



## SOUTHEAST ISLAND SCHOOL DISTRICT

P.O. Box 19569, 1010 Sandy Beach Rd Thorne Bay, Alaska 99919  
(907) 828-8254 Fax: (907) 828-8257 [Email: sisd@sisd.org](mailto:sisd@sisd.org)

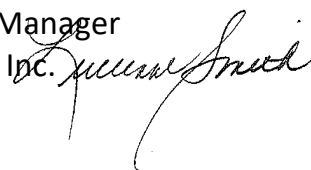
---

### MEMORANDUM

---

**TO:** SISD BOARD OF EDUCATION

**THRU:** Rodney Morrison, Superintendent

**FROM:** Lucienne Smith, Contracted Business Manager  
Alaska Education & Business Services, Inc. 

**Date:** May 14, 2025

**SUBJECT: BUSINESS MANAGER'S REPORT NARRATIVE**

*Goal #3: Increase Communication District and Community Wide*

**FY 2025 BUDGET:** The shortfall of National Forest receipts has created a budgetary gap for the current year. To mitigate this gap, the District will implement immediate spending reductions for the next 6 weeks thru the end of the fiscal year:

1. **Prioritize Essential Expenditures:** Allocate funds primarily to contractual wages and utility expenses, as these are non-negotiable and critical to operations.
2. **Suspend Non-Essential Spending:** Temporarily halt expenditures on supplies, equipment, and services that are not immediately necessary for the continuation of core functions.
3. **Review and Delay Capital Projects:** Postpone or scale back maintenance improvement projects unless they are funded through alternative sources or are legally mandated.

**FY 2026 INSURANCE** – Questionnaires have been completed, and we are awaiting proposals from our broker. With the combination of the two insurance pools (AML & APEI) is currently causing a delay in receiving updated quotes. This process involves aligning underwriting data, risk assessments, and policy structures between the pools, which is taking longer than anticipated.

We anticipate having the finalized quotes in the very near future. Our goal is to secure terms that reflect minimal or no increase in premiums.

**FY 2026 FUNDING** – The 3<sup>rd</sup> and Final Proposed FY 2026 Budget will be reviewed during the work session.

**FY 2025 AUDIT** – The **annual audit** for the 2025 records will take place during the week of **September 1st, 2025**. This audit reviews the company’s financial statements and overall financial health for the entire year. It ensures accuracy and compliance with accounting standards and regulations, providing stakeholders with a clear and transparent picture of the organization’s financial performance.

The **interim audit**, rescheduled for the third week of June 2025, will mainly focus on the test of controls and will address any issues or discrepancies early on, allowing the District to make necessary adjustments before the annual audit.

The audit leader will be reaching out to the Board Chairman towards the end of the audit process, specifically during the week of September 1, 2025, to schedule a debriefing session. This meeting will provide an opportunity to review audit findings, if any, discuss any preliminary observations, and address any questions or concerns you may have.

Please feel free to ask questions.

***Mission:*** Students are equipped to achieve their dreams and aspirations

***Vision:*** Set a foundation by cultivating experiences for students to develop goals and thrive in an ever-changing world.