurement date of the liability.		
PERS	(286,040)	
TRS	(855,993)	(1,142,033)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	8,000	
Depreciation expense	(60,313)	(52,313)
Compensated absences reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.		
Change in compensated absences		(149,082)
Change in net position of governmental activities		$ 1,549,140

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Sitka School District (the District) is a component unit of the City and Borough of Sitka, Alaska (the City). The City has the responsibility of establishing, maintaining, and operating a system of public schools. The City's charter delegates the administrative responsibility for these functions to the elected School Board of the District. The City and Borough Assembly approves the total annual City appropriation at the request of the School Board. The School Board has the authority to establish its own budgets, hire all personnel, and manage its financial operations subject to the limitations established by State law and City Charter. Using the criterion of financial accountability, there are no component units that are or should be included in the District's reporting entity.

The School Board does not exercise oversight responsibility over any other entity. No other entity engages in activities, which benefit the District, nor do any special financial relationships exist between the District and any other entity. Therefore, the District does not have any component units, as defined in GASB Statement No. 14, as amended by GASB Statements No. 39 and 61, which require inclusion in the combined financial statements. The School Board is the level of government, which has governance responsibilities over all activities related to public elementary and secondary education within its jurisdiction. The District receives financial support from state and federal government sources and must comply with the concomitant requirements of these entities.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America. 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.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not presently have any business-type activities.

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected with 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt and compensated absences which is recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

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

Intergovernmental Revenues:

State of Alaska Foundation, Pupil Transportation, and federal aid for school lunch revenue is recorded in the year to which it relates.

Federal Impact Aid receipts are recorded as revenues in the year monies are received.

State of Alaska and federal government cost reimbursable grants and contracts revenues are recorded to the extent of allowable expenditures in the period incurred.

On-behalf payments and E-Rate subsidies are recognized in the year to which it relates.

Revenues from the City and Borough of Sitka are recorded as intergovernmental revenues, are susceptible to accrual and are recorded in the year of the City/Borough appropriation.

Local Revenues:

Interest earnings on deposits in the School Operating Fund are recognized when earned. Tuition, and proceeds from the sale of lunches are recognized in the year received.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Indirect Costs:

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

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

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the District's major governmental fund:

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

Special Revenue Funds account for educational grants and contributions received from federal, state, and other local agencies. These funds do not have a legally adopted budget.

Use of Estimates

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position / Fund Balance

1. Cash and Cash Equivalents

The District maintains a cash pool that is available to all funds. Each fund's portion of this pool is reported on the Balance Sheet of the fund financial statements as "cash and cash equivalents" or amounts "due to/from other funds." All deposits are carried at fair market value plus accrued interest. The District's cash consists of cash on hand and demand deposits maintained at financial institutions. At June 30, 2026, all demand deposits were either insured or collateralized. All interest earnings on cash and cash equivalents have been designated by the School Board to be used for purchase of equipment and textbooks and such earnings are recorded in the Equipment and Textbook Special Revenue Fund.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

The District held no investments at June 30, 2026.

2. Receivables and Payables

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

Receivables are comprised of amounts due from the federal government, State of Alaska, and other local sources. No receivables are deemed uncollectible and no allowance for uncollectible accounts has been established, accordingly.

3. Prepaid Items and Inventories

Payments made to vendors for services that will benefit periods beyond June 30, 2026 are recorded as prepaid items. Prepaid items are recorded as assets and are classified as "nonspendable" fund balance, indicating that such amounts do not represent "available, spendable resources."

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

4. Capital Assets

Capital assets, which include buildings and improvements, vehicles and equipment, are recorded in the government-wide financial statements at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Assets greater than $5,000 with a useful life greater than one year in the government-wide financial statements are capitalized and depreciated on straight-line method. The City holds title to all land and buildings used by the District for educational purposes.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are considered operations and maintenance and are not capitalized in the government-wide financial statements.

Vehicles, machinery, and equipment owned by the District are depreciated under the straight-line method over five years.

5. Unearned Revenues

Represents 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 revenues.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

6. Compensated Absences

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

7. Long-term Obligations

In the Government-wide Financial Statements, long-term debt or other long-term obligations are reported as liabilities. In the Fund Financial Statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Pensions/Other Post-Employment Benefits (OPEB)

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

9. Deferred Outflows/Inflows of Resources

Deferred inflows of resources are the acquisition of fund balance / net position by the District that are applicable to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred outflows of resources are the consumption of fund balance / net position by the District that are applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time.

10. Net Position

Government-wide net position is divided into three components:

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

11. Fund Balance

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

Nonspendable fund balance – amounts that cannot be spent because they are in a nonspendable form (such as inventory or prepaid items) or legally or contractually required to be maintained intact (such as the corpus of an endowment fund).

Restricted fund balance – amounts constrained by external parties, or legislation (such as grantors or higher levels of government).

Committed fund balance – amounts constrained to specific purposes by the District's Board, using the District's highest level of decision-making authority (resolution or ordinance); to be reported as committed, amounts cannot be used for any other purpose unless the School Board takes the same highest-level action to remove or change the constraint.

Assigned fund balance – amounts that are intended for a particular purpose. Intent can be expressed by the School Board or by the Superintendent or designee.

Unassigned – amounts available for any purpose; these amounts are reported only in the School Operating Fund, unless non-spendable resources creates a negative unassigned fund balance in the Special Revenue Funds.

The five categories of fund balance place varying strengths of spending constraints on available resources in a descending order as listed. Nonspendable fund balance is the most restrictive classification and unassigned fund balance is the least restrictive.

When an expenditure has been duly authorized and funding to pay for the expenditure is available within multiple fund balance classifications, the District's policy is to utilize funding available in the most restrictive classification first.

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

12. Fair Value of Financial Instruments

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental fund types except certain locally funded Special Revenue Funds and Capital Project Funds. The Capital Project Funds adopt project-length budgets. All annual appropriations lapse at fiscal yearend. Unexpended balances of grants from the state and federal governments for the special revenue funds lapse at June 30 with the exception of certain federal programs which lapse at various month ends of July, August, and September.

The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs.

The appropriated budget is prepared by fund, function, and object. The District's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the School Board.

Annual budgets of the various Special Revenue Funds are prepared in connection with the application for the special programs' awards, when applicable, and are reviewed and approved by the School Board. Project budgets are adopted for the various Capital Project Funds based on the lives of the construction projects. Expenditure authority is limited to the actual combined revenues, transfers from other funds and available fund balance within the fund.

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

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents

The District uses a central treasury concept for cash of all funds. As of June 30, 2026, all of the District's cash balances were fully insured and collateralized. All of the District's cash is held in the form of checking and savings demand accounts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. To limit credit risk, the District's cash management policy requires that all deposits be either insured or covered by collateralization agreements.

B. Accounts Receivable

Accounts receivable as of year end for the District's individual major funds and other governmental funds are as follows:

	School Operating Fund	Other Governmental Funds	Total
Grants	$ -	1,090,501	1,090,501
Other	957,734	-	957,734
Total	$ 957,734	1,090,501	2,048,235

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

C. Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Machinery, equipment and vehicles	$ 1,407,798	8,000	-	1,415,798
Accumulated depreciation	(1,324,620)	(60,313)	-	(1,384,933)
Net governmental activities capital assets	$ 83,178	(52,313)	-	30,865

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

Instruction	$ 3,538
School administration support services	7,497
District administration support services	41,363
Food services	7,915
Total	$ 60,313

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

D. Interfund Receivables and Payables and Transfers

Interfund receivables and payables are shown as "due to other funds" and "due from other funds" in each of the individual funds. These balances at June 30, 2026 were as follows:

Receivable Fund	Payable Fund	Amount
School Operating Fund	Other Governmental Funds	$ 1,323,474
Other Governmental Funds	School Operating Fund	1,228,954
Total		$ 2,552,428

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

Transfers in:	Transfers out:	Amount
School Operating Fund	Other Governmental Funds	$ 61,022

Transfers are used to move unrestricted resources from the School Operating Fund to finance various programs or vice versa that the District must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

E. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the District for the year ended June 30, 2026:

	Beginning Balance	Net Change	Ending Balance	Due Within One Year
Compensated absences	$ 334,693	149,082	483,775	253,680

F. Deficit Fund Balances and Net Position

The following Governmental Funds had deficit fund balances at June 30, 2026:

Student Transportation Special Revenue Fund	$ 82,858
Food Service Program Special Revenue Fund	$ 205,874
Swimming Pool Special Revenue Fund	$ 28,539

The District reported a deficit unrestricted net position for other governmental funds of ($317,271) and a total deficit net position of ($346,829) in the Governmental Activities at June 30, 2026. The Government-wide net position deficit is primarily the result of the recognition of long-term pension-related liabilities and deferred inflows of resources, required under GASB Statement No. 68 and No. 75. These liabilities and deferred inflows of resources do not affect the availability of current financial resources and are not reflected in the governmental fund financial statements, which reported positive total fund balances at June 30, 2026.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

III. OTHER INFORMATION

A. Risk Management

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

Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for damage to and loss of property and contents, general liability, errors and omissions and student accidents. Coverage limits and the deductibles on commercial policies have stayed relatively constant for the last several years. No settlement in excess of insurance coverage has been realized over the past three years.

B. Employee Retirement Systems and Plans

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

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

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

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

FINAL DRAFT
FOR DISCUSSION PURPOSES

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

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

Plan Memberships

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

	PERS	TRS
Retired plan members or beneficiaries currently receiving benefits	37,449	13,716
Inactive plan members entitled to but not yet receiving benefits	4,154	573
Inactive plan members not entitled to benefits	9,562	1,426
Active plan members	7,179	2,173
Total plan memberships	58,344	17,888

Other Postemployment Benefit Plans (OPEB)

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2026, employer contributions were 0.00% for PERS and 0.00% for TRS.

Occupational Death and Disability Plan (ODD)

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 2026, the employer contribution rates were 0.24% for PERS and 0.08% for TRS.

FINAL DRAFT

Retiree Medical Plan (RMP)

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended, June 30, 2026, employer contributions were 0.86% for PERS and 0.74% for TRS.

Health Reimbursement Arrangement Plan (HRA)

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

Investments

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

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

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return, net of investment expense, for the year ended June 30, 2025 for PERS and TRS for the DB Pension Plan were 10.80% and 10.78%, the ARHCT Plan were 10.86% and 10.86%, the ODD Plan were 10.86% and 10.78%, and the RMP were 10.87% and 10.81%, respectively.

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

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

The long-term expected rate of return on pension and OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below for the PERS and TRS plans (rates shown below exclude an annual inflation component of 2.51%):

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	5.74%
Global Equity (ex-U.S.)	6.37%
Global Equity	5.88%
Aggregate Bonds	2.30%
Real Assets	4.54%
Private Equity	9.28%
Cash Equivalents	0.60%

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.25%. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 5.20% as of June 30, 2025.

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

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

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

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

Employer Contribution rates for the fiscal year 2026 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	22.00%	28.33%	6.33%
OPEB	0.00%	0.00%	0.00%
Total PERS contribution rates	22.00%	28.33%	6.33%
TRS:			
Pension	12.56%	31.33%	18.77%
OPEB	0.00%	0.00%	0.00%
Total TRS contribution rates	12.56%	31.33%	18.77%

Termination Costs: If the District decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular District function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The District must pay to have a termination study completed. The purpose of the study is to calculate the District's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The District must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS and TRS Administrator. For the fiscal year 2026, the past service rate for PERS and TRS is 19.29%.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2025 (latest available) were determined by an actuarial valuation as of June 30, 2024 which was rolled forward to the measurement date June 30, 2025. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021.

Inflation	2.50% per year.
Salary Increases	Increases range from 2.85% to 8.50% based on service.
Investment return / discount rate	7.25%, net of expenses based on average inflation of 2.50% and a real return of 4.75%.
Mortality	Based upon 2017-2021 actual experience study and applicable tables contained in Pub-2010, projected with MP-2021 generational improvement.
Healthcare cost trend rates	Pre-65 medical: 6.2% 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 for FY2026. Ultimate trend rates reached in FY2050.

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, 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.

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

Plan Description. The District participates in the Alaska Public Employees' Retirement System (PERS), a cost sharing multiple employer defined benefit pension plan. Currently, there are 148 participating local government employers and public organizations, including the State of Alaska. This includes a total of 51 school districts participating in the plan. PERS provides retirement benefits, disability and death benefits, and post-employment healthcare to plan members and beneficiaries. The Plan was established and is administered by the State of Alaska, Department of Administration. The Public Employee's Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. This report may be obtained from the system at Pouch C, Juneau, Alaska 99811 or online at: http://doa.alaska.gov/drb/pers.

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

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

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

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

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

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

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

Employee Contribution Rate. PERS active members are required to contribute 6.75%, 7.50% for peace officers and firefighters, and 9.76% for certain school district employees, of their base salaries.

Employer contributions for the year ended June 30, 2026, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
$	352,359	26,334	378,693

Public Employees' Retirement Plans

For the year ended June 30, 2026 the State of Alaska contributed $167,579 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2025 to a total of ($2,952) to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2026, the District reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the District. The amount recognized by the District as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the District were as follows:

Defined Benefit:	Pension
District's proportionate share of the net pension liability	$ 3,804,146
State's proportionate share of the net pension liability	1,167,829
Total	$ 4,971,975

	OPEB
District's proportionate share of the ARHCT OPEB asset	$ (2,081,499)
State's proportionate share of the ARHCT OPEB asset	(588,218)
Total	$ (2,669,717)
District's proportionate share of the ODD OPEB asset	$ (49,717)
District's proportionate share of the RMP OPEB asset	$ (57,445)
Total District's share of net pension and OPEB liabilities and (assets)	$ 1,615,485

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2024, rolled forward to the measurement date of June 30, 2025 and adjusted to reflect updated assumptions. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for the fiscal years ending FY2026 to FY2039, as determined by projections based on the June 30, 2024 valuation.

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

	June 30, 2025 Measurement	June 30, 2024 Measurement	Change
Pension	0.0767%	0.0865%	(0.0098%)
OPEB:			
ARHCT	0.0782%	0.0867%	(0.0085%)
ODD	0.0701%	0.0890%	(0.0189%)
RMP	0.0908%	0.1068%	(0.0160%)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Based on the measurement date of June 30, 2025, the District recognized pension and OPEB expense of ($389,586) and ($62,464), respectively, for the year ended June 30, 2026. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
Defined Benefit:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(94,565)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	352,359	-
Total	$ 352,359	(94,565)

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(82,220)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	-	-
Total	$ -	(82,220)

FINAL DRAFT
FOR DISCUSSION PURPOSES

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	(9,605)
Changes of assumptions	-	(58)
Net difference between projected and actual earnings on OPEB plan investments	-	(1,217)
Changes in proportion and differences between District contributions and proportionate share of contributions	16,210	(220)
District contributions subsequent to the measurement date	5,746	-
Total	$ 21,956	(11,100)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,468	(3,824)
Changes of assumptions	11,182	(27,778)
Net difference between projected and actual earnings on OPEB plan investments	-	(5,251)
Changes in proportion and differences between District contributions and proportionate share of contributions	6,606	(812)
District contributions subsequent to the measurement date	20,588	-
Total	$ 42,844	(37,665)

$352,359 and $26,334 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liabilities and as an increase to the net OPEB assets in the year ended June 30, 2027, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2026	$ 147,855	122,402	982	(1,394)
2027	(92,899)	(79,160)	(79)	(7,628)
2028	(87,589)	(74,145)	65	(5,643)
2029	(61,932)	(51,317)	692	(3,657)
2030	-	-	1,534	1,433
Thereafter	-	-	1,916	1,480
Total	$ (94,565)	(82,220)	5,110	(15,409)

FINAL DRAFT

For the year ended June 30, 2026, the District recognized ($621,111) and $195,179 of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

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

		1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability	$	5,200,689	3,804,146	2,620,754
Net OPEB ARHCT asset	$	(1,454,540)	(2,081,499)	(2,610,072)
Net OPEB ODD asset	$	(46,758)	(49,717)	(52,034)
Net OPEB RMP asset	$	(1,367)	(57,445)	(100,344)

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

		1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	$	(2,670,218)	(2,081,499)	(1,384,037)
Net OPEB ODD liability (asset)	$	N/A	(49,717)	N/A
Net OPEB RMP liability (asset)	$	(105,911)	(57,445)	7,483

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

Plan Description and Funding Requirements. Districts and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8.00% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5.00% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 0.86% for the retiree medical plan (DB), 0.24% for occupational and death and disability benefits (DB) and 3.00% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is capped at 22.00% with anything in excess of the previously listed rates being contributed to the Defined Benefit Unfunded Liability (DBUL).

Plan members are 100% vested with their contributions.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Members become vested in employers' contributions as follows:

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

The District contributed $256,406 for the year ended June 30, 2026, which included forfeitures of $9,068 which have been applied as employer contributions.

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

Plan Description. The District participates in the Alaska Teachers' Retirement System (TRS), a cost sharing multiple-employer defined benefit plan. Currently, there are 56 participating local government employers and public organizations, including the State of Alaska. This includes a total of 52 school districts participating in the plan. TRS provides retirement benefits, disability and death benefits, and post-employment healthcare to plan members and beneficiaries. The system is governed by the Alaska Retirement Management Board (ARMB). The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. The benefit and contribution provisions are established by State law and may be amended only by the State legislature. The Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for TRS. This report may be obtained from the system at Pouch C, Juneau, Alaska 99811 or online at http://doa.alaska.gov/drb/trs.

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

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

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Employee Contribution Rate. The District's active TRS members are required to contribute 8.65% of their base salaries.

Employer contributions for the year ended June 30, 2026, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
$	612,152	46,820	658,972

Teachers' Retirement Plans

For the year ended June 30, 2026 the State of Alaska contributed $1,701,109 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2025 to a total of ($1,267,554) to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2026, the District reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the District. The amount recognized by the District as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the District were as follows:

Defined Benefit:	Pension
District's proportionate share of the net pension liability	$ 7,901,327
State's proportionate share of the net pension liability	12,140,378
Total	$ 20,041,705

	OPEB
District's proportionate share of the ARHCT OPEB asset	$ (6,489,752)
State's proportionate share of the ARHCT OPEB asset	(8,926,050)
Total	$ (15,415,802)
District's proportionate share of the ODD OPEB asset	$ (83,788)
District's proportionate share of the RMP OPEB (asset)	$ (240,886)
Total District's share of net pension and OPEB liabilities and (assets)	$ 1,086,901

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2024, rolled forward to the measurement date of June 30, 2025 and adjusted to reflect updated assumptions. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for the fiscal years ending FY2026 to FY2039, as determined by projections based on the June 30, 2024 valuation.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

	June 30, 2025 Measurement	June 30, 2024 Measurement	Change
Pension	0.5083%	0.4458%	0.0625%
OPEB:			
ARHCT	0.5428%	0.4625%	0.0803%
ODD	0.8973%	0.9825%	(0.0852%)
RMP	0.8950%	0.9820%	(0.0870%)

Based on the measurement date of June 30, 2025, the District recognized pension and OPEB expense of $465,564 and ($2,463,206), respectively, for the year ended June 30, 2026. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
Defined Benefit:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(283,993)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	612,152	-
Total	$ 612,152	(283,993)

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(237,483)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	90	-
Total	$ 90	(237,483)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	(12,494)
Changes of assumptions	-	(81)
Net difference between projected and actual earnings on OPEB plan investments	-	(1,324)
Changes in proportion and differences between District contributions and proportionate share of contributions	6,942	(326)
District contributions subsequent to the measurement date	4,559	-
Total	$ 11,501	(14,225)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 40,441	(11,294)
Changes of assumptions	31,314	(76,821)
Net difference between projected and actual earnings on OPEB plan investments	-	(14,060)
Changes in proportion and differences between District contributions and proportionate share of contributions	18,790	(730)
District contributions subsequent to the measurement date	42,171	-
Total	$ 132,716	(102,905)

$612,152 and $46,820 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liabilities and as an increase to the net OPEB assets in the year ended June 30, 2027, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,		Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2026	$	569,767	318,871	(729)	3,813
2027		(325,830)	(215,150)	(2,360)	(13,024)
2028		(309,676)	(201,564)	(1,837)	(11,914)
2029		(218,254)	(139,640)	(1,679)	(4,611)
2030		-	-	(651)	3,260
Thereafter		-	-	(27)	10,116
Total	$	(283,993)	(237,483)	(7,283)	(12,360)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

For the year ended June 30, 2026, the District recognized $959,397 and ($789,238) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

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

		1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability	$	12,067,221	7,901,327	4,370,784
Net OPEB ARHCT asset	$	(4,814,037)	(6,489,752)	(7,894,354)
Net OPEB ODD asset	$	(84,075)	(83,788)	(83,599)
Net OPEB RMP asset	$	(73,720)	(240,886)	(367,420)

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

		1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT asset	$	(8,046,342)	(6,489,752)	(4,635,202)
Net OPEB ODD asset	$	N/A	(83,788)	N/A
Net OPEB RMP asset	$	(382,528)	(240,886)	(49,752)

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

Plan Description and Funding Requirements. Districts and Public Employers in the State of Alaska have a defined contribution retirement plan for new hires first enrolled on or after July 1, 2006. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8.00% of their base salaries. State statutes require the employer to contribute 7.00% of employees' eligible compensation. Additionally, employers are required to contribute to other post-employment benefits (DB): 0.74% for the retiree medical plan, 0.08% for occupational death and disability, and 3.00% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The employer effective contribution rate is 12.56%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

FINAL DRAFT

Members become vested in employers' contributions as follows:

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

The District contributed $621,395 for the year ended June 30, 2026, which included forfeitures of $0 which have been applied as employer contributions.

C. 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, may constitute a liability of the School Operating Fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

D. Related Parties

Sitka School District received contributions from the City and Borough of Sitka, Alaska in the amount of $8,797,775.

E. Alternative Retirement Plans

The District participates in a 403(b) plan through OMNI Group. The District will match up to $1,000 per calendar year for all employees who are members of the Administrator's Association. The District does not match any contributions for employees who are not members of the Administrator's Association. All staff are eligible to participate in the 403(b) plan up to a maximum contribution of $23,500 in 2026. For the year ended June 30, 2026, the District contributed $3,500.

Additionally, the District participates in a 457 plan through Alaska Deferred Compensation Plan. The District will match up to $1,000 per calendar year for all employees who are members of the Administrator's Association. The District does not match any contributions for employees who are not members of the Administrator's Association. All staff are eligible to participate in the 457 plan up to a maximum contribution of $23,500 in 2026. For the year ended June 30, 2026, the District contributed $0.

F. Subsequent Accounting Pronouncements

The Governmental Accounting Standards Board has passed a new accounting standard with an upcoming implementation date covering the following topic:

- GASB 105 *Subsequent Events:* Effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

GASB Statement No. 105 defines subsequent events, including the subsequent events time frame, and establishes accounting and financial reporting requirements related to subsequent events.

FINAL DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

School Operating Fund

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

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original and Final Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget and Actual - Positive (Negative)
	Original	Final			
Revenues:					
Local sources:					
Other	$ 101,645	60,000	(41,645)	282,177	222,177
E-rate	69,076	69,076	-	74,567	5,491
Intergovernmental:					
City and Borough appropriations	8,080,666	7,972,424	(108,242)	7,982,616	10,192
Forest receipts - passed through City and Borough of Sitka	-	125,000	125,000	1,169,820	1,044,820
State of Alaska	13,424,330	13,963,776	539,446	14,625,294	661,518
Federal sources	68,000	3,932	(64,068)	47,308	43,376
Total revenues	21,743,717	22,194,208	450,491	24,181,782	1,987,574
Expenditures:					
Current:					
Instruction	8,048,663	10,009,996	(1,961,333)	9,874,321	135,675
Special education instruction	4,770,398	5,255,601	(485,203)	5,536,175	(280,574)
Special education support services - students	1,093,139	1,182,434	(89,295)	1,313,531	(131,097)
Support services - students	769,728	937,252	(167,524)	783,283	153,969
Support services - instruction	11,000	114,800	(103,800)	159,914	(45,114)
School administration	1,022,496	1,299,306	(276,810)	1,338,519	(39,213)
School administration support services	811,714	876,528	(64,814)	883,037	(6,509)
District administration	512,602	658,022	(145,420)	740,234	(82,212)
District administration support services	1,026,863	1,264,075	(237,212)	1,165,801	98,274
Operations and maintenance of plant	2,411,250	1,850,532	560,718	2,176,914	(326,382)
Student activities	152,128	328,308	(176,180)	335,305	(6,997)
Total expenditures	20,629,981	23,776,854	(3,146,873)	24,307,034	(530,180)
Excess (deficiency) of revenues over expenditures	1,113,736	(1,582,646)	(2,696,382)	(125,252)	1,457,394
Other financing sources (uses) -					
Transfers in (out)	-	(150,000)	(150,000)	61,022	211,022
Net change in fund balance	$ 1,113,736	(1,732,646)	(2,846,382)	(64,230)	1,668,416
Fund balance, beginning of year				1,646,328	
Fund balance, end of year				$ 1,582,098	

See accompanying Notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

Public Employees' Retirement System (PERS)

June 30, 2026

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	0.1241%	$ 6,937,517	$ 874,158	$ 7,811,675	$ 3,072,987	225.76%	59.55%
2018	0.0932%	$ 4,817,187	$ 1,796,288	$ 6,613,475	$ 2,968,084	162.30%	63.37%
2019	0.1069%	$ 5,310,644	$ 1,540,684	$ 6,851,328	$ 2,896,500	183.35%	65.19%
2020	0.0978%	$ 5,353,612	$ 2,124,911	$ 7,478,523	$ 2,859,932	187.19%	63.42%
2021	0.0914%	$ 5,393,090	$ 2,230,687	$ 7,623,777	$ 2,879,514	187.29%	61.61%
2022	0.1054%	$ 3,867,891	$ 523,447	$ 4,391,338	$ 2,816,293	137.34%	76.46%
2023	0.0913%	$ 4,653,958	$ 1,284,397	$ 5,938,355	$ 2,875,027	161.88%	67.97%
2024	0.0863%	$ 4,474,109	$ 1,489,172	$ 5,963,281	$ 2,910,576	153.72%	68.23%
2025	0.0865%	$ 4,741,371	$ 1,771,514	$ 6,512,885	$ 2,931,832	161.72%	67.81%
2026	0.0767%	$ 3,804,146	$ 1,167,829	$ 4,971,975	$ 2,576,791	147.63%	71.23%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

Public Employees' Retirement System (PERS)

June 30, 2026

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.0932%	$ 787,495	$ 293,493	$ 1,080,988	$ 2,968,084	26.53%	89.68%
2019	0.1070%	$ 1,097,874	$ 318,408	$ 1,416,282	$ 2,896,500	37.90%	88.12%
2020	0.0977%	$ 144,992	$ 57,640	$ 202,632	$ 2,859,932	5.07%	98.13%
2021	0.0913%	$ (413,432)	$ (171,342)	$ (584,774)	$ 2,879,514	-14.36%	106.15%
2022	0.1059%	$ (2,716,331)	$ (356,747)	$ (3,073,078)	$ 2,816,293	-96.45%	135.54%
2023	0.0905%	$ (1,780,673)	$ (509,337)	$ (2,290,010)	$ 2,875,027	-61.94%	128.51%
2024	0.0860%	$ (1,979,858)	$ (664,915)	$ (2,644,773)	$ 2,910,576	-68.02%	133.96%
2025	0.0867%	$ (1,908,815)	$ (708,956)	$ (2,617,771)	$ 2,931,832	-65.11%	130.59%
2026	0.0782%	$ (2,081,499)	$ (588,218)	$ (2,669,717)	$ 2,576,791	-80.78%	136.81%
Occupational Death and Disability (ODD):							
2018	0.1681%	$ (23,848)	$ -	$ (23,848)	$ 2,968,084	-0.80%	212.97%
2019	0.1622%	$ (31,492)	$ -	$ (31,492)	$ 2,896,500	-1.09%	270.62%
2020	0.1248%	$ (30,253)	$ -	$ (30,253)	$ 2,859,932	-1.06%	297.43%
2021	0.1190%	$ (32,428)	$ -	$ (32,428)	$ 2,879,514	-1.13%	283.80%
2022	0.1219%	$ (53,736)	$ -	$ (53,736)	$ 2,816,293	-1.91%	374.22%
2023	0.1189%	$ (52,128)	$ -	$ (52,128)	$ 2,875,027	-1.81%	348.80%
2024	0.1082%	$ (55,510)	$ -	$ (55,510)	$ 2,910,576	-1.91%	349.24%
2025	0.0890%	$ (53,107)	$ -	$ (53,107)	$ 2,931,832	-1.81%	346.81%
2026	0.0701%	$ (49,717)	$ -	$ (49,717)	$ 2,576,791	-1.93%	353.09%
Retiree Medical Plan (RMP):							
2018	0.1681%	$ 8,765	$ -	$ 8,765	$ 816,927	1.07%	93.98%
2019	0.1622%	$ 20,633	$ -	$ 20,633	$ 844,455	2.44%	88.71%
2020	0.1570%	$ 37,556	$ -	$ 37,556	$ 848,827	4.42%	83.17%
2021	0.1485%	$ 10,530	$ -	$ 10,530	$ 916,864	1.15%	92.23%
2022	0.1436%	$ (38,531)	$ -	$ (38,531)	$ 946,224	-4.07%	115.10%
2023	0.1400%	$ (48,610)	$ -	$ (48,610)	$ 1,023,455	-4.75%	120.08%
2024	0.1296%	$ (61,534)	$ -	$ (61,534)	$ 1,022,550	-6.02%	124.29%
2025	0.1068%	$ (49,779)	$ -	$ (49,779)	$ 942,732	-5.28%	119.87%
2026	0.0908%	$ (57,445)	$ -	$ (57,445)	$ 880,050	-6.53%	123.73%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of District's Contributions (Pensions)

Public Employees' Retirement System (PERS)

June 30, 2026

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	$ 301,611	$ (301,611)	$ -	$ 2,968,084	10.16%
2018	$ 334,315	$ (334,315)	$ -	$ 2,896,500	11.54%
2019	$ 307,508	$ (307,508)	$ -	$ 2,859,932	10.75%
2020	$ 287,427	$ (285,004)	$ 2,423	$ 2,879,514	9.98%
2021	$ 321,030	$ (326,877)	$ (5,847)	$ 2,816,293	11.40%
2022	$ 334,576	$ (333,871)	$ 705	$ 2,875,027	11.64%
2023	$ 383,229	$ (382,147)	$ 1,082	$ 2,910,576	13.17%
2024	$ 390,475	$ (410,947)	$ (20,472)	$ 2,931,832	13.32%
2025	$ 340,058	$ (352,810)	$ (12,752)	$ 2,576,791	13.20%
2026	$ 389,671	$ (352,359)	$ 37,312	$ 2,886,814	13.50%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2026

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	$ 95,295	$ (95,295)	$ -	$ 2,896,500	3.29%
2019	$ 111,241	$ (111,241)	$ -	$ 2,859,932	3.89%
2020	$ 114,547	$ (114,547)	$ -	$ 2,879,514	3.98%
2021	$ 51,393	$ (51,393)	$ -	$ 2,816,293	1.82%
2022	$ 42,932	$ (42,932)	$ -	$ 2,875,027	1.49%
2023	$ -	$ -	$ -	$ 2,910,576	0.00%
2024	$ -	$ -	$ -	$ 2,931,832	0.00%
2025	$ -	$ -	$ -	$ 2,576,791	0.00%
2026	$ -	$ -	$ -	$ 2,886,814	0.00%
Occupational Death and Disability (ODD):					
2018	$ 2,937	$ (2,937)	$ -	$ 2,896,500	0.10%
2019	$ 5,095	$ (5,095)	$ -	$ 2,859,932	0.18%
2020	$ 5,332	$ (5,332)	$ -	$ 2,879,514	0.19%
2021	$ 6,503	$ (6,503)	$ -	$ 2,816,293	0.23%
2022	$ 6,861	$ (6,861)	$ -	$ 2,875,027	0.24%
2023	$ 6,628	$ (6,628)	$ -	$ 2,910,576	0.23%
2024	$ 6,104	$ (6,104)	$ -	$ 2,931,832	0.21%
2025	$ 4,593	$ (4,593)	$ -	$ 2,576,791	0.18%
2026	$ 5,746	$ (5,746)	$ -	$ 2,886,814	0.20%
Retiree Medical Plan (RMP):					
2018	$ 18,902	$ (18,902)	$ -	$ 844,455	2.24%
2019	$ 18,422	$ (18,422)	$ -	$ 848,827	2.17%
2020	$ 26,900	$ (26,900)	$ -	$ 916,864	2.93%
2021	$ 26,641	$ (26,641)	$ -	$ 946,224	2.82%
2022	$ 23,682	$ (23,682)	$ -	$ 1,023,455	2.31%
2023	$ 24,302	$ (24,302)	$ -	$ 1,022,550	2.38%
2024	$ 20,551	$ (20,551)	$ -	$ 942,732	2.18%
2025	$ 15,880	$ (15,880)	$ -	$ 880,050	1.80%
2026	$ 20,588	$ (20,588)	$ -	$ 1,165,482	1.77%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

Teachers' Retirement System (TRS)

June 30, 2026

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	0.5214%	$ 11,905,227	$ 14,155,094	$ 26,060,321	$ 8,937,391	133.21%	68.40%
2018	0.4313%	$ 8,741,497	$ 15,254,527	$ 23,996,024	$ 9,076,883	96.31%	72.39%
2019	0.4646%	$ 8,892,956	$ 13,222,311	$ 22,115,267	$ 10,090,645	88.13%	74.09%
2020	0.5096%	$ 9,521,473	$ 14,117,031	$ 23,638,504	$ 9,339,817	101.94%	74.68%
2021	0.4590%	$ 9,332,201	$ 16,192,660	$ 25,524,861	$ 9,157,572	101.91%	72.81%
2022	0.6229%	$ 4,957,937	$ 4,209,260	$ 9,167,197	$ 9,017,648	54.98%	89.43%
2023	0.4877%	$ 8,128,723	$ 10,832,934	$ 18,961,657	$ 9,494,196	85.62%	78.33%
2024	0.4789%	$ 8,421,062	$ 13,309,251	$ 21,730,313	$ 9,727,619	86.57%	77.62%
2025	0.4458%	$ 8,247,147	$ 14,172,916	$ 22,420,063	$ 9,883,607	83.44%	77.07%
2026	0.5083%	$ 7,901,327	$ 12,140,378	$ 20,041,705	$ 9,733,670	81.18%	80.65%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

Teachers' Retirement System (TRS)

June 30, 2026

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.4302%	$ 791,247	$ 1,386,547	$ 2,177,794	$ 9,076,883	8.72%	93.75%
2019	0.4637%	$ 1,441,796	$ 2,151,883	$ 3,593,679	$ 10,090,645	14.29%	90.23%
2020	0.5083%	$ (776,847)	$ (1,156,228)	$ (1,933,075)	$ 9,339,817	-8.32%	105.50%
2021	0.4578%	$ (1,637,771)	$ (2,854,334)	$ (4,492,105)	$ 9,157,572	-17.88%	113.78%
2022	0.6473%	$ (7,526,477)	$ (5,862,513)	$ (13,388,990)	$ 9,017,648	-83.46%	145.41%
2023	0.4877%	$ (4,363,096)	$ (5,609,924)	$ (9,973,020)	$ 9,494,196	-45.96%	134.84%
2024	0.4930%	$ (4,982,365)	$ (7,510,920)	$ (12,493,285)	$ 9,727,619	-51.22%	140.49%
2025	0.4625%	$ (4,614,414)	$ (7,474,124)	$ (12,088,538)	$ 9,883,607	-46.69%	137.40%
2026	0.5428%	$ (6,489,752)	$ (8,926,050)	$ (15,415,802)	$ 9,733,670	-66.67%	144.35%
Occupational Death and Disability (ODD):							
2018	1.0731%	$ (35,069)	$ -	$ (35,069)	$ 9,076,883	-0.39%	1342.59%
2019	1.0581%	$ (37,097)	$ -	$ (37,097)	$ 10,090,645	-0.37%	1304.81%
2020	1.0728%	$ (43,139)	$ -	$ (43,139)	$ 9,339,817	-0.46%	1409.77%
2021	1.0110%	$ (43,526)	$ -	$ (43,526)	$ 9,157,572	-0.48%	931.08%
2022	0.9979%	$ (60,820)	$ -	$ (60,820)	$ 9,017,648	-0.67%	1254.36%
2023	0.9963%	$ (60,174)	$ -	$ (60,174)	$ 9,494,196	-0.63%	1268.28%
2024	0.9998%	$ (69,176)	$ -	$ (69,176)	$ 9,727,619	-0.71%	1410.42%
2025	0.9825%	$ (78,286)	$ -	$ (78,286)	$ 9,883,607	-0.79%	1600.56%
2026	0.8973%	$ (83,788)	$ -	$ (83,788)	$ 9,733,670	-0.86%	1826.06%
Retiree Medical Plan (RMP):							
2018	1.0731%	$ (50,865)	$ -	$ (50,865)	$ 2,755,454	-1.85%	118.16%
2019	1.0581%	$ (33,838)	$ -	$ (33,838)	$ 2,903,471	-1.17%	109.56%
2020	1.0718%	$ (41,114)	$ -	$ (41,114)	$ 3,895,446	-1.06%	110.03%
2021	1.0145%	$ (100,082)	$ -	$ (100,082)	$ 3,343,296	-2.99%	125.59%
2022	0.9961%	$ (200,011)	$ -	$ (200,011)	$ 3,410,843	-5.86%	142.54%
2023	0.9943%	$ (192,554)	$ -	$ (192,554)	$ 3,685,478	-5.22%	140.73%
2024	1.0006%	$ (221,640)	$ -	$ (221,640)	$ 3,869,514	-5.73%	140.71%
2025	0.9820%	$ (220,814)	$ -	$ (220,814)	$ 4,123,774	-5.35%	134.72%
2026	0.8950%	$ (240,886)	$ -	$ (240,886)	$ 3,936,218	-6.12%	136.41%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of District's Contributions (Pensions)

Teachers' Retirement System (TRS)

June 30, 2026

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	$ 456,554	$ (456,554)	$ -	$ 9,076,883	5.03%
2018	$ 507,918	$ (507,918)	$ -	$ 10,090,645	5.03%
2019	$ 437,223	$ (437,223)	$ -	$ 9,339,817	4.68%
2020	$ 431,579	$ (438,217)	$ (6,638)	$ 9,157,572	4.71%
2021	$ 351,061	$ (344,183)	$ 6,878	$ 9,017,648	3.89%
2022	$ 374,811	$ (398,669)	$ (23,858)	$ 9,494,196	3.95%
2023	$ 694,880	$ (686,974)	$ 7,906	$ 9,727,619	7.14%
2024	$ 672,493	$ (674,278)	$ (1,785)	$ 9,883,607	6.80%
2025	$ 690,695	$ (687,508)	$ 3,187	$ 9,733,670	7.10%
2026	$ 629,279	$ (612,152)	$ 17,127	$ 10,194,005	6.17%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2026

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	$ 251,550	$ (251,550)	$ -	$ 10,090,645	2.49%
2019	$ 210,624	$ (210,624)	$ -	$ 9,339,817	2.26%
2020	$ 243,391	$ (243,391)	$ -	$ 9,157,572	2.66%
2021	$ 314,420	$ (314,420)	$ -	$ 9,017,648	3.49%
2022	$ 286,361	$ (286,361)	$ -	$ 9,494,196	3.02%
2023	$ -	$ -	$ -	$ 9,727,619	0.00%
2024	$ -	$ -	$ -	$ 9,883,607	0.00%
2025	$ -	$ -	$ -	$ 9,733,670	0.00%
2026	$ 90	$ (90)	$ -	$ 10,194,005	0.00%
Occupational Death and Disability (ODD):					
2018	$ -	$ -	$ -	$ 10,090,645	0.00%
2019	$ 3,349	$ (3,349)	$ -	$ 9,339,817	0.04%
2020	$ 3,329	$ (3,329)	$ -	$ 9,157,572	0.04%
2021	$ 3,612	$ (3,612)	$ -	$ 9,017,648	0.04%
2022	$ 3,916	$ (3,916)	$ -	$ 9,494,196	0.04%
2023	$ 4,110	$ (4,110)	$ -	$ 9,727,619	0.04%
2024	$ 4,369	$ (4,369)	$ -	$ 9,883,607	0.04%
2025	$ 4,280	$ (4,280)	$ -	$ 9,733,670	0.04%
2026	$ 4,559	$ (4,559)	$ -	$ 10,194,005	0.04%
Retiree Medical Plan (RMP):					
2018	$ 34,609	$ (34,609)	$ -	$ 2,903,471	1.19%
2019	$ 33,065	$ (33,065)	$ -	$ 3,895,446	0.85%
2020	$ 45,336	$ (45,336)	$ -	$ 3,343,296	1.36%
2021	$ 42,000	$ (42,000)	$ -	$ 3,410,843	1.23%
2022	$ 40,629	$ (40,629)	$ -	$ 3,685,478	1.10%
2023	$ 44,695	$ (44,695)	$ -	$ 3,869,514	1.16%
2024	$ 44,788	$ (44,788)	$ -	$ 4,123,774	1.09%
2025	$ 36,372	$ (36,372)	$ -	$ 3,936,218	0.92%
2026	$ 42,171	$ (42,171)	$ -	$ 4,947,412	0.85%

See accompanying notes to Required Supplementary Information

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Notes to Required Supplementary Information

June 30, 2026

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

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the school operating fund. All annual appropriations lapse at fiscal yearend.

The adopted School Operating Fund budget is submitted to the City for approval of the local appropriations. The approved budget is also submitted to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.

The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs. The originally adopted budget and the final revised and approved budget are presented in these financial statements. Expenditure authority for the School Operating Fund is limited to the total approved budget and functional areas of expenditures are not to be overspent. Annual appropriations for the School Operating Fund lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and object. The District's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the School Board.

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. Encumbrances outstanding at year end are reported as unassigned fund balances since they do not constitute expenditures or liabilities. The amount of encumbrances, if significant, are disclosed as commitments.

2. Actual Budget Results

Differences – Original Budget to Final Budget	School Operating Fund Positive (Negative)
Revenues:	
The final budgeted amount of State of Alaska revenue exceeded the original budgeted amount primarily due to adjusted ADM and increased BSA notifications from DEED and an increase in Quality Schools revenue.	$ 539,446
Expenditures:	
The final budgeted amount for Instruction exceeded the original budgeted amount primarily due to higher-than-expected student count justified additional teachers, including SPED instruction.	(1,961,333)
The final budgeted amount for Special Education Instruction exceeded the original budgeted amount primarily due to higher intensive students than anticipated making more funding available.	$ (485,203)

FINAL DRAFT

		School Operating Fund Positive (Negative)
Differences – Original Budget to Final Budget, Continued		
Expenditures Continued:		
The final budgeted amount for School Administration exceeded the original budgeted amount primarily due to the fact that we originally budget to cut two school secretaries but were able to keep them due to higher-than-expected ADM and an increased BSA.	$	(276,810)
The final budgeted amount for District Administration Support Services exceeded the original budgeted amount primarily due to higher-than-expected ADM and increased BSA allowed for the ability to maintain the assistant superintendent position.		(237,212)
The final budgeted amount for Operations and Maintenance of Plant was lower than the original budgeted amount primarily due to a shared expenses for CBS use of the buildings after school and during the summer, as well as refunds from insurance due to strategic training, safety incentives taken advantage of.		560,718
Differences – Final Budget to Actual		
Revenues:		
Actual Local Sources – Other revenue exceeded budgeted amounts due to increased efforts to collect aged lunch balances.		222,177
Actual Forest Receipts-passed through City and Borough of Sitka exceeded budgeted amounts due to CBS assembly voted to pass through more of the Forest Receipts than expected.		1,044,820
Actual State of Alaska revenues exceeded budgeted amounts due to increase ADM and higher BSA.		661,518
Expenditures:		
Actual Special Education Instruction expenditures exceeded budgeted due to more SPED students than initially expected.		(280,574)
Actual Operations and Maintenance of Plant expenditures exceeded budgeted due to increased utility costs and an increase in janitorial services contract.		(326,382)
Other Financing Sources (Uses) -		
Actual Transfers in (out) exceeded budgeted due to new in-house food services program requiring setup and the purchase of equipment taken by the previous service provider.	$	211,022

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

3. Public Employee's Retirement System

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

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

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

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2023 to June 30, 2024

The actuarially determined contribution rates were updated to include a half-year interest adjustment that was adopted by the Board effective beginning with the June 30, 2024 valuation to account for the monthly timing of employer contributions.

b) Changes in Assumptions Since the Prior Valuation – June 30, 2023 to June 30, 2024

The healthcare per capita claims cost assumption is updated annually as described in Section 5.2. As a result of changes to the Standard Medicare Part D plan under the Inflation Reduction Act, EGWP subsidies are expected to be higher than originally anticipated for 2025 and beyond. EGWP subsidies were updated based on estimates provided by Segal Consulting. 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.

The future increase in the IRS 401(a)(17) maximum compensation limit was updated to align with the inflation assumption. This caused a $21,000 decrease in the pension Normal Cost and a $2,126,000 decrease in the pension Actuarial Accrued Liability.

The amounts included in the Normal Cost for administrative expenses were changed from $8,440,000 to $8,201,000 for pension, and from $3,866,000 to $4,759,000 for healthcare (based on the most recent two years of actual administrative expenses paid from plan assets).

There were no other changes in actuarial assumptions since the prior valuation.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2023 to June 30, 2024

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

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2023 to June 30, 2024

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

b) Changes in Assumptions Since the Prior Valuation – June 30, 2023 to June 30, 2024

The healthcare per capita claims cost assumption is updated annually as described in Section 4.2. As a result of changes to the Standard Medicare Part D plan under the Inflation Reduction Act, EGWP subsidies are expected to be higher than originally anticipated for 2025 and beyond. EGWP subsidies were updated based on estimates provided by Segal Consulting. 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. There were no other changes in actuarial assumptions since the prior valuation.

The future increase in the IRS 401(a)(17) maximum compensation limit was updated to align with the inflation assumption. This caused a $2,000 decrease in the Occupational Death & Disability Normal Cost and a $25,000 decrease in the Occupational Death & Disability Actuarial Accrued Liability.

The amounts included in the Normal Cost for administrative expenses were changed from $34,000 to $33,000 for occupational death & disability, and from $51,000 to $41,000 for retiree medical (based on the most recent two years of actual administrative expenses paid from plan assets).

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2023 to June 30, 2024

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

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

Schedule of District Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2024 which was rolled forward to June 30, 2025. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

4. Teachers' Retirement System

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

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

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

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2023 to June 30, 2024

The actuarially determined contribution rates were updated to include a half-year interest adjustment that was adopted by the Board effective beginning with the June 30, 2024 valuation to account for the monthly timing of employer contributions. There were no changes in the asset or valuation methods since the prior valuation.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

b) Changes in Assumptions Since the Prior Valuation – June 30, 2023 to June 30, 2024

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

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2023 to June 30, 2024

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

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2023 to June 30, 2024

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2023 to June 30, 2024

Healthcare claim costs are updated annually. As a result of changes to the Standard Medicare Part D plan under the Inflation Reduction Act, EGWP subsidies are expected to be higher than originally anticipated for 2025 and beyond. EGWP subsidies were updated based on estimates provided by Segal Consulting. 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 initial trend rates in part due to the recent higher-than-expected inflationary environment. The effects of these assumption changes are reflected in the actuarial valuation.

The amounts included in the Normal Cost for administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets.

There were no other changes in actuarial assumptions since the prior valuation.

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2023 to June 30, 2024

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

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

Schedule of District Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2024 which was rolled forward to June 30, 2025. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SUPPLEMENTARY INFORMATION

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

School Operating Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Local sources:			
Other	$ 60,000	282,177	222,177
E-rate	69,076	74,567	5,491
Intergovernmental:			
City and Borough appropriations	7,972,424	7,982,616	10,192
Forest receipts - passed through City and Borough of Sitka	125,000	1,169,820	1,044,820
State of Alaska:			
Foundation Program	12,711,101	12,710,423	(678)
Quality Schools	40,625	40,625	-
On-behalf TRS	1,121,045	1,701,109	580,064
On-behalf PERS	84,005	167,579	83,574
Other State sources	7,000	5,558	(1,442)
Federal sources -			
Impact Aid	3,932	47,308	43,376
Total revenues	22,194,208	24,181,782	1,987,574
Expenditures:			
Current:			
Instruction:			
Certificated salaries	5,699,411	5,719,971	(20,560)
Non-certificated salaries	90,000	177,057	(87,057)
Employee benefits	3,390,000	3,428,110	(38,110)
Housing allowance/subsidy	-	1,032	(1,032)
Professional and technical services	117,650	91,549	26,101
Staff travel	45,500	11,371	34,129
Student travel	7,550	5,942	1,608
Utility services	15,000	6,100	8,900
Other purchased services	54,046	37,686	16,360
Supplies, materials and media	557,474	261,381	296,093
Other	28,365	133,368	(105,003)
Equipment	5,000	754	4,246
Total instruction	10,009,996	9,874,321	135,675
Special education instruction:			
Certificated salaries	1,396,951	1,450,150	(53,199)
Non-certificated salaries	1,450,000	1,502,028	(52,028)
Employee benefits	2,300,000	2,435,786	(135,786)
Professional and technical services	31,500	50,031	(18,531)
Staff travel	6,000	6,922	(922)
Student travel	40,650	68,384	(27,734)
Other purchased services	8,500	7,830	670
Supplies, materials and media	16,000	15,044	956
Equipment	6,000	-	6,000
Total special education instruction	5,255,601	5,536,175	(280,574)
Special education support services - students:			
Certificated salaries	500,000	748,940	(248,940)
Non-certificated salaries	500,000	81,359	418,641
Employee benefits	75,434	437,131	(361,697)
Professional and technical services	30,000	10,419	19,581
Staff travel	13,000	14,776	(1,776)
Other purchased services	45,000	2,514	42,486
Supplies, materials and media	19,000	18,392	608
Total special education support services - students	1,182,434	1,313,531	(131,097)

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Expenditures, continued:			
Current:			
Support services - students:			
Certificated salaries	$ 786,909	400,104	386,805
Non-certificated salaries	137,772	50,856	86,916
Employee benefits	1,771	332,063	(330,292)
Professional and technical services	5,500	-	5,500
Student travel	3,500	-	3,500
Supplies, materials and media	1,800	260	1,540
Total support services - students	937,252	783,283	153,969
Support services - instruction:			
Professional and technical services	8,000	5,297	2,703
Staff travel	10,000	680	9,320
Utility services	52,800	150,403	(97,603)
Supplies, materials and media	43,000	3,534	39,466
Other	1,000	-	1,000
Total support services - instruction	114,800	159,914	(45,114)
School administration:			
Certificated salaries	1,281,956	827,653	454,303
Employee benefits	2,000	501,698	(499,698)
Professional and technical services	350	-	350
Supplies, materials and media	15,000	9,168	5,832
Total school administration	1,299,306	1,338,519	(39,213)
School administration support services:			
Non-certificated salaries	867,698	451,449	416,249
Employee benefits	8,830	431,588	(422,758)
Total school administration support services	876,528	883,037	(6,509)
District administration:			
Certificated salaries	331,469	195,951	135,518
Non-certificated salaries	96,601	103,691	(7,090)
Employee benefits	2,382	186,887	(184,505)
Professional and technical services	136,750	165,650	(28,900)
Staff travel	34,400	27,744	6,656
Student travel	5,000	2,545	2,455
Other purchased services	26,920	30,364	(3,444)
Supplies, materials and media	9,500	12,112	(2,612)
Other	15,000	15,290	(290)
Total district administration	658,022	740,234	(82,212)

(Continued)

FINAL DRAFT

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Expenditures, continued:			
Current:			
District administration support services:			
Certificated salaries	$ 173,560	739	172,821
Non-certificated salaries	695,768	538,849	156,919
Employee benefits	3,367	368,302	(364,935)
Professional and technical services	80,000	46,953	33,047
Other purchased services	24,000	39,266	(15,266)
Insurance and bond premiums	215,000	132,311	82,689
Supplies, materials and media	122,380	91,487	30,893
Total district administration support services	1,314,075	1,217,907	96,168
Indirect cost recovery	(50,000)	(52,106)	2,106
Net district administration support services	1,264,075	1,165,801	98,274
Operations and maintenance of plant:			
Non-certificated salaries	-	2,304	(2,304)
Employee benefits	-	174	(174)
Professional and technical services	-	2,280	(2,280)
Utility services	181,946	232,548	(50,602)
Energy	829,670	1,003,351	(173,681)
Other purchased services	534,279	640,392	(106,113)
Insurance and bond premiums	232,023	250,031	(18,008)
Supplies, materials and media	72,614	45,834	26,780
Total operations and maintenance of plant	1,850,532	2,176,914	(326,382)
Student activities:			
Certificated salaries	245,117	198,514	46,603
Non-certificated salaries	66,307	67,822	(1,515)
Employee benefits	2,774	63,124	(60,350)
Student travel	8,000	-	8,000
Supplies, materials and media	450	-	450
Other	5,660	5,845	(185)
Total student activities	328,308	335,305	(6,997)
Total expenditures	23,776,854	24,307,034	(530,180)
Excess (deficiency) of revenues over expenditures	(1,582,646)	(125,252)	1,457,394
Other financing sources (uses) -			
Transfers in (out) -			
Student Transportation Special Revenue Fund	(150,000)	-	150,000
Community Schools Special Revenue Fund	-	61,022	61,022
Net other financing sources (uses)	(150,000)	61,022	211,022
Net change in fund balance	$ (1,732,646)	(64,230)	1,668,416
Fund balance, beginning of year		1,646,328	
Fund balance, end of year		$ 1,582,098	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

Combining Balance Sheet

June 30, 2026

Assets	Special Revenue Funds							
	Student Transportation	Community Schools	Alternative Schools Grant	Kapor Foundation	Team Nutrition Alaska	Micro Grants for Food	Food Service Program	Fresh Fruit and Vegetable FY26
Accounts receivable	$ -	-	17,897	-	3,440	-	26,324	10,149
Due from other funds	-	72,015	-	8,233	-	3,363	-	-
Inventories	-	-	-	-	-	-	15,036	-
Total assets	$ -	72,015	17,897	8,233	3,440	3,363	41,360	10,149
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	4,549	-	-	-	-	1,939	-	-
Due to other funds	78,309	-	17,897	-	3,440	-	247,234	10,149
Unearned revenues	-	-	-	-	-	1,424	-	-
Total liabilities	82,858	-	17,897	-	3,440	3,363	247,234	10,149
Fund balances:								
Nonspendable	-	-	-	-	-	-	15,036	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	72,015	-	8,233	-	-	-	-
Unassigned	(82,858)	-	-	-	-	-	(220,910)	-
Total fund balances	(82,858)	72,015	-	8,233	-	-	(205,874)	-
Total liabilities and fund balances	$ -	72,015	17,897	8,233	3,440	3,363	41,360	10,149

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds							
Assets	Title I-A	Title VI-B Special Education	Title IV-A ESEA Consolidated	Title I-C	School Improvement	CTE	Title II - A	Sitka AmeriCorps
Accounts receivable	$ 87,247	147,330	-	69,659	21,972	30,012	26,944	11,230
Due from other funds	-	-	256	-	-	-	-	10,124
Inventories	-	-	-	-	-	-	-	-
Total assets	$ 87,247	147,330	256	69,659	21,972	30,012	26,944	21,354
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	-	-	256	17,794	-	-	-	122
Due to other funds	87,247	147,330	-	51,865	21,972	30,012	26,944	-
Unearned revenues	-	-	-	-	-	-	-	-
Total liabilities	87,247	147,330	256	69,659	21,972	30,012	26,944	122
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	21,232
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	21,232
Total liabilities and fund balances	$ 87,247	147,330	256	69,659	21,972	30,012	26,944	21,354

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds							
Assets	Serve Alaska, Sitka AmeriCorps Program 25	Hunter Education	SEALASKA Heritage Institute	SEALASKA Heritage Institute TCL	STEAM-Making	Raven Writes	SHI Language	Youth Cultural
Accounts receivable	$ -	-	28,422	3,015	94,091	96,140	-	-
Due from other funds	257	1,353	-	-	-	-	39	2,336
Inventories	-	-	-	-	-	-	-	-
Total assets	$ 257	1,353	28,422	3,015	94,091	96,140	39	2,336
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	257	1,353	-	-	960	2,132	39	-
Due to other funds	-	-	28,422	3,015	93,131	94,008	-	-
Unearned revenues	-	-	-	-	-	-	-	2,336
Total liabilities	257	1,353	28,422	3,015	94,091	96,140	39	2,336
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-
Total liabilities and fund balances	$ 257	1,353	28,422	3,015	94,091	96,140	39	2,336

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

Combining Balance Sheet, Continued

Assets	Special Revenue Funds							
	Project Achieve	SNEP In Schools	Walking Together	Equipment and Textbooks	Charitable Trust	Citizens Donation	Project Transform	Reuben E. Crossett
Accounts receivable	$ 189,701	48,733	-	-	-	-	2,852	-
Due from other funds	-	-	30,876	8,954	18,084	330,496	-	20,127
Inventories	-	-	-	-	-	-	-	-
Total assets	$ 189,701	48,733	30,876	8,954	18,084	330,496	2,852	20,127
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	26,029	-	1,536	-	-	-	24	-
Due to other funds	163,672	48,733	-	-	-	-	2,828	-
Unearned revenues	-	-	29,340	-	-	-	-	-
Total liabilities	189,701	48,733	30,876	-	-	-	2,852	-
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	20,127
Committed	-	-	-	8,954	18,084	330,496	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	8,954	18,084	330,496	-	20,127
Total liabilities and fund balances	$ 189,701	48,733	30,876	8,954	18,084	330,496	2,852	20,127

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

Combining Balance Sheet, Continued

Assets	Special Revenue Funds: Safeway - Albertson's Foundation	Community Schools Recycling Project	Swimming Pool	Ventures	Performing Arts Center	Student Activities	Total Other Governmental Funds
Accounts receivable	$ -	-	138,727	30,915	-	5,701	1,090,501
Due from other funds	4,620	25,515	-	217,475	101,277	373,554	1,228,954
Inventories	-	-	-	-	-	-	15,036
Total assets	$ 4,620	25,515	138,727	248,390	101,277	379,255	2,334,491
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	-	-	-	2,870	750	400	61,010
Due to other funds	-	-	167,266	-	-	-	1,323,474
Unearned revenues	-	-	-	-	-	-	33,100
Total liabilities	-	-	167,266	2,870	750	400	1,417,584
Fund balances:							
Nonspendable	-	-	-	-	-	-	15,036
Restricted	-	-	-	-	-	-	20,127
Committed	4,620	25,515	-	245,520	100,527	378,855	1,214,051
Unassigned	-	-	(28,539)	-	-	-	(332,307)
Total fund balances	4,620	25,515	(28,539)	245,520	100,527	378,855	916,907
Total liabilities and fund balances	$ 4,620	25,515	138,727	248,390	101,277	379,255	2,334,491

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Year Ended June 30, 2026

	Special Revenue Funds									
	Student Transportation	Community Schools	Alternative Schools Grant	Kapor Foundation	Preschool Development	AK Literacy Program	Positive Behavioral Intervention and Supports	Team Nutrition Alaska	Farm to School	Whole Kids
Revenues:										
Local sources:										
Charges for services	$ -	-	-	-	-	-	-	-	-	-
Other local revenues	-	-	-	11,266	-	-	-	-	-	4,500
Intergovernmental:										
City and Borough appropriations	-	-	-	-	-	-	-	-	-	-
State of Alaska	511,826	-	-	-	25,000	-	-	-	-	-
Federal sources	-	-	25,673	-	-	43,654	1,862	3,440	3,687	-
Total revenues	511,826	-	25,673	11,266	25,000	43,654	1,862	3,440	3,687	4,500
Expenditures:										
Current:										
Instruction	-	-	25,673	3,033	25,000	42,639	1,819	3,440	3,529	4,500
Special education instruction	-	-	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-	-	-
District administration support services	-	-	-	-	-	1,015	43	-	158	-
Student activities	-	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	594,684	-	-	-	-	-	-	-	-	-
Community services	-	28,446	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-
Total expenditures	594,684	28,446	25,673	3,033	25,000	43,654	1,862	3,440	3,687	4,500
Excess (deficiency) of revenues over expenditures	(82,858)	(28,446)	-	8,233	-	-	-	-	-	-
Other financing uses -										
Transfers out	-	(61,022)	-	-	-	-	-	-	-	-
Net change in fund balances	(82,858)	(89,468)	-	8,233	-	-	-	-	-	-
Fund balances (deficit), beginning of year	-	161,483	-	-	-	-	-	-	-	-
Fund balances (deficit), end of year	$ (82,858)	72,015	-	8,233	-	-	-	-	-	-

(Continued)

FINAL DRAFT

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

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

	Special Revenue Funds								
	Local Foods for Schools	Micro Grants for Food	Food Service Program	Fresh Fruit and Vegetable FY25	Fresh Fruit and Vegetable FY26	Title I-A	Title VI-B	Section 619 Special Education	Title IV-A ESEA Consolidated
Revenues:									
Local sources:									
Charges for services	$ -	-	150,252	-	-	-	-	-	-
Other local revenues	-	-	-	-	-	-	-	-	-
Intergovernmental:									
City and Borough appropriations	-	-	-	-	-	-	-	-	-
State of Alaska	-	3,576	-	-	-	-	-	-	-
Federal sources	1,440	-	268,796	4,087	25,451	170,052	346,605	15,469	15,800
Total revenues	1,440	3,576	419,048	4,087	25,451	170,052	346,605	15,469	15,800
Expenditures:									
Current:									
Instruction	-	-	-	-	3,137	166,166	-	-	-
Special education instruction	-	-	-	-	-	-	338,550	15,109	-
Support services - students	-	-	-	-	-	-	-	-	15,432
Support services - instruction	-	3,576	-	-	-	-	-	-	-
District administration support services	-	-	-	-	-	3,886	8,055	360	368
Student activities	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Food services	1,440	-	620,831	4,087	22,314	-	-	-	-
Total expenditures	1,440	3,576	620,831	4,087	25,451	170,052	346,605	15,469	15,800
Excess (deficiency) of revenues over expenditures	-	-	(201,783)	-	-	-	-	-	-
Other financing uses -									
Transfers out	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	(201,783)	-	-	-	-	-	-
Fund balances (deficit), beginning of year	-	-	(4,091)	-	-	-	-	-	-
Fund balances (deficit), end of year	$ -	-	(205,874)	-	-	-	-	-	-

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

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

	Special Revenue Funds								
	Title VI-B Discretionary Special Education	Title I-C	Consolidated Admin Pool	School Improvement	CTE	Title II-A	Safety and Well-Being	New Visions FY26	New Visions FY25
Revenues:									
Local sources:									
Charges for services	$ -	-	-	-	-	-	-	-	-
Other local revenues	-	-	-	-	-	-	-	-	-
Intergovernmental:									
City and Borough appropriations	-	-	-	-	-	-	-	-	-
State of Alaska	-	-	-	-	-	-	-	3,000	5,000
Federal sources	8,000	128,375	42,137	26,774	39,639	61,420	7,244	1,000	5,000
Total revenues	8,000	128,375	42,137	26,774	39,639	61,420	7,244	4,000	10,000
Expenditures:									
Current:									
Instruction	-	-	42,137	26,152	38,731	59,992	7,075	4,000	10,000
Special education instruction	8,000	-	-	-	-	-	-	-	-
Support services - students	-	125,993	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-	-
District administration support services	-	2,382	-	622	908	1,428	169	-	-
Student activities	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-
Total expenditures	8,000	128,375	42,137	26,774	39,639	61,420	7,244	4,000	10,000
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-
Other financing uses -									
Transfers out	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-
Fund balances (deficit), beginning of year	-	-	-	-	-	-	-	-	-
Fund balances (deficit), end of year	$ -	-	-	-	-	-	-	-	-

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

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

	Special Revenue Funds							
	STEPS	Sitka AmeriCorps	Serve Alaska, Sitka AmeriCorps Program 25	AmeriCorps Mini-Grant	Hunter Education	SEALASKA Heritage Institute	SEALASKA Heritage Institute TCL	STEAM-Making
Revenues:								
Local sources:								
Charges for services	$ -	-	-	-	-	-	-	-
Other local revenues	4,806	29,750	-	-	-	75,161	6,345	272,126
Intergovernmental:								
City and Borough appropriations	-	-	-	-	-	-	-	-
State of Alaska	-	-	-	-	17,522	-	-	-
Federal sources	-	197,112	20,936	948	-	-	-	-
Total revenues	4,806	226,862	20,936	948	17,522	75,161	6,345	272,126
Expenditures:								
Current:								
Instruction	-	-	-	-	17,115	73,820	6,345	265,804
Special education instruction	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-
District administration support services	-	4,855	-	-	407	1,341	-	6,322
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Community services	-	205,773	20,936	948	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Total expenditures	-	210,628	20,936	948	17,522	75,161	6,345	272,126
Excess (deficiency) of revenues over expenditures	4,806	16,234	-	-	-	-	-	-
Other financing uses -								
Transfers out	-	-	-	-	-	-	-	-
Net change in fund balances	4,806	16,234	-	-	-	-	-	-
Fund balances (deficit), beginning of year	(4,806)	4,998	-	-	-	-	-	-
Fund balances (deficit), end of year	$ -	21,232	-	-	-	-	-	-

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

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

	Special Revenue Funds								
	Raven Writes	SHI Language	Youth Cultural	Indian Education	Project Achieve	SNEP In Schools	Walking Together	Equipment and Textbooks	Charitable Trust
Revenues:									
Local sources:									
Charges for services	$ -	-	-	-	-	-	-	-	-
Other local revenues	150,184	20,969	3,954	-	-	119,599	20,660	-	31,235
Intergovernmental:									
City and Borough appropriations	-	-	-	-	-	-	-	-	-
State of Alaska	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	118,473	370,601	-	-	-	-
Total revenues	150,184	20,969	3,954	118,473	370,601	119,599	20,660	-	31,235
Expenditures:									
Current:									
Instruction	146,693	20,969	-	115,732	359,825	116,819	20,660	-	25,755
Special education instruction	-	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-	-
Support services - instruction	-	-	3,954	-	-	-	-	-	-
District administration support services	3,491	-	-	2,741	10,776	2,780	-	-	-
Student activities	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-
Total expenditures	150,184	20,969	3,954	118,473	370,601	119,599	20,660	-	25,755
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	5,480
Other financing uses -									
Transfers out	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	5,480
Fund balances (deficit), beginning of year	-	-	-	-	-	-	-	8,954	12,604
Fund balances (deficit), end of year	$ -	-	-	-	-	-	-	8,954	18,084

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

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

	Special Revenue Funds									
	Citizens Donation	Project Transform	Reuben E. Crossett	Safeway - Albertson's Foundation	Community Schools Recycling Project	Swimming Pool	Ventures	Performing Arts Center	Student Activities	Total Other Governmental Funds
Revenues:										
Local sources:										
Charges for services	$ -	-	-	-	-	-	315,083	-	-	465,335
Other local revenues	251,038	2,852	-	-	-	-	-	-	254,453	1,258,898
Intergovernmental:										
City and Borough appropriations	-	-	-	-	-	138,727	-	192,000	484,432	815,159
State of Alaska	-	-	-	-	-	-	104,816	-	-	670,740
Federal sources	-	-	-	-	-	-	-	-	-	1,953,675
Total revenues	251,038	2,852	-	-	-	138,727	419,899	192,000	738,885	5,163,807
Expenditures:										
Current:										
Instruction	222,993	2,852	-	-	-	-	-	-	2,277	1,864,682
Special education instruction	-	-	-	-	-	-	-	-	-	361,659
Support services - students	-	-	-	-	-	-	-	-	-	141,425
Support services - instruction	-	-	-	-	-	-	-	-	-	7,530
District administration support services	-	-	-	-	-	-	-	-	-	52,107
Student activities	-	-	-	-	-	-	-	-	784,046	784,046
Student transportation - to and from school	-	-	-	-	-	-	-	-	-	594,684
Community services	-	-	-	-	-	141,417	462,579	192,000	-	1,052,099
Food services	-	-	-	-	-	-	-	-	-	648,672
Total expenditures	222,993	2,852	-	-	-	141,417	462,579	192,000	786,323	5,506,904
Excess (deficiency) of revenues over expenditures	28,045	-	-	-	-	(2,690)	(42,680)	-	(47,438)	(343,097)
Other financing uses - Transfers out	-	-	-	-	-	-	-	-	-	(61,022)
Net change in fund balances	28,045	-	-	-	-	(2,690)	(42,680)	-	(47,438)	(404,119)
Fund balances (deficit), beginning of year	302,451	-	20,127	4,620	25,515	(25,849)	288,200	100,527	426,293	1,321,026
Fund balances (deficit), end of year	$ 330,496	-	20,127	4,620	25,515	(28,539)	245,520	100,527	378,855	916,907

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Student Transportation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit)

Year Ended June 30, 2026

Revenues -		
Intergovernmental - State of Alaska	$	511,826
Expenditures -		
Student transportation - to and from school -		
Student travel		594,684
Excess (deficiency) of revenues over expenditures		(82,858)
Fund balance, beginning of year		-
Fund balance (deficit), end of year	$	(82,858)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Community Schools Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues	$	-
Expenditures -		
Community services -		
Other purchased services		28,446
Excess (deficiency) of revenues over expenditures		(28,446)
Other financing uses - Transfer out -		
School Operating Fund		(61,022)
Net change in fund balance		(89,468)
Fund balance, beginning of year		161,483
Fund balance, end of year	$	72,015

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Alternative Schools Grant Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - Federal sources passed through the State of Alaska	$	25,673
Expenditures:		
Instruction:		
Certificated salaries		2,500
Non-certificated salaries		1,500
Employee benefits		527
Other purchased services		3,659
Supplies, materials and media		17,487
Total expenditures		25,673
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Kapor Foundation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	11,266
Expenditures -		
Instruction -		
Supplies, materials and media		3,033
Excess of revenues over expenditures		8,233
Fund balance, beginning of year		-
Fund balance, end of year	$	8,233

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Preschool Development Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - State of Alaska	$	25,000
Expenditures -		
Instruction:		
Non-certificated salaries		16,879
Employee benefits		4,602
Supplies, materials and media		3,519
Total expenditures		25,000
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

AK Literacy Program Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 43,654	43,654	-
Expenditures:			
Instruction:			
Certificated salaries	41,790	41,790	-
Supplies, materials and media	849	849	-
Total instruction	42,639	42,639	-
District administration support services -			
Indirect costs	1,015	1,015	-
Total expenditures	43,654	43,654	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Positive Behavioral Intervention and Supports Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 4,500	1,862	(2,638)
Expenditures:			
Instruction:			
Professional and technical services	1,165	515	650
Staff travel	1,500	1,304	196
Supplies, materials and media	1,730	-	1,730
Total instruction	4,395	1,819	2,576
District administration support services -			
Indirect costs	105	43	62
Total expenditures	4,500	1,862	2,638
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Team Nutrition Alaska Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 3,500	3,440	(60)
Expenditures -			
Instruction -			
Supplies, materials and media	3,500	3,440	60
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Farm to School Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 4,994	3,687	(1,307)
Expenditures:			
Instruction -			
Supplies, materials and media	4,770	3,529	1,241
District administration support services -			
Indirect costs	224	158	66
Total expenditures	4,994	3,687	1,307
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Whole Kids Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Local sources - Other	$ 4,500	4,500	-
Expenditures -			
Instruction -			
Supplies, materials and media	4,500	4,500	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Local Foods for Schools Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 2,109	1,440	(669)
Expenditures -			
Food services -			
Supplies, materials and media	2,109	1,440	669
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Micro Grants for Food Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - State of Alaska	$ 10,000	3,576	(6,424)
Expenditures -			
Support services - instruction:			
Non-certificated salaries	5,096	-	5,096
Professional and technical services	3,242	1,939	1,303
Supplies, materials and media	1,662	1,637	25
Total expenditures	10,000	3,576	6,424
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Food Service Program Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Local sources - Charges for services	$ 23,000	150,252	127,252
Intergovernmental - Federal sources passed through the State of Alaska	399,027	268,796	(130,231)
Total revenues	422,027	419,048	(2,979)
Expenditures -			
Food services:			
Certificated salaries	70,000	112,206	(42,206)
Non-certificated salaries	177,850	156,615	21,235
Employee benefits	197,081	124,835	72,246
Professional and technical services	-	179	(179)
Staff travel	3,700	827	2,873
Other purchased services	300	13,695	(13,395)
Supplies, materials and media	294,000	198,189	95,811
Other	700	5,485	(4,785)
Equipment	-	8,800	(8,800)
Total expenditures	743,631	620,831	122,800
Excess (deficiency) of revenues over expenditures	$ (321,604)	(201,783)	119,821
Fund balance (deficit), beginning of year		(4,091)	
Fund balance (deficit), end of year		$ (205,874)	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Fresh Fruit and Vegetable FY25 Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 4,097	4,087	(10)
Expenditures -			
Food services -			
Supplies, materials and media	4,097	4,087	10
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Fresh Fruit and Vegetable FY26 Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - Federal sources passed through the State of Alaska	$	25,451
Expenditures:		
Instruction:		
Non-certificated salaries		2,916
Employee benefits		221
Total instruction		3,137
Food services -		
Supplies, materials and media		22,314
Total expenditures		25,451
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Title I-A Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 170,173	170,052	(121)
Expenditures:			
Instruction:			
Certificated salaries	162,018	162,018	-
Staff travel	1,357	1,239	118
Supplies, materials and media	800	800	-
Tuition-students and stipends	2,054	2,054	-
Other	56	55	1
Total instruction	166,285	166,166	119
District administration support services - Indirect costs	3,888	3,886	2
Total expenditures	170,173	170,052	121
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Title VI-B Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 359,664	346,605	(13,059)
Expenditures:			
Special education instruction:			
Certificated salaries	55,000	55,000	-
Non-certificated salaries	96,000	96,000	-
Employee benefits	192,353	179,600	12,753
Other purchased services	7,950	7,950	-
Total special education instruction	351,303	338,550	12,753
District administration support services - Indirect costs	8,361	8,055	306
Total expenditures	359,664	346,605	13,059
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Section 619 Special Education Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 15,469	15,469	-
Expenditures:			
Special education instruction:			
Non-certificated salaries	3,399	3,399	-
Other purchased services	11,710	11,710	-
Total special education instruction	15,109	15,109	-
District administration support services - Indirect costs	360	360	-
Total expenditures	15,469	15,469	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Title IV-A ESEA Consolidated Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 15,800	15,800	-
Expenditures:			
Support services - students:			
Certificated salaries	14,599	14,599	-
Employee benefits	833	833	-
Total support services - students	15,432	15,432	-
District administration support services - Indirect costs	368	368	-
Total expenditures	15,800	15,800	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Title VI-B Discretionary Special Education Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 8,000	8,000	-
Expenditures -			
Special education instruction - Non-certificated salaries	8,000	8,000	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Title I-C Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 197,660	128,375	(69,285)
Expenditures:			
Support services - students:			
Certificated salaries	11,500	3,655	7,845
Non-certificated salaries	35,919	35,321	598
Employee benefits	21,626	20,636	990
Professional and technical services	20,500	12,828	7,672
Staff travel	-	1,853	(1,853)
Student travel	26,600	6,979	19,621
Supplies, materials and media	47,325	18,800	28,525
Tuition-students and stipends	30,300	25,921	4,379
Total support services - students	193,770	125,993	67,777
District administration support services - Indirect costs	3,890	2,382	1,508
Total expenditures	197,660	128,375	69,285
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Consolidated Admin Pool Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 42,137	42,137	-
Expenditures -			
Instruction:			
Certificated salaries	37,152	37,152	-
Employee benefits	4,985	4,985	-
Total expenditures	42,137	42,137	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

School Improvement Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 31,300	26,774	(4,526)
Expenditures:			
Instruction:			
Certificated salaries	11,644	11,584	60
Employee benefits	1,855	1,587	268
Professional and technical services	1,750	1,750	-
Staff travel	3,086	2,765	321
Student travel	3,000	1,450	1,550
Supplies, materials and media	9,237	7,016	2,221
Total instruction	30,572	26,152	4,420
District administration support services -			
Indirect costs	728	622	106
Total expenditures	31,300	26,774	4,526
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Career Technical Education (CTE) Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 39,640	39,639	(1)
Expenditures:			
Instruction:			
Certificated salaries	9,250	9,250	-
Employee benefits	1,296	1,296	-
Professional and technical services	2,341	2,340	1
Other purchased services	245	245	-
Supplies, materials and media	25,040	25,040	-
Tuition-students and stipends	560	560	-
Total instruction	38,732	38,731	1
District administration support services -			
Indirect costs	908	908	-
Total expenditures	39,640	39,639	1
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Title II - A Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 61,420	61,420	-
Expenditures:			
Instruction:			
Professional and technical services	10,623	10,623	-
Staff travel	34,119	34,119	-
Supplies, materials and media	7,114	7,114	-
Other	8,136	8,136	-
Total instruction	59,992	59,992	-
District administration support services - Indirect costs	1,428	1,428	-
Total expenditures	61,420	61,420	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Safety and Well-Being Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 9,497	7,244	(2,253)
Expenditures:			
Instruction -			
Staff travel	9,276	7,075	2,201
District administration support services -			
Indirect cost	221	169	52
Total expenditures	9,497	7,244	2,253
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

New Visions FY26 Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska	$ 3,000	3,000	-
Federal sources passed through the State of Alaska	1,000	1,000	-
Total revenues	4,000	4,000	-
Expenditures -			
Instruction:			
Certificated salaries	1,102	1,102	-
Non-certificated salaries	631	631	-
Employee benefits	724	724	-
Staff travel	1,131	1,131	-
Supplies, materials and media	412	412	-
Total expenditures	4,000	4,000	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

New Visions FY25 Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska	$ 5,000	5,000	-
Federal sources passed through the State of Alaska	5,000	5,000	-
Total revenues	10,000	10,000	-
Expenditures -			
Instruction -			
Non-certificated salaries	10,000	10,000	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

STEPS Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenue	$	4,806
Expenditures		-
Excess of revenues over expenditures		4,806
Fund balance, beginning of year		(4,806)
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Sitka AmeriCorps Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues:		
Local sources - Other local revenue	$	29,750
Intergovernmental - Federal sources passed through the State of Alaska		197,112
Total revenues		226,862
Expenditures:		
District administration support services - Indirect costs		4,855
Community services:		
Non-certificated salaries		54,662
Employee benefits		72,751
Housing allowance/subsidy		64,470
Professional and technical services		5,878
Other purchased services		1,570
Supplies, materials and media		6,442
Total community services		205,773
Total expenditures		210,628
Excess of revenues over expenditures		16,234
Fund balance, beginning of year		4,998
Fund balance, end of year	$	21,232

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Serve Alaska, Sitka AmeriCorps Program 25 Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - Federal sources passed through the State of Alaska	$	20,936
Expenditures -		
Community services:		
Employee benefits		1,457
Housing allowance/subsidy		19,479
Total expenditures		20,936
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

AmeriCorps Mini-Grant Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - Federal sources passed through the State of Alaska	$	948
Expenditures -		
Community services -		
Professional and technical services		948
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Hunter Education Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - State of Alaska	$	17,522
Expenditures:		
Instruction:		
Certificated salaries		5,220
Employee benefits		1,941
Staff travel		3,183
Supplies, materials and media		6,332
Other		439
Total instruction		17,115
District administration support services -		
Indirect costs		407
Total expenditures		17,522
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

SEALASKA Heritage Institute Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	75,161
Expenditures:		
Instruction:		
Certificated salaries		43,568
Non-certificated salaries		5,428
Employee benefits		24,824
Total instruction		73,820
District administration support services -		
Indirect costs		1,341
Total expenditures		75,161
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

SEALASKA Heritage Institute TCL Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	6,345
Expenditures -		
Instruction:		
Certificated salaries		2,550
Staff travel		3,795
Total expenditures		6,345
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

STEAM-Making Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	272,126
Expenditures:		
Instruction:		
Certificated salaries		187,736
Employee benefits		77,000
Staff travel		344
Supplies, materials and media		724
Total instruction		265,804
District administration support services -		
Indirect costs		6,322
Total expenditures		272,126
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Raven Writes Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	150,184
Expenditures:		
Instruction:		
Certificated salaries		99,598
Non-certificated salaries		900
Employee benefits		43,883
Professional and technical services		1,746
Student travel		280
Supplies, materials and media		286
Total instruction		146,693
District administration support services -		
Indirect costs		3,491
Total expenditures		150,184
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

SHI Language Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	20,969
Expenditures -		
Instruction:		
Certificated salaries		19,135
Employee benefits		1,834
Total expenditures		20,969
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Youth Cultural Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	3,954
Expenditures -		
Support services - instruction:		
Non-certificated salaries		1,459
Employee benefits		111
Professional and technical services		714
Staff travel		599
Supplies, materials and media		1,071
Total expenditures		3,954
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Indian Education Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues:		
Intergovernmental - Federal sources - Direct	$	118,473
Expenditures:		
Instruction:		
Non-certificated salaries		67,877
Employee benefits		47,855
Total instruction		115,732
District administration support services -		
Indirect costs		2,741
Total expenditures		118,473
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Project Achieve Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - Federal sources - Direct	$	370,601
Expenditures:		
Instruction:		
Certificated salaries		120,618
Non-certificated salaries		10,000
Employee benefits		42,731
Professional and technical services		94,965
Staff travel		27,763
Student travel		3,075
Other purchased services		22,729
Supplies, materials and media		32,944
Tuition-students and stipends		5,000
Total instruction		359,825
District administration support services -		
Indirect costs		10,776
Total expenditures		370,601
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

SNEP In Schools Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	119,599
Expenditures:		
Instruction:		
Certificated salaries		74,190
Employee benefits		37,075
Staff travel		1,345
Other purchased services		336
Supplies, materials and media		3,873
Total instruction		116,819
District administration support services -		
Indirect costs		2,780
Total expenditures		119,599
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Walking Together Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	20,660
Expenditures -		
Instruction:		
Certificated salaries		9,828
Employee benefits		745
Professional and technical services		3,148
Staff travel		986
Supplies, materials and media		5,953
Total expenditures		20,660
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Equipment and Textbooks Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues	$	-
Expenditures		-
Excess of revenues over expenditures		-
Fund balance, beginning of year		8,954
Fund balance, end of year	$	8,954

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Charitable Trust Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	31,235
Expenditures -		
Instruction:		
Certificated salaries		1,000
Employee benefits		140
Supplies, materials and media		24,615
Total expenditures		25,755
Excess of revenues over expenditures		5,480
Fund balance, beginning of year		12,604
Fund balance, end of year	$	18,084

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Citizens Donation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues:		
Local sources - Other local revenues	$	251,038
Expenditures -		
Instruction:		
Certificated salaries		500
Employee benefits		38
Professional and technical services		55
Student travel		58,358
Supplies, materials and media		163,675
Other		367
Total expenditures		222,993
Excess of revenues over expenditures		28,045
Fund balance, beginning of year		302,451
Fund balance, end of year	$	330,496

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Project Transform Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Local sources - Other local revenues	$ 3,000	2,852	(148)
Expenditures:			
Instruction:			
Certificated salaries	2,250	2,299	(49)
Employee benefits	-	26	(26)
Supplies, materials and media	750	527	223
Total expenditures	3,000	2,852	148
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Reuben E. Crossett Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues	$	-
Expenditures		-
Excess of revenues over expenditures		-
Fund balance, beginning of year		20,127
Fund balance, end of year	$	20,127

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Safeway - Albertson's Foundation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues	$	-
Expenditures		-
Excess of revenues over expenditures		-
Fund balance, beginning of year		4,620
Fund balance, end of year	$	4,620

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Community Schools Recycling Project Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues	$	-
Expenditures		-
Excess of revenues over expenditures		-
Fund balance, beginning of year		25,515
Fund balance, end of year	$	25,515

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Swimming Pool Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit)

Year Ended June 30, 2026

Revenues -		
Intergovernmental -		
City and Borough appropriations	$	138,727
Expenditures -		
Community services:		
Non-certificated salaries		2,141
Employee benefits		162
Energy		100,000
Other purchased services		39,114
Total expenditures		141,417
Excess (deficiency) of revenues over expenditures		(2,690)
Fund balance (deficit), beginning of year		(25,849)
Fund balance (deficit), end of year	$	(28,539)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Ventures Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues:		
Local sources -		
Charges for services	$	315,083
Intergovernmental -		
State of Alaska		104,816
Total revenues		419,899
Expenditures:		
Community services:		
Certificated salaries		3,383
Non-certificated salaries		309,866
Employee benefits		96,989
Professional and technical services		451
Student travel		1,680
Other purchased services		13,934
Supplies, materials and media		31,074
Other		5,202
Total expenditures		462,579
Excess (deficiency) of revenues over expenditures		(42,680)
Fund balance, beginning of year		288,200
Fund balance, end of year	$	245,520

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Performing Arts Center Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - City and Borough appropriations	$	192,000
Expenditures -		
Community services:		
Professional and technical services		125,000
Utility services		67,000
Total expenditures		192,000
Excess of revenues over expenditures		-
Fund balance, beginning of year		100,527
Fund balance, end of year	$	100,527

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Student Activities Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues:		
Intergovernmental - City and Borough appropriations	$	484,432
Local - Other local revenues		254,453
Total revenues		738,885
Expenditures:		
Instruction:		
Certificated salaries		2,000
Employee benefits		277
Total instruction		2,277
Student activities:		
Professional and technical services		51,504
Student travel		626,775
Supplies, materials and media		105,767
Total student activities		784,046
Total expenditures		786,323
Excess (deficiency) of revenues over expenditures		(47,438)
Fund balance, beginning of year		426,293
Fund balance, end of year	$	378,855

FINAL DRAFT
FOR DISCUSSION PURPOSES ON

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of Compliance - AS 14.17.505

June 30, 2026

Total fund balance - School Operating Fund	$	1,582,098
less exemptions per 4 AAC 09.160(a)		
Prepaid items		22,615
Reserved for Impact Aid		47,308
Fund Balance Subject to 10% Limitation	$	1,512,175

Nonexempt fund balance as a percentage of current year expenditures:

Fund balance subject to limitation	$	1,512,175	=	6.22%
Current year expenditures		24,307,034		

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2026

Federal Agency / Pass-Through Agency / Program Name	Federal Grantor / Pass-Through Number	Assistance Listing Number	Award Amount	Federal Share of Expenditures
U.S. Department of Agriculture:				
Passed through the State of Alaska, Department of Education and Early Development:				
Child Nutrition Cluster:				
School Breakfast Program	0421	10.553	$ 57,089	57,089
National School Lunch Program	0421	10.555	191,635	191,635
Commodities	None	10.555	18,206	18,206
Fruit and Vegetable Program 2025	FF 25.SISD.01	10.582	4,097	4,087
Fruit and Vegetable Program 2026	FF 26.SISD.01	10.582	28,678	25,451
Total Child Nutrition Cluster			299,705	296,468
Food Distribution Admin Fee Reimbursement	FD 26.SISD.01	10.560	1,866	1,866
Local Food for Schools	LF 26.SISD.01	10.185	2,109	1,440
Team Nutrition Alaska School Nutrition Culinary Arts Program	TN 26.SISD.01	10.574	3,500	3,440
Farm to School	FS 25.SISD.01	10.645	4,994	3,687
Total U.S. Department of Agriculture			312,174	306,901
National Endowment for the Humanities:				
Passed through the State of Alaska, Department of Education and Early Development:				
New Visions	FY26NV004	45.025	1,000	1,000
New Visions	FY25NV008	45.025	5,000	5,000
Total ALN 45.025			6,000	6,000
U.S. Department of Education:				
Passed through the State of Alaska, Department of Education and Early Development:				
Title I-A Basic	IP 26.SISD.01	84.010A	168,784	168,783
Consolidated Administrative Pool	IP 26.SISD.01	84.010A	11,318	11,318
Title I School Improvement Program	SI 26.SISD.01	84.010A	31,300	26,774
Safety and Well-Being	SW 26.SISD.01	84.010A	4,500	3,431
Total ALN 84.010A			215,902	210,306
Title I-C	IP 26.SISD.01	84.011A	197,660	122,072
Migrant Literacy	MB 26.SISD.01	84.011A	4,410	1,897
Migrant Travel	MB 26.SISD.01	84.011A	4,500	4,406
Consolidated Administrative Pool	IP 26.SISD.01	84.011A	20,819	20,819
Total ALN 84.011A			227,389	149,194
Carl Perkins - CTE	EK 26.SISD.01	84.048A	39,640	39,639
Special Education Cluster (IDEA):				
Positive Behavioral Intervention and Supports	PB 26.SISD.01	84.027A	4,500	1,862
Title VI-B	SE 26.SISD.01	84.027A	359,664	346,605
Title VI-B Discretionary Special Education	DS 26.SISD.01	84.027A	8,000	8,000
Section 619	SE 26.SISD.01	84.173A	15,469	15,469
Total Special Education Cluster (IDEA)			387,633	371,936
Homeless EHCY Travel	AH 26.SISD.01	84.196A	1,390	1,269
Title II-A Improving Teacher Quality	IP 26.SISD.01	84.367A	61,420	61,420
Consolidated Administrative Pool	IP 26.SISD.01	84.367A	10,000	10,000
Total ALN 84.367A			71,420	71,420
Title IV-A - ESEA Consolidated	IP 26.SISD.01	84.424A	24,800	15,800
Safety and Well-Being	SW 26.SISD.01	84.424A	5,000	3,813
Total ALN 84.424A			29,800	19,613
AK Literacy Program	AL 26.SISD.01	84.371C	43,654	43,654
Total passed through the State of Alaska, Department of Education and Early Development			1,016,828	907,031
Direct:				
Impact Aid	110002	84.041	47,308	47,308
Indian Education Grants to Local Educational Agencies	S060A250986	84.060A	118,473	118,473
Demonstration Grants for Indian Children and Youth Program	S299A250053	84.299A	1,000,000	370,601
Total direct			1,165,781	536,382
Total U.S. Department of Education			2,182,609	1,443,413
U.S. Department of Health and Human Services:				
Passed through the State of Alaska, Department of Education and Early Development:				
Alternative Schools Program	BH 26.SISD.01	93.243	36,750	25,673
Corporation for National and Community Service:				
Passed through State of Alaska, Department of Commerce, Community and Economic Development:				
AmeriCorps Mini-Grant	22CAIAK001	94.003	6,000	948
Serve Alaska, Sitka AmeriCorps	24FXIAK0010001	94.006	405,000	20,936
Sitka AmeriCorps	24FIAK0010002	94.006	301,796	197,112
Total ALN 94.006			706,796	218,048
Total Corporation for National and Community Service			712,796	218,996
Total Expenditures of Federal Awards			$ 3,250,329	2,000,983

See accompanying notes to Schedule.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2026

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Sitka School District under programs of the federal government for the year ended June 30, 2026. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).* Because the Schedule presents only a selected portion of the operations of Sitka School District, it is not intended to and does not present the basic financial statements of Sitka School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Sitka School District has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Subrecipients

No federal funds were passed through to subrecipients.

Note 4. Nonmonetary Assistance

Non-monetary assistance is reported on the Schedule of fair value of the commodities received and disbursed. For the year ended June 30, 2026 the District received $18,206 in food commodities.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of State Financial Assistance

Year Ended June 30, 2026

State of Alaska Awarding Agency	Award Number	Award	State Share of Expenditures
Department of Education and Early Development:			
* Public School Funding Program:			
Foundation	None	$ 12,710,423	12,710,423
Quality Schools	None	40,625	40,625
Total Public School Funding Program		12,751,048	12,751,048
Dividend Raffle Funds	None	5,058	5,058
Hunter Education	HE 26.SISD.01	17,522	17,522
Pupil Transportation	FY2026	511,826	511,826
Alaska State Council on the Arts:			
New Visions	FY26NV004	3,000	3,000
New Visions	FY25NV008	5,000	5,000
New Visions	FY26NV004	2,000	500
Total Department of Education and Early Development		13,295,454	13,293,954
Department of Natural Resources -			
Micro Grant for Food	None	5,096	3,576
Department of Health -			
Preschool Development Grant B-5 Funds	None	25,000	25,000
Total State financial assistance		$ 13,325,550	13,322,530

See accompanying notes to Schedule.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2026

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Sitka School District (the 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 the District, it is not intended to and does not present the basic financial statements of the District.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Subrecipients

No state funds were passed through to subrecipients.

Note 4. Major Programs

* Denotes a major program for compliance audit purposes.

Note 5. Reconciliation of State Expenditures to the Basic Financial Statements

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

Total Schedule of State Financial Assistance	$ 13,322,530
PERS On-Behalf	167,579
TRS On-Behalf	1,701,109
State Contract Services	104,816
Total State of Alaska per Statement of Revenues, Expenditures and Changes in Fund Balances	$ 15,296,034

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

COMPLIANCE SECTION

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

Independent Auditor's Report

Members of the School Board
Sitka School District
Sitka, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sitka School District (the District), 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 Month XX, 2026.

Report on Internal Control Over Financial Reporting

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying federal schedule of findings and questioned costs as Finding 2026-001 that we consider to be a material weakness.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Members of the School Board
Sitka School District

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*.

Sitka School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying federal schedule of findings and questioned costs and the corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Anchorage, Alaska
Month XX, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

Independent Auditor's Report

Members of the School Board
Sitka School District
Sitka, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sitka School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2026. The District's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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 Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 Uniform Guidance, 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.

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

Report on Internal Control over Compliance

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Members of the School Board
Sitka School District

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

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

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

Anchorage, Alaska
Month XX, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Federal Schedule of Findings and Questioned Costs

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 were prepared in accordance with GAAP:	*Unmodified*			
Is a going concern emphasis-of-matter paragraph included in the audit report?	____	Yes	X	No
Internal control over financial reporting:				
Significant deficiency(ies) identified?	____	Yes	X	None reported
Material weakness(es) identified?	X	Yes	____	No
Noncompliance material to financial statements noted?	____	Yes	X	No

Federal Awards

Internal control over major programs (2 CFR 200.516 (a)(1)):				
Significant deficiency(ies) identified?	____	Yes	X	None reported
Material weakness(es) identified?	____	Yes	X	No
Any material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516 (a)(2))?	____	Yes	X	No
Type of auditor's report issued on compliance for major program:	*Unmodified*			
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR 200.516 (a) (3) or (4)?	____	Yes	X	No

Identification of major programs:

Assistance Listing Number(s)/Cluster	Name of Federal Program or Cluster
10.553/10.555/10.582	Child Nutrition Cluster
84.027/84.173	Special Education Cluster (IDEA
84.299	Indian Education Demonstration Grants for Indian Children and Youth Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,000,000			
Auditee qualified as low-risk auditee?	____	Yes	X	No

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Section II - Financial Statement Findings

Finding 2026-001 **Internal Control over Financial Close and Reporting**
Material Weakness

Criteria: An effective internal control system over financial reporting provides reasonable assurance that assets are safeguarded against loss and theft, and that reliable financial statements are prepared in accordance with the appropriate accounting standards and in compliance with applicable laws and regulations. Internal controls should be in place to ensure timely reconciliation and review of all general ledger accounts to ensure financial statement amounts are properly stated.

Condition and Context: During our audit we noted that the District's year-end financial statement closing procedures were ineffective to meet these objectives. The District did not timely reconcile the special revenue funds, accounts payable, accounts receivable, and payroll liability accounts prior to the start of the audit. As a result, the auditors proposed multiple material adjusting journal entries.

Cause: Lack of internal control over financial reporting and year end close procedures.

Effect: Misstatements were not prevented, detected, or corrected by management in a timely manner.

Recommendation: To improve the year-end financial closing process, we recommend that the District establish a more efficient and effective responsibilities matrix for its close process. This will ensure timely and accurate reconciliations for all general ledger accounts, as well as timely review and approval by management. Support for the reconciliations and management review should be maintained and be available for review and the audit process.

Management Response: Management concurs with this finding. See Corrective Action Plan.

Section III - Federal Award Findings

Sitka School District did not have any findings related the Federal Awards.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

Independent Auditor's Report

Members of the School Board
Sitka School District
Sitka, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Sitka 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 Supplements 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 on the 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.

Basis for Opinion on Each Major State Program

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

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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 State of Alaska Audit Guide requirements will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the 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 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 requirements, 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.

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the State of Alaska Audit Guide and is described in the accompanying state schedule of findings and questioned costs as Finding 2026-002. Our opinion on each major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Sitka School District's response to the noncompliance finding identified in our audit and described in the accompanying state schedule of findings and questioned costs. The Sitka School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Members of the School Board
Sitka School District

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying state schedule of findings and questioned costs as Finding 2026-002 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Sitka School District's response to the internal control over compliance finding identified in our audit and described in the accompanying state schedule of findings and questioned costs. The Sitka School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Anchorage, Alaska
Month XX, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2026

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	*Unmodified*			
Internal control over financial reporting:				
Significant deficiency identified?	____	Yes	X	None reported
Material weakness identified?	X	Yes	____	No
Noncompliance material to the financial statements noted?	____	Yes	X	No

State Financial Assistance

Internal control over major programs:				
Significant deficiency identified?	X	Yes	X	None reported
Material weakness identified?	____	Yes	____	No
Type of auditor's report issued on compliance for major programs:	*Unmodified*			
Dollar threshold used to distinguish between a type A and B program:	$ 750,000			
Auditee qualified as low-risk auditee?	____	Yes	X	No

Section II – Financial Statement Findings

See the Federal Schedule of Findings and Questioned Costs for financial statement findings.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Section III – State Award Findings and Questioned Costs

Finding 2026-002 — **Lack of Internal Control over Matching, Level of Effort and/or Earmarking**

State Agency: State of Alaska, Department of Education and Early Development
State Program: Public School Funding Program
Award Number: None
Award year: 2026
Type of Finding: Significant deficiency in internal control over compliance and noncompliance.

Criteria:

A city or borough school district must fund its required local contribution every fiscal year under AS 14.17.410. Where in-kind services are used to meet part of the required local contribution, the goods and services reported must meet the criteria for recognition under U.S. GAAP and follow the guidelines specified in DEED's Chart of Accounts. Under 4 AAC 09.990(b)(2), "value of in-kind services," as used in the definition of "local contribution" in AS 14.17.990, means the documented fair market value of insurance, utilities, energy, audits, and maintenance of facilities that the city or borough provides at no charge to a district.

Condition and Context:

The City and Borough of Sitka's appropriation letter to the Sitka School District for FY26 budgeted $772,942 of in-kind maintenance of facilities as part of the local contribution. The District did not report any in-kind maintenance revenue or expenditures in its School Operating Fund. The District also could not get documentation from the City and Borough supporting the actual fair market value of the maintenance services provided during the year, such as invoices, work orders, or labor and materials cost records. A budgeted amount in an appropriation letter is not considered itself to be sufficient documentation of fair market value of services actually provided. The in-kind maintenance also was not reported in the School Operating Fund. For both reasons, none of the $772,942 qualifies as "value of in-kind services" under 4 AAC 09.990(b)(2), and none of it can be counted toward the required local contribution under AS 14.17.410.

The required local level of effort was met through cash contributions included in the City and Borough's annual appropriation commitment.

Cause:

The District does not have procedures in place to get documentation of in-kind services the City and Borough actually performed, or to record those services in the School Operating Fund. The District relied on the budgeted amount in the appropriation letter and did obtain supporting documentation on the actual services provided.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Effect: Without the budgeted in-kind maintenance, the District's documented local contribution consists only of cash appropriations. Because the in-kind maintenance was not recorded, the School Operating Fund also understates any in-kind contribution revenue and the related maintenance expenditures the City and Borough actually provided. A shortfall in the required local contribution could lead DEED to adjust the District's public school funding.

Questioned Costs: Undetermined. The City and Borough did not provide support for the in-kind maintenance it actually performed, so the fair market value of the services provided, and the resulting effect on the District's required local contribution, could not be determined. The budgeted amount was $772,942.

Repeat Finding: No.

Recommendation: We recommend the District work with the City and Borough of Sitka on a written agreement requiring the City and Borough to provide, at least annually, documented fair market value support for the in-kind insurance, utilities, energy, audit, and facilities maintenance services provided at no charge.

Management's Response: Management concurs with the finding. See Corrective Action Plan.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA
SCHOOL DISTRICT
DISCOVER | NURTURE | INSPIRE

300 Kostrometinoff Street
Sitka, Alaska 99835
Phone: (907) 747-8622
Fax: (907) 966-1260
www.sitkaschools.org

Summary Schedule of Prior Audit Findings

June 30, 2026

Financial Statement Findings

Finding 2025-001 **Material Weakness**	**Internal Control over Financial Close and Reporting**
Condition:	During our audit we noted that the District's year-end financial statement closing procedures were ineffective to meet these objectives. The District did not timely reconcile their special revenue funds, bank accounts, or payroll liability accounts prior to the start of the audit. As a result, the auditors proposed multiple material adjusting journal entries.
Status:	This finding has not been resolved and is repeated as finding 2026-001.
Finding 2025-002 **Significant Deficiency**	**Lack of Internal Control over Payroll**
Condition:	The payroll system of the District lacks the internal control necessary to ensure proper managerial approval of payroll transactions. During our testing of payroll transactions, we noted four substitute employees who had no personnel action forms or equivalent documentation and one employee whose payrate lacked necessary documentation of managerial approval.
Status:	This finding has been resolved.

State Award Findings and Questioned Costs

Finding 2025-003	**Lack of Internal Control over Activities Allowed or Unallowed and Allowable Costs/Cost Principles**
State Agency:	State of Alaska, Department of Education and Early Development
State Program:	Foundation
Award Number:	None
Award year:	2025
Type of Finding:	Significant deficiency in internal control over compliance.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Summary Schedule of Prior Audit Findings, continued

Condition: The payroll system of the district lacks internal control necessary to ensure proper managerial approval of payroll transactions. During our testing of payroll transactions, we noted one transaction in which the rate of pay was not properly approved by management and four transactions in which documentation of the rate of pay was missing altogether. Based on the context of the transactions, we did not identify any unallowable expenditures under the program guidelines.

Status: This finding has been resolved.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA
SCHOOL DISTRICT
DISCOVER | NURTURE | INSPIRE

300 Kostrometinoff Street
Sitka, Alaska 99835
Phone: (907) 747-8622
Fax: (907) 966-1260
www.sitkaschools.org

Corrective Action Plan

June 30, 2026

Financial Statement Findings

Finding 2026-001 **Lack of Internal Control over Financial Close and Reporting**

Name of Contact Person: Kathrynn Hollis-Buchanan, District Business Manager

Corrective Action Plan: Sitka School District acknowledges the audit finding related to the reporting and documentation of grant information. To strengthen our grant reporting processes and help ensure complete, accurate, and consistent reporting in future periods, the District will implement the following corrective actions:

1. **Additional Training:** District Business Office staff responsible for grant administration, accounting, and financial reporting will pursue additional training related to grant accounting, reporting requirements, and the preparation of grant schedules. Training will be incorporated into ongoing staff development as appropriate to reinforce compliance requirements and strengthen internal knowledge.
2. **Standardized Grant Reporting Template:** The District will implement and use the **grant reporting template already provided by the auditors** as part of our year-end grant reporting and audit preparation process. The template will be maintained for applicable grants and used to document relevant grant information in a consistent format, including grant identification, funding sources, award information, expenditures, revenues, and other information necessary to support financial closing and audit reporting.
3. **Year-End Review:** As part of the fiscal year-end closing process, the Business Manager will review the completed grant information for inclusiveness and reconcile applicable amounts to the District's accounting records before providing information for the annual audit.
4. **Ongoing Process Improvement:** The District will incorporate the template and related review procedures into its annual grant closeout and audit-preparation procedures. The process will be evaluated quarterly and updated as necessary based on changes in grant requirements, guidance, or recommendations from the District's auditors.

Responsible Party: District Business Manager with the assistance of all Business Office Staff.

Implementation Date: Corrective action has been initiated.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

State Award Findings and Questioned Costs

Finding 2026-002	**Lack of Internal Control over Matching, Level of Effort and/or Earmarking**
Name of Contact Person:	Kathrynn Hollis-Buchanan, District Business Manager
Corrective Action Plan:	We have already discussed with CBS how this can be rectified in the future, with a more clear explanation of CBS responsibilities that will help us to accurately document level of local effort in regards to maintenance of the CBS buildings.
Proposed Completion Date:	We have already initiated the discussion, but we will collaborate with CBS upon the drafting of the FY28 appropriations award letter.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY