

ANNETTE ISLANDS SCHOOL DISTRICT  
Basic Financial Statements, Required Supplementary  
Information, Supplementary Information,  
and Compliance Reports  
(With Independent Auditor's Report Thereon)

Year Ended June 30, 2025

*Altman, Rogers  
& Co.* | CERTIFIED  
PUBLIC  
ACCOUNTANTS

ANNETTE ISLANDS SCHOOL DISTRICT

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

Year Ended June 30, 2025

ANNETTE ISLANDS SCHOOL DISTRICT

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**Independent Auditor's Report**

Members of the School Board  
Annette Islands School District  
Metlakatla, Alaska

**Report on the Audit of the Financial Statements**

***Opinions***

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

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

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government 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.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, Schedules of the District's Proportionate Share of Net Pension and OPEB Liabilities and Assets and the District's Schedules of Contributions for the Public Employees' Retirement System and Teachers' Retirement System, and Notes to Required Supplementary Information on pages 41-53 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, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Supplementary Information***

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

Members of the School Board  
Annette Islands School District

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

*Ottman, Rogers & Co.*

Anchorage, Alaska  
November 25, 2025

## **BASIC FINANCIAL STATEMENTS**

## ANNETTE ISLANDS SCHOOL DISTRICT

## Statement of Net Position

June 30, 2025

	<u>Governmental Activities</u>
<u>Assets and Deferred Outflows of Resources</u>	
Current assets:	
Cash and investments	\$ 14,524,838
Accounts receivable	213,129
Prepaid items	96,778
Inventories	18,026
Total current assets	14,852,771
Non-current assets:	
Capital assets, net of depreciation	17,183,593
Net OPEB assets	3,328,859
Total non-current assets	20,512,452
Deferred outflows of resources -	
Pension and OPEB deferrals	703,745
Total assets and deferred outflows of resources	36,068,968
<u>Liabilities and Deferred Inflows of Resources</u>	
Current liabilities:	
Accounts payable	218,284
Payroll liabilities	2,079
Compensated absences - due within one year	138,497
Due to student groups	117,869
Unearned revenue	39,953
Total current liabilities	516,682
Non-current liabilities -	
Net pension liabilities	6,446,543
Deferred inflows of resources -	
Pension and OPEB deferrals	163,095
Total liabilities and deferred inflows of resources	7,126,320
<u>Net Position</u>	
Net investment in capital assets	17,183,593
Unrestricted	11,759,055
Total net position	28,942,648
Total liabilities, deferred inflows of resources and net position	\$ 36,068,968

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

## ANNETTE ISLANDS SCHOOL DISTRICT

## Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 5,053,285	-	1,112,196	-	(3,941,089)
Special education instruction	1,408,745	-	241,468	-	(1,167,277)
Special education support services - students	377,982	-	39,586	-	(338,396)
Support services - students	598,064	-	68,760	-	(529,304)
Support services - instruction	363,459	-	26,494	-	(336,965)
School administration	641,656	-	80,921	-	(560,735)
School administration support services	237,224	-	13,850	-	(223,374)
District administration	609,840	-	50,051	-	(559,789)
District administration support services	733,711	-	92,057	-	(641,654)
Operations and maintenance of plant	2,223,503	137,906	50,442	152,625	(1,882,530)
Student activities	617,273	-	29,482	-	(587,791)
Student transportation - to and from school	93,427	-	63,047	-	(30,380)
Community services	46,945	-	10,188	-	(36,757)
Food services	626,836	-	317,781	-	(309,055)
<b>Total governmental activities</b>	<b>\$ 13,631,950</b>	<b>137,906</b>	<b>2,196,323</b>	<b>152,625</b>	<b>(11,145,096)</b>
<b>General revenues:</b>					
E-rate				\$ 140,562	
Earnings on investments				463,389	
Other				32,389	
State grants not restricted to specific programs				3,757,091	
Federal grants not restricted to specific programs				6,107,904	
<b>Total general revenues</b>				<b>10,501,335</b>	
Change in net position					(643,761)
Net position, beginning of year					<b>29,586,409</b>
Net position, end of year					<b>\$ 28,942,648</b>

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

## ANNETTE ISLANDS SCHOOL DISTRICT

## Balance Sheet - Governmental Funds

June 30, 2025

Assets	School Operating Fund	Capital Project Funds			Other Governmental Funds	Total Governmental Funds
		Administration and Facilities Buildings	District-wide Major Maintenance	Forest Receipts Education Special Revenue Fund		
Cash and investments	\$ 10,483,884	-	1,975,381	2,065,573	-	14,524,838
Accounts receivable	44,430	-	-	-	168,699	213,129
Prepaid items	96,778	-	-	-	-	96,778
Inventories	9,749	-	-	-	8,277	18,026
Due from other funds	246,764	1,118,610	1,539,658	-	911,916	3,816,948
Total assets	<u>10,881,605</u>	<u>1,118,610</u>	<u>3,515,039</u>	<u>2,065,573</u>	<u>1,088,892</u>	<u>18,669,719</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	64,787	110,984	6,070	-	36,443	218,284
Payroll liabilities	2,079	-	-	-	-	2,079
Due to other funds	3,570,184	-	-	80,812	165,952	3,816,948
Due to student groups	117,869	-	-	-	-	117,869
Unearned revenues	-	-	-	-	39,953	39,953
Total liabilities	<u>3,754,919</u>	<u>110,984</u>	<u>6,070</u>	<u>80,812</u>	<u>242,348</u>	<u>4,195,133</u>
Fund Balances:						
Nonspendable:						
Prepaid items	96,778	-	-	-	-	96,778
Inventories	9,749	-	-	-	8,277	18,026
Committed:						
Student transportation	-	-	-	-	23,789	23,789
Food service	-	-	-	-	51,373	51,373
New visions	-	-	-	-	3,288	3,288
Early childhood education	-	-	-	1,984,761	-	1,984,761
Distance learning	-	-	-	-	250,000	250,000
Imagination library	-	-	-	-	2,626	2,626
School housing	-	-	-	-	106,434	106,434
Leask family scholarship	-	-	-	-	716	716
Assigned:						
Capital improvements	-	1,007,626	3,508,969	-	424,849	4,941,444
Unassigned	<u>7,020,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,808)</u>	<u>6,995,351</u>
Total fund balances	<u>7,126,686</u>	<u>1,007,626</u>	<u>3,508,969</u>	<u>1,984,761</u>	<u>846,544</u>	<u>14,474,586</u>
Total liabilities and fund balances	\$ <u>10,881,605</u>	<u>1,118,610</u>	<u>3,515,039</u>	<u>2,065,573</u>	<u>1,088,892</u>	<u>18,669,719</u>

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

## ANNETTE ISLANDS SCHOOL DISTRICT

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

June 30, 2025

Amounts reported as fund balances on the governmental funds balance sheet	\$	14,474,586
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.		17,183,593
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences		(138,497)
Proportionate share of the collective net pension liabilities:		
PERS	\$	(3,554,333)
TRS		<u>(2,892,210)</u>
		(6,446,543)
Proportionate share of the collective net OPEB assets:		
PERS		1,544,775
TRS		<u>1,784,084</u>
		3,328,859
Deferred inflow and outflow of resources are the results of timing differences in the actuarial report:		
Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources.		
PERS		427,557
TRS		<u>276,188</u>
		703,745
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources.		
PERS		(62,261)
TRS		<u>(100,834)</u>
		(163,095)
Net position of governmental activities	\$	<u>28,942,648</u>

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

ANNETTE ISLANDS SCHOOL DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year Ended June 30, 2025

		Capital Project Funds				
	School Operating Fund	Administration and Facilities Buildings	District-wide Major Maintenance	Forest Receipts Education Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Local sources:						
Earnings on investments	\$ 463,389	-	88,446	94,734	-	646,569
E-rate	140,562	-	-	-	-	140,562
Charges for services - rentals	-	-	-	-	137,906	137,906
Other	32,389	-	12,343	-	39,252	83,984
Intergovernmental:						
State of Alaska	4,352,626	-	-	-	98,913	4,451,539
Federal sources	6,107,904	-	-	13,930	963,182	7,085,016
Total revenues	<u>11,096,870</u>	<u>-</u>	<u>100,789</u>	<u>108,664</u>	<u>1,239,253</u>	<u>12,545,576</u>
<b>Expenditures:</b>						
Current:						
Instruction	3,424,156	-	5,621	481,542	485,571	4,396,890
Special education instruction	1,145,500	-	-	79,283	94,404	1,319,187
Special education support services - students	338,593	-	-	-	15,764	354,357
Support services - students	533,570	-	-	-	24,294	557,864
Support services - instruction	351,910	-	-	-	5,495	357,405
School administration	563,282	-	-	-	-	563,282
School administration support services	226,319	-	-	-	-	226,319
District administration	570,691	-	-	-	-	570,691
District administration support services	650,079	-	-	-	65,129	715,208
Operations and maintenance of plant	1,424,704	-	211,888	-	269,526	1,906,118
Student activities	584,856	-	-	-	6,475	591,331
Student transportation - to and from school	1,306	-	-	-	66,123	67,429
Community services	38,699	-	-	-	7,000	45,699
Food services	11,073	-	-	-	597,140	608,213
Construction and facilities acquisition	-	2,851,674	-	-	-	2,851,674
Total expenditures	<u>9,864,738</u>	<u>2,851,674</u>	<u>217,509</u>	<u>560,825</u>	<u>1,636,921</u>	<u>15,131,667</u>
Excess (deficiency) of revenues over expenditures	1,232,132	(2,851,674)	(116,720)	(452,161)	(397,668)	(2,586,091)
Other financing sources (uses):						
Transfers in	-	-	117,000	946,846	628,000	1,691,846
Transfers out	(1,691,846)	-	-	-	-	(1,691,846)
Net other financing sources (uses)	<u>(1,691,846)</u>	<u>-</u>	<u>117,000</u>	<u>946,846</u>	<u>628,000</u>	<u>-</u>
Net change in fund balances	(459,714)	(2,851,674)	280	494,685	230,332	(2,586,091)
Fund balances, beginning of year, as previously reported	7,586,400	3,859,300	3,508,689	-	2,106,288	17,060,677
Change within financial reporting entity (nonmajor to major fund)	-	-	-	1,490,076	(1,490,076)	-
Fund balances, beginning of year, as adjusted	<u>7,586,400</u>	<u>3,859,300</u>	<u>3,508,689</u>	<u>1,490,076</u>	<u>616,212</u>	<u>17,060,677</u>
Fund balances, end of year	<u>\$ 7,126,686</u>	<u>1,007,626</u>	<u>3,508,969</u>	<u>1,984,761</u>	<u>846,544</u>	<u>14,474,586</u>

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

## ANNETTE ISLANDS SCHOOL DISTRICT

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities

Year Ended June 30, 2025

Net change in fund balances - total government funds	\$ (2,586,091)
--	----------------

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 the unfunded net pension and OPEB liabilities and assets:	
PERS	\$ 60,433
TRS	<u>(348,623)</u>
	(288,190)

Changes in deferred inflow and outflow of resources are the results of timing differences in the actuarial report and adjustments to reflect employer and non-employer contributions based on the measurement date of the liabilities:

PERS	(4,897)
TRS	<u>(97,780)</u>
	(102,677)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives.

This is the amount by which capital outlay exceeded depreciation in the current period:

Capital outlay	2,916,942
Depreciation expense	<u>(475,716)</u>
	2,441,226

Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported in the funds. The liability is recorded in the Government-wide financial statements.

Change in compensated absences	<u>(108,029)</u>
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Change in net position of governmental activities	\$ <u>(643,761)</u>
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The notes to the financial statements are an integral part of this statement.

ANNETTE ISLANDS SCHOOL DISTRICT

Statement of Fiduciary Net Position

June 30, 2025

	Student Activities Custodial Fund
<u>Assets</u>	
Due from School Operating Fund	<u>\$ 117,869</u>
<u>Net Position</u>	
Fiduciary net position - assets held for student groups	<u>\$ 117,869</u>

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

## ANNETTE ISLANDS SCHOOL DISTRICT

## Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2025

	Student Activities Custodial Fund
Additions -	
Contributions	\$ 129,306
Deductions -	
Student activities	<u>109,670</u>
Change in net position	19,636
Net position, beginning of the year	<u>98,233</u>
Net position, end of the year	<u>\$ 117,869</u>

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

# ANNETTE ISLANDS SCHOOL DISTRICT

## Notes to the Basic Financial Statements

June 30, 2025

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The Legislature of the State of Alaska established the Annette Islands School District (the District) on July 1, 1976. At that time, assets to be used by the District were turned over by direct transfer or by use permits from the State of Alaska. The District is operated under the exclusive oversight management and control of the locally-elected five-member School Board. The School Board is the level of government which has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the Annette Islands School District. The District receives funding from state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since the School Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

The financial statements of the Annette Islands School 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 District is legally separate from and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statements purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements present only the funds of those organizational entities for which its elected governing board is financially accountable.

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, would be 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*.

## ANNETTE ISLANDS SCHOOL DISTRICT

### Notes to the Basic Financial Statements, Continued

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column named "Other Governmental Funds."

#### **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 transactions occur 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 un-matured interest on general long-term debt which is recognized when the obligations are expected to be liquidated with expendable available financial resources.

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 other entitlement payments revenue are recorded in the year to which it relates.

Federal Impact Aid receipts are recorded in the year monies are received and federal aid for school lunch are recorded as revenues in the year earned and subject to accrual.

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

#### Local Revenue:

Interest earnings on investments in the School Operating Fund are recognized when earned. E-rate and other revenues are recognized in the year it relates.

## ANNETTE ISLANDS SCHOOL DISTRICT

### Notes to the Basic Financial Statements, Continued

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.

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. There are three categories of funds: governmental, proprietary and fiduciary. Of these three, the District maintains governmental funds and fiduciary funds.

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 funds:

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 *Administration and Facilities Buildings Capital Project Fund* is used to account for the various phases of planning, design, construction and acquisition of capital projects/assets related to general administration and facilities.

The *District-wide Major Maintenance Capital Project Fund* is used to account for the various maintenance projects of capital assets throughout the District.

The *Forest Receipts Education Special Revenue Fund* is used for the operation, maintenance, and repair of public schools funded through the Forest Receipts program.

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

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes.

*Capital Project Funds* are used to account for the acquisition or construction of major capital facilities.

The District reports the following fiduciary fund:

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

## ANNETTE ISLANDS SCHOOL DISTRICT

### Notes to the Basic Financial Statements, Continued

#### 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.

#### 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.

## **D. Assets, Liabilities and Net Position / Fund Balance**

### **1. Cash and Investments**

The District's cash and cash investments are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. There are no statutory limitations on the type of investments allowed.

### **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.

Advances between funds, as reported in the fund financial statements, are offset by committed or nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Management has determined all receivables are collectable; therefore, no allowance for doubtful accounts has been established.

### **3. Inventories**

Inventories consisting of fuel and food are stated at cost, which approximates market value, using the first-in, first-out (FIFO) method. Governmental fund type inventories are recorded as expenditures when they are purchased (purchase method), rather than when they are consumed. 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 fund balance.

# ANNETTE ISLANDS SCHOOL DISTRICT

## Notes to the Basic Financial Statements, Continued

### **4. Prepaid Items**

Payments made to vendors for goods or services, which benefit periods beyond the end of the current fiscal year, are recorded as prepaid items. The prepaid items do not reflect current available resources and, thus, an equivalent portion of fund balance is classified as nonspendable in the Fund Financial Statements.

### **5. Capital Assets**

Capital assets, which include buildings and improvements, improvements other than buildings, and 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 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.

Capital assets owned by the District are depreciated under the straight-line method with estimated useful lives as follows:

	<u>Life in Years (Range)</u>
Vehicles and equipment	3 – 10
Improvements other than buildings	20 – 25
Buildings and improvements	30 – 50

### **6. Compensated Absences**

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

### **7. Unearned Revenues**

Represents amounts received from grantor agencies, which have not been expended for the intended use are shown on the balance sheet and statement of net position as unearned revenue.

## ANNETTE ISLANDS SCHOOL DISTRICT

### Notes to the Basic Financial Statements, Continued

#### **8. Pensions and Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net pension and OPEB assets and liabilities, 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. 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.

#### **10. 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 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.

## ANNETTE ISLANDS SCHOOL DISTRICT

### Notes to the Basic Financial Statements, Continued

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's Special Revenue Funds are used to account for educational, food service, and operations and maintenance programs that are assigned or committed.

#### **11. 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) certain cash and cash equivalents, (2) receivables, net, (3) certain other current assets, (4) accounts payable, and (5) other current liabilities. The carrying amounts reported in the balance sheet and Statement of Net Position for the above financial instruments closely approximates their fair value due to the short-term nature of these assets and liabilities.

## **II. 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 capital project funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year-end. 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 funding.

The adopted School Operating Fund budget is submitted to the School Board for review and approval. 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.

# ANNETTE ISLANDS SCHOOL DISTRICT

## Notes to the Basic Financial Statements, Continued

Annual budgets of the various Special Revenue Funds are prepared in connection with the application for the special programs' funding and are reviewed and approved by the School Board. Expenditure authority for Special Revenue Fund programs is limited to the actual combined revenues and transfers from other funds.

Project budgets are adopted for the various construction funds based on the lives of the construction projects. Expenditure authority is limited to the actual combined 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 School Operating Fund and 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.

### **III. DETAILED NOTES ON ALL FUNDS**

#### **A. Cash and Investments**

The District utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "cash and investments," or is included in "due to/from other funds." The District has the following deposits and investments:

	Pooled cash and investments
Bank deposits and money market funds	\$ 12,549,457
AMLIP investments	1,975,381
Total cash and investments	<u><u>14,524,838</u></u>

#### **Deposits**

The District's bank balances are insured by federal depository insurance (FDIC) to a maximum of \$250,000; any amount in excess of FDIC limits is collateralized with securities held by the District's agent in the District's name. As of June 30, 2025, the District had no cash that was uninsured or uncollateralized.

#### **Investments**

The District's investments are invested with the Alaska Municipal League Investment Pool (AMLIP). The AMLIP is an external investment pool which is not SEC registered and is rated AAAm by Standard and Poor's for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the pool. The law sets forth numerous requirements regarding authorized investments and reporting. The share value of investments in the AMLIP is measured at Net Asset Value (NAV) which approximates fair value. To obtain a copy of AMLIP's financial statements contact Key Trust of Alaska at 101 West Benson Blvd., Room 302, Anchorage, Alaska 99503.

**ANNETTE ISLANDS SCHOOL DISTRICT**

**Notes to the Basic Financial Statements, Continued**

Custodial credit risk is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have in place an investment policy limiting custodial credit risk.

**B. Accounts Receivable**

Management has determined that all of their receivables are collectible, therefore, no allowance for doubtful accounts has been established. Accounts receivable as of year-end for the District consisted of \$44,430 of miscellaneous receivables in the School Operating Fund and \$168,699 of grants receivable in the Other Governmental Funds.

**C. Capital Assets**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,996,321	2,882,010	-	4,878,331
Capital assets, being depreciated:				
Equipment	941,638	34,932	-	976,570
Vehicles	852,681	-	(43,372)	809,309
Buildings	11,903,350	-	-	11,903,350
Improvements other than buildings	1,959,265	-	-	1,959,265
Total assets being depreciated	<u>15,656,934</u>	<u>34,932</u>	<u>(43,372)</u>	<u>15,648,494</u>
Less accumulated depreciation for:				
Equipment	(646,279)	(56,698)	-	(702,977)
Vehicles	(396,465)	(70,352)	43,372	(423,445)
Buildings	(1,668,472)	(273,023)	-	(1,941,495)
Improvements other than buildings	(199,672)	(75,643)	-	(275,315)
Total accumulated depreciation	<u>(2,910,888)</u>	<u>(475,716)</u>	<u>43,372</u>	<u>(3,343,232)</u>
Total capital assets being depreciated, net	<u>12,746,046</u>	<u>(440,784)</u>	<u>-</u>	<u>12,305,262</u>
Net governmental activities capital assets	\$ <u>14,742,367</u>	<u>2,441,226</u>	<u>-</u>	<u>17,183,593</u>

**ANNETTE ISLANDS SCHOOL DISTRICT**

**Notes to the Basic Financial Statements, Continued**

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

Instruction	\$ 61,765
Special education support services – students	1,631
School administration	3,665
District administration	857
District administration support services	7,781
Operations and maintenance of plant	361,494
Student activities	5,615
Student transportation – to and from school	24,630
Food services	<u>8,278</u>
Total	\$ <u>475,716</u>

**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, 2025 were as follows:

Receivable Fund	Payable Fund	Amount
School Operating Fund	Forest Receipts Education	
	Special Revenue Fund	\$ 80,812
School Operating Fund	Other Governmental Funds	165,952
Administration and Facilities		
Buildings Capital Project Fund	School Operating Fund	1,118,610
District-wide Major Maintenance		
Capital Project Fund	School Operating Fund	1,539,658
Other Governmental Funds	School Operating Fund	<u>911,916</u>
Total		\$ <u>3,816,948</u>

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

Transfers Out	Transfer In	Amount
School Operating Fund	District-wide Major Maintenance	
	Capital Project Fund	\$ 117,000
School Operating Fund	Forest Receipts Education	
	Special Revenue Fund	946,846
School Operating Fund	Other Governmental Funds	<u>628,000</u>
Total		\$ <u>1,691,846</u>

# ANNETTE ISLANDS SCHOOL DISTRICT

## Notes to the Basic Financial Statements, Continued

Transfers are used to move unrestricted School Operating Fund resources to finance various programs 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. The School Operating Fund transferred \$320,000 to the Food Service Special Revenue Fund to offset current year expenditures, \$30,000 to the Student Transportation Special Revenue Fund, \$250,000 to the Distance Learning and Telemed Special Revenue Fund, \$8,000 to the New Visions Special Revenue Fund, and \$20,000 to the School Housing Special Revenue Fund to meet the District's portion of matching funds specified in the grant agreements. The School Operating Fund transferred \$946,846 to the Forest Receipts Education Special Revenue Fund to help offset current year costs. The School Operating Fund transferred \$117,000 to the District-wide Major Maintenance Capital Project Fund to help offset current year construction costs and to help build a reserve for future maintenance projects.

### **E. Long-term Liabilities**

The following schedule shows the changes in the District's long-term liabilities for the year ended June 30, 2025, which are typically liquidated by the School Operating Fund:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due within one year
Compensated absences	\$ 30,469	289,325	(181,297)	138,497	138,497

## **IV. 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. 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.

# ANNETTE ISLANDS SCHOOL DISTRICT

## Notes to the Basic Financial Statements, Continued

### **C. Related Parties**

Due to the nature and size of the community, it is inevitable that transactions will occur between entities, council or board members, and/or employees of these entities. The services provided are not considered significant for individual disclosure.

### **D. 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.

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

ANNETTE ISLANDS SCHOOL DISTRICT

Notes to the Basic Financial Statements, Continued

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

**Other Postemployment Benefit Plans (OPEB)**

*Alaska Retiree Healthcare Trust Plan (ARHCT)*

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2025, employer contributions were 0.00% for PERS and 0.00% for TRS.

*Occupational Death and Disability Plan (ODD)*

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

*Retiree Medical Plan (RMP)*

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

*Health Reimbursement Arrangement Plan (HRA)*

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

# ANNETTE ISLANDS SCHOOL DISTRICT

## Notes to the Basic Financial Statements, Continued

### **Investments**

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

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

### **Rate of Return**

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

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

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

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

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

*Discount Rate:* The discount rate used to measure the total pension and OPEB liabilities and assets is 7.25%. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes.

## ANNETTE ISLANDS SCHOOL DISTRICT

### Notes to the Basic Financial Statements, Continued

Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.21% as of June 30, 2024.

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

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

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

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

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

ANNETTE ISLANDS SCHOOL DISTRICT

Notes to the Basic Financial Statements, Continued

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

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

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

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

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

## ANNETTE ISLANDS SCHOOL DISTRICT

### Notes to the Basic Financial Statements, Continued

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

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

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

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

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

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

## ANNETTE ISLANDS SCHOOL DISTRICT

### Notes to the Basic Financial Statements, Continued

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

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

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

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

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

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

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

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 237,561	20,914	258,475

### Public Employees' Retirement Plans

For the year ended June 30, 2025 the State of Alaska contributed \$87,452 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2024 to a total of \$234,625 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

ANNETTE ISLANDS SCHOOL DISTRICT

Notes to the Basic Financial Statements, Continued

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

Defined Benefit:	Pension
District's proportionate share of the net pension liability	\$ 3,554,333
State's proportionate share of the net pension liability	<u>1,329,483</u>
Total	\$ <u>4,883,816</u>
	OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (1,430,470)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(532,002)</u>
Total	\$ <u>(1,962,472)</u>
District's proportionate share of the ODD OPEB liability (asset)	\$ <u>(59,000)</u>
District's proportionate share of the RMP OPEB liability (asset)	\$ <u>(55,305)</u>
Total District's share of net pension and OPEB liabilities and assets	\$ <u>2,009,558</u>

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

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

	June 30, 2024 Measurement	June 30, 2023 Measurement	Change
Pension	0.06481%	0.07573%	(0.01092%)
OPEB:			
ARHCT	0.06496%	0.07550%	(0.01054%)
ODD	0.09883%	0.10987%	(0.01104%)
RMP	0.11864%	0.13158%	(0.01294%)

ANNETTE ISLANDS SCHOOL DISTRICT

Notes to the Basic Financial Statements, Continued

Based on the measurement date of June 30, 2024, the District recognized pension and OPEB expense of \$171,051 and \$274,910, respectively, for the year ended June 30, 2025. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	34,216	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	<u>237,561</u>	-
Total	<u>\$ 271,777</u>	<u>-</u>
OPEB ARHCT		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 775	-
Changes of assumptions	38,406	-
Net difference between projected and actual earnings on OPEB plan investments	21,783	-
Changes in proportion and differences between District contributions and proportionate share of contributions	41,894	-
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 102,858</u>	<u>-</u>

ANNETTE ISLANDS SCHOOL DISTRICT

Notes to the Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(13,821)
Changes of assumptions	-	(146)
Net difference between projected and actual earnings on OPEB plan investments	188	-
Changes in proportion and differences between District contributions and proportionate share of contributions	6,776	(4,790)
District contributions subsequent to the measurement date	4,691	-
Total	<u>\$ 11,655</u>	<u>(18,757)</u>
 OPEB RMP		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,392	(6,146)
Changes of assumptions	18,715	(37,179)
Net difference between projected and actual earnings on OPEB plan investments	780	-
Changes in proportion and differences between District contributions and proportionate share of contributions	4,157	(179)
District contributions subsequent to the measurement date	16,223	-
Total	<u>\$ 41,267</u>	<u>(43,504)</u>

\$237,561 and \$20,914 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended June 30, 2026, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2025	\$ (95,263)	663	(4,048)	(6,853)
2026	177,347	144,280	(1,854)	998
2027	(26,179)	(23,125)	(2,837)	(7,296)
2028	(21,689)	(18,960)	(2,284)	(4,999)
2029	-	-	(1,014)	(2,736)
Thereafter	-	-	244	2,426
Total	<u>\$ 34,216</u>	<u>102,858</u>	<u>(11,793)</u>	<u>(18,460)</u>

ANNETTE ISLANDS SCHOOL DISTRICT

Notes to the Basic Financial Statements, Continued

For the year ended June 30, 2025, the District recognized (\$613,998) and \$192,644 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 (asset)	\$ 4,734,706	3,554,333	2,555,454
Net OPEB ARHCT liability (asset)	\$ (905,752)	(1,430,470)	(1,872,032)
Net OPEB ODD liability (asset)	\$ (55,418)	(59,000)	(61,808)
Net OPEB RMP liability (asset)	\$ 9,580	(55,305)	(104,899)

*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)	\$ (1,922,443)	(1,430,470)	(846,040)
Net OPEB ODD liability (asset)	\$ N/A	(59,000)	N/A
Net OPEB RMP liability (asset)	\$ (111,444)	(55,305)	20,022

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

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

Plan members are 100% vested with their contributions.

## ANNETTE ISLANDS SCHOOL DISTRICT

### Notes to the Basic Financial Statements, Continued

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 \$190,527 for the year ended June 30, 2025, which included forfeitures of \$26,565 which have been applied as employer contributions.

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

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

ANNETTE ISLANDS SCHOOL DISTRICT

Notes to the Basic Financial Statements, Continued

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

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

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 108,644	23,840	132,484

**Teachers' Retirement Plans**

For the year ended June 30, 2025 the State of Alaska contributed \$508,083 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2024 to a total of \$803,522 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

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

Defined Benefit:	Pension
District's proportionate share of the net pension liability	\$ 2,892,210
State's proportionate share of the net pension liability	4,973,296
Total	\$ 7,865,506
	OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (1,623,363)
State's proportionate share of the ARHCT OPEB liability (asset)	(2,625,050)
Total	\$ (4,248,413)
District's proportionate share of the ODD OPEB liability (asset)	\$ (42,069)
District's proportionate share of the RMP OPEB liability (asset)	\$ (118,652)
Total District's share of net pension and OPEB liabilities and assets	\$ 1,108,126

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

ANNETTE ISLANDS SCHOOL DISTRICT

Notes to the Basic Financial Statements, Continued

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

	June 30, 2024 Measurement	June 30, 2023 Measurement	Change
Pension	0.15635%	0.12957%	0.02678%
OPEB:			
ARHCT	0.16271%	0.13367%	0.02904%
ODD	0.52797%	0.57831%	(0.05034%)
RMP	0.52767%	0.57795%	(0.05028%)

Based on the measurement date of June 30, 2024, the District recognized pension and OPEB expense of \$1,525,251 and (\$138,210), respectively, for the year ended June 30, 2025. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	48,221	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	108,644	-
Total	<u>\$ 156,865</u>	<u>-</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(398)
Changes of assumptions	19,169	-
Net difference between projected and actual earnings on OPEB plan investments	20,567	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(27,548)
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 39,736</u>	<u>(27,946)</u>

ANNETTE ISLANDS SCHOOL DISTRICT

Notes to the Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(6,648)
Changes of assumptions	- -	(60)
Net difference between projected and actual earnings on OPEB plan investments	178	-
Changes in proportion and differences between District contributions and proportionate share of contributions	4,481	(4,126)
District contributions subsequent to the measurement date	2,509	-
Total	<u>\$ 7,168</u>	<u>(10,834)</u>
	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,563	(8,082)
Changes of assumptions	22,137	(46,041)
Net difference between projected and actual earnings on OPEB plan investments	1,689	-
Changes in proportion and differences between District contributions and proportionate share of contributions	10,699	(7,931)
District contributions subsequent to the measurement date	21,331	-
Total	<u>\$ 72,419</u>	<u>(62,054)</u>

\$108,644 and \$23,840 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended June 30, 2026, 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		OPEB	OPEB	OPEB
June 30,	Pension	ARHCT	ODD	RMP
2025	\$ (132,957)	(84,456)	(1,704)	(7,656)
2026	242,388	137,443	(539)	4,091
2027	(33,090)	(22,635)	(1,474)	(5,815)
2028	(28,120)	(18,562)	(1,047)	(5,021)
2029	-	-	(844)	(607)
Thereafter	-	-	(567)	4,042
Total	<u>\$ 48,221</u>	<u>11,790</u>	<u>(6,175)</u>	<u>(10,966)</u>

ANNETTE ISLANDS SCHOOL DISTRICT

Notes to the Basic Financial Statements, Continued

For the year ended June 30, 2025, the District recognized \$338,307 and (\$225,150) 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	\$ 4,195,821	2,892,210	1,788,693
Net OPEB ARHCT liability (asset)	\$ (1,118,822)	(1,623,363)	(2,045,578)
Net OPEB ODD liability (asset)	\$ (42,206)	(42,069)	(41,984)
Net OPEB RMP liability (asset)	\$ (31,317)	(118,652)	(184,601)

*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)	\$ (2,091,674)	(1,623,363)	(1,063,855)
Net OPEB ODD liability (asset)	\$ N/A	(42,069)	N/A
Net OPEB RMP liability (asset)	\$ (192,569)	(118,652)	(18,579)

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

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

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

## ANNETTE ISLANDS SCHOOL DISTRICT

### Notes to the Basic Financial Statements, Continued

The District contributed \$307,399 for the year ended June 30, 2025, which included forfeitures of \$51,371 which have been applied as employer contributions.

#### **E. Subsequent Accounting Pronouncements**

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

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

GASB Statement No. 103 will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The changes primarily include updates to three key areas: management's discussion and analysis, presentation of proprietary fund financial statements, and budgetary comparison information. This Statement also addresses certain application issues.

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

#### **F. Change in Accounting Principle**

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. This Statement modifies the recognition and measurement of the compensated absences liability. Prior to the implementation of GASB Statement No. 101, the District did not include certain balances related to sick leave. Under GASB Statement No. 101, all earned, accumulating leave that is more likely than not to be paid or settled, is included in the measurement of compensated absences. The District records its long-term liabilities to recognize that portion of leave in the compensated absences balance as of June 30, 2025. The implementation of the standard was not considered material to the District.

# **REQUIRED SUPPLEMENTARY INFORMATION**

## ANNETTE ISLANDS SCHOOL DISTRICT

## School Operating Fund

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

Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
Earnings on investments	\$ 300,000	445,000	463,389	18,389
E-rate	121,677	140,562	140,562	-
Other	4,000	1,500	32,389	30,889
Intergovernmental:				
State of Alaska	4,167,141	4,428,188	4,352,626	(75,562)
Federal sources	5,700,000	6,107,904	6,107,904	-
Total revenues	<u>10,292,818</u>	<u>11,123,154</u>	<u>11,096,870</u>	<u>(26,284)</u>
<b>Expenditures:</b>				
Current:				
Instruction	3,747,612	3,514,838	3,424,156	90,682
Special education instruction	1,480,675	1,190,817	1,145,500	45,317
Special education support services - students	349,151	339,524	338,593	931
Support services - students	536,386	545,423	533,570	11,853
Support services - instruction	405,842	354,498	351,910	2,588
School administration	638,148	578,596	563,282	15,314
School administration support services	213,937	229,150	226,319	2,831
District administration	604,158	580,206	570,691	9,515
District administration support services	682,816	658,562	650,079	8,483
Operations and maintenance of plant	1,564,344	1,453,540	1,424,704	28,836
Student activities	534,038	578,546	584,856	(6,310)
Student transportation - to and from school	-	1,322	1,306	16
Community service	37,981	39,597	38,699	898
Food services	-	13,700	11,073	2,627
Total expenditures	<u>10,795,088</u>	<u>10,078,319</u>	<u>9,864,738</u>	<u>213,581</u>
Excess (deficiency) of revenues over expenditures	(502,270)	1,044,835	1,232,132	187,297
Other financing sources (uses) -				
Transfers out	<u>(416,000)</u>	<u>(1,044,835)</u>	<u>(1,691,846)</u>	<u>(647,011)</u>
Net change in fund balance	\$ <u>(918,270)</u>	<u>-</u>	<u>(459,714)</u>	<u>(459,714)</u>
Fund balance, beginning of year			<u>7,586,400</u>	
Fund balance, end of year			\$ <u>7,126,686</u>	

See accompanying notes to the Required Supplementary Information.

## ANNETTE ISLANDS SCHOOL DISTRICT

## Forest Receipts Education Special Revenue Fund

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

Year Ended June 30, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Local sources -			
Earnings on investments	\$ 94,740	94,734	(6)
Intergovernmental -			
Federal sources passed through the State of Alaska	13,930	13,930	-
Total revenues	<u>108,670</u>	<u>108,664</u>	<u>(6)</u>
<b>Expenditures:</b>			
Current:			
Instruction	481,590	481,542	48
Special education instruction	79,310	79,283	27
Total expenditures	<u>560,900</u>	<u>560,825</u>	<u>75</u>
Excess (deficiency) of revenues over expenditures	(452,230)	(452,161)	69
<b>Other financing sources:</b>			
Transfer in - School Operating Fund	<u>946,846</u>	<u>946,846</u>	<u>-</u>
Net change in fund balance	\$ <u>494,616</u>	<u>494,685</u>	<u>(69)</u>
Fund balance, beginning of year		<u>1,490,076</u>	
Fund balance, end of year	\$ <u>1,984,761</u>		

## ANNETTE ISLAND SCHOOL DISTRICT

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

## Public Employees' Retirement System (PERS)

June 30, 2025

Year	District's Proportion of the Net Pension Liability	District's Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.1566%	\$ 2,742,472	\$ 734,190	\$ 3,476,662	\$ 1,195,190	229.46%	63.96%
2017	0.0388%	\$ 2,165,824	\$ 275,176	\$ 2,441,000	\$ 1,124,357	192.63%	59.55%
2018	0.0388%	\$ 2,003,736	\$ 746,621	\$ 2,750,357	\$ 1,208,713	165.77%	63.37%
2019	0.0410%	\$ 2,037,476	\$ 589,024	\$ 2,626,500	\$ 1,311,014	155.41%	65.19%
2020	0.0444%	\$ 2,431,131	\$ 965,234	\$ 3,396,365	\$ 1,303,955	186.44%	63.42%
2021	0.0444%	\$ 2,621,559	\$ 1,086,412	\$ 3,707,971	\$ 1,496,529	175.18%	61.61%
2022	0.0701%	\$ 2,571,047	\$ 347,757	\$ 2,918,804	\$ 1,911,259	134.52%	76.46%
2023	0.0707%	\$ 3,601,749	\$ 995,578	\$ 4,597,327	\$ 2,286,450	157.53%	67.97%
2024	0.0758%	\$ 3,926,797	\$ 1,308,932	\$ 5,235,729	\$ 2,333,891	168.25%	68.23%
2025	0.0648%	\$ 3,554,333	\$ 1,329,483	\$ 4,883,816	\$ 2,321,886	153.08%	67.81%

See accompanying notes to Required Supplementary Information.

## ANNETTE ISLAND SCHOOL DISTRICT

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

## Public Employees' Retirement System (PERS)

June 30, 2025

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>							
2018	0.0388%	\$ 327,780	\$ 122,335	\$ 450,115	\$ 1,208,713	27.12%	89.68%
2019	0.0411%	\$ 421,257	\$ 122,221	\$ 543,478	\$ 1,311,014	32.13%	88.12%
2020	0.0445%	\$ 66,068	\$ 26,146	\$ 92,214	\$ 1,303,955	5.07%	98.13%
2021	0.0444%	\$ (201,011)	\$ (83,213)	\$ (284,224)	\$ 1,496,529	-13.43%	106.15%
2022	0.0704%	\$ (1,806,206)	\$ (234,554)	\$ (2,040,760)	\$ 1,911,259	-94.50%	135.54%
2023	0.0702%	\$ (1,380,623)	\$ (396,039)	\$ (1,776,662)	\$ 2,286,450	-60.38%	128.51%
2024	0.0755%	\$ (1,737,958)	\$ (581,800)	\$ (2,319,758)	\$ 2,333,891	-74.47%	133.96%
2025	0.0650%	\$ (1,430,470)	\$ (532,002)	\$ (1,962,472)	\$ 2,321,886	-61.61%	130.59%
<b>Occupational Death and Disability (ODD):</b>							
2018	0.1010%	\$ (14,334)	\$ -	\$ (14,334)	\$ 1,208,713	-1.19%	212.97%
2019	0.1086%	\$ (21,090)	\$ -	\$ (21,090)	\$ 1,311,014	-1.61%	270.62%
2020	0.0807%	\$ (19,558)	\$ -	\$ (19,558)	\$ 1,303,955	-1.50%	297.43%
2021	0.0886%	\$ (24,148)	\$ -	\$ (24,148)	\$ 1,496,529	-1.61%	283.80%
2022	0.1062%	\$ (46,784)	\$ -	\$ (46,784)	\$ 1,911,259	-2.45%	374.22%
2023	0.1196%	\$ (52,419)	\$ -	\$ (52,419)	\$ 2,286,450	-2.29%	348.80%
2024	0.1099%	\$ (56,370)	\$ -	\$ (56,370)	\$ 2,333,891	-2.42%	349.24%
2025	0.0988%	\$ (59,000)	\$ -	\$ (59,000)	\$ 2,321,886	-2.54%	346.81%
<b>Retiree Medical Plan (RMP):</b>							
2018	0.1010%	\$ 5,268	\$ -	\$ 5,268	\$ 617,723	0.85%	93.98%
2019	0.1086%	\$ 13,818	\$ -	\$ 13,818	\$ 617,723	2.24%	88.71%
2020	0.1015%	\$ 24,278	\$ -	\$ 24,278	\$ 557,018	4.36%	83.17%
2021	0.1106%	\$ 7,842	\$ -	\$ 7,842	\$ 704,338	1.11%	92.23%
2022	0.1250%	\$ (33,563)	\$ -	\$ (33,563)	\$ 869,582	-3.86%	115.10%
2023	0.1407%	\$ (48,877)	\$ -	\$ (48,877)	\$ 1,013,782	-4.82%	120.08%
2024	0.1316%	\$ (62,478)	\$ -	\$ (62,478)	\$ 1,017,932	-6.14%	124.29%
2025	0.1186%	\$ (55,305)	\$ -	\$ (55,305)	\$ 1,015,041	-5.45%	119.87%

See accompanying notes to Required Supplementary Information.

## ANNETTE ISLAND SCHOOL DISTRICT

## Schedule of District's Contributions (Pensions)

## Public Employees' Retirement System (PERS)

June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution			District's Covered Payroll	Contributions as a Percentage of Covered Payroll
		Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll		
2016	\$ 78,418	\$ (78,418)	\$ -	\$ 1,124,357	6.97%	
2017	\$ 105,129	\$ (105,129)	\$ -	\$ 1,208,713	8.70%	
2018	\$ 112,535	\$ (112,535)	\$ -	\$ 1,311,014	8.58%	
2019	\$ 109,932	\$ (111,444)	\$ (1,512)	\$ 1,303,955	8.43%	
2020	\$ 116,725	\$ (104,056)	\$ 12,669	\$ 1,496,529	7.80%	
2021	\$ 191,778	\$ (195,110)	\$ (3,332)	\$ 1,911,259	10.03%	
2022	\$ 248,788	\$ (244,495)	\$ 4,293	\$ 2,286,450	10.88%	
2023	\$ 255,945	\$ (258,105)	\$ (2,160)	\$ 2,333,891	10.97%	
2024	\$ 263,216	\$ (257,892)	\$ 5,324	\$ 2,321,886	11.34%	
2025	\$ 237,561	\$ (237,561)	\$ -	\$ 2,040,918	11.64%	

See accompanying notes to Required Supplementary Information.

## ANNETTE ISLAND SCHOOL DISTRICT

## Schedule of District's Contributions (OPEB)

## Public Employees' Retirement System (PERS)

June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>					
2018	\$ 32,146	\$ (32,146)	\$ -	\$ 1,311,014	2.45%
2019	\$ 37,679	\$ (37,679)	\$ -	\$ 1,303,955	2.89%
2020	\$ 46,620	\$ (46,620)	\$ -	\$ 1,496,529	3.12%
2021	\$ 5,191	\$ (5,191)	\$ -	\$ 1,911,259	0.27%
2022	\$ 4,781	\$ (4,781)	\$ -	\$ 2,286,450	0.21%
2023	\$ -	\$ -	\$ -	\$ 2,333,891	0.00%
2024	\$ -	\$ -	\$ -	\$ 2,321,886	0.00%
2025	\$ -	\$ -	\$ -	\$ 2,040,918	0.00%
<b>Occupational Death and Disability (ODD):</b>					
2018	\$ 1,965	\$ (1,965)	\$ -	\$ 1,311,014	0.15%
2019	\$ 3,294	\$ (3,294)	\$ -	\$ 1,303,955	0.25%
2020	\$ 3,885	\$ (3,885)	\$ -	\$ 1,496,529	0.26%
2021	\$ 5,662	\$ (5,662)	\$ -	\$ 1,911,259	0.30%
2022	\$ 6,899	\$ (6,899)	\$ -	\$ 2,286,450	0.30%
2023	\$ 6,731	\$ (6,731)	\$ -	\$ 2,333,891	0.29%
2024	\$ 6,782	\$ (6,782)	\$ -	\$ 2,321,886	0.29%
2025	\$ 4,691	\$ (4,691)	\$ -	\$ 2,040,918	0.23%
<b>Retiree Medical Plan (RMP):</b>					
2018	\$ 12,659	\$ (12,659)	\$ -	\$ 617,723	2.05%
2019	\$ 11,909	\$ (11,909)	\$ -	\$ 557,018	2.14%
2020	\$ 19,721	\$ (19,721)	\$ -	\$ 704,338	2.80%
2021	\$ 23,206	\$ (23,206)	\$ -	\$ 869,582	2.67%
2022	\$ 23,812	\$ (23,812)	\$ -	\$ 1,013,782	2.35%
2023	\$ 24,675	\$ (24,675)	\$ -	\$ 1,017,932	2.42%
2024	\$ 22,832	\$ (22,832)	\$ -	\$ 1,015,041	2.25%
2025	\$ 16,223	\$ (16,223)	\$ -	\$ 866,032	1.87%

See accompanying notes to Required Supplementary Information.

## ANNETTE ISLAND SCHOOL DISTRICT

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

## Teachers' Retirement System (TRS)

June 30, 2025

Year	District's Proportion of the Net Pension Liability	District's 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 Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.1124%	\$ 2,091,439	\$ 3,339,646	\$ 5,431,085	\$ 4,540,371	46.06%	73.82%
2017	0.1559%	\$ 3,559,111	\$ 4,226,445	\$ 7,785,556	\$ 4,709,751	75.57%	68.40%
2018	0.1041%	\$ 2,110,082	\$ 3,685,066	\$ 5,795,148	\$ 4,600,632	45.87%	72.39%
2019	0.1094%	\$ 2,093,567	\$ 3,112,116	\$ 5,205,683	\$ 3,615,917	57.90%	74.09%
2020	0.1285%	\$ 2,400,811	\$ 3,564,147	\$ 5,964,958	\$ 2,636,744	91.05%	74.68%
2021	0.0814%	\$ 1,655,518	\$ 2,874,911	\$ 4,530,429	\$ 2,581,970	64.12%	72.81%
2022	0.1700%	\$ 1,353,427	\$ 1,148,898	\$ 2,502,325	\$ 3,039,896	44.52%	89.43%
2023	0.1640%	\$ 2,735,318	\$ 3,643,873	\$ 6,379,191	\$ 3,052,404	89.61%	78.33%
2024	0.1296%	\$ 2,278,410	\$ 3,596,678	\$ 5,875,088	\$ 3,462,293	65.81%	77.62%
2025	0.1564%	\$ 2,892,210	\$ 4,973,296	\$ 7,865,506	\$ 3,381,441	85.53%	77.07%

See accompanying notes to Required Supplementary Information.

## ANNETTE ISLAND SCHOOL DISTRICT

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

## Teachers' Retirement System (TRS)

June 30, 2025

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>							
2018	0.1038%	\$ 190,842	\$ 334,955	\$ 525,797	\$ 4,600,632	4.15%	93.75%
2019	0.1094%	\$ 340,046	\$ 505,710	\$ 845,756	\$ 3,615,917	9.40%	90.23%
2020	0.1282%	\$ (195,981)	\$ (291,907)	\$ (487,888)	\$ 2,636,744	-7.43%	105.50%
2021	0.0812%	\$ (289,997)	\$ (506,307)	\$ (796,304)	\$ 2,581,970	-11.23%	113.78%
2022	0.1768%	\$ (2,055,486)	\$ (1,596,994)	\$ (3,652,480)	\$ 3,039,896	-67.62%	145.41%
2023	0.1672%	\$ (1,465,627)	\$ (1,887,135)	\$ (3,352,762)	\$ 3,052,404	-48.02%	134.84%
2024	0.1337%	\$ (1,350,872)	\$ (2,034,511)	\$ (3,385,383)	\$ 3,462,293	-39.02%	140.49%
2025	0.1627%	\$ (1,623,363)	\$ (2,625,050)	\$ (4,248,413)	\$ 3,381,441	-48.01%	137.40%
<b>Occupational Death and Disability (ODD):</b>							
2018	0.5003%	\$ (16,351)	\$ -	\$ (16,351)	\$ 4,600,632	-0.36%	1342.59%
2019	0.5102%	\$ (17,886)	\$ -	\$ (17,886)	\$ 3,615,917	-0.49%	1304.81%
2020	0.5304%	\$ (21,328)	\$ -	\$ (21,328)	\$ 2,636,744	-0.81%	1409.77%
2021	0.5214%	\$ (22,447)	\$ -	\$ (22,447)	\$ 2,581,970	-0.87%	931.08%
2022	0.5796%	\$ (35,324)	\$ -	\$ (35,324)	\$ 3,039,896	-1.16%	1254.36%
2023	0.5212%	\$ (31,481)	\$ -	\$ (31,481)	\$ 3,052,404	-1.03%	1268.28%
2024	0.5783%	\$ (40,014)	\$ -	\$ (40,014)	\$ 3,462,293	-1.16%	1410.42%
2025	0.5280%	\$ (42,069)	\$ -	\$ (42,069)	\$ 3,381,441	-1.24%	1600.56%
<b>Retiree Medical Plan (RMP):</b>							
2018	0.5003%	\$ (23,716)	\$ -	\$ (23,716)	\$ 1,491,139	-1.59%	118.16%
2019	0.5102%	\$ (16,315)	\$ -	\$ (16,315)	\$ 1,154,833	-1.41%	109.56%
2020	0.5299%	\$ (20,329)	\$ -	\$ (20,329)	\$ 1,645,207	-1.24%	110.03%
2021	0.5232%	\$ (51,610)	\$ -	\$ (51,610)	\$ 1,734,349	-2.98%	125.59%
2022	0.5794%	\$ (116,338)	\$ -	\$ (116,338)	\$ 2,132,691	-5.45%	142.54%
2023	0.5203%	\$ (100,751)	\$ -	\$ (100,751)	\$ 2,066,075	-4.88%	140.73%
2024	0.5780%	\$ (128,021)	\$ -	\$ (128,021)	\$ 2,351,441	-5.44%	140.71%
2025	0.5277%	\$ (118,652)	\$ -	\$ (118,652)	\$ 2,296,242	-5.17%	134.72%

See accompanying notes to Required Supplementary Information.

## ANNETTE ISLAND SCHOOL DISTRICT

## Schedule of District's Contributions (Pensions)

## Teachers' Retirement System (TRS)

June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution			District's Covered Payroll	Contributions as a Percentage of Covered Payroll
		Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll		
2016	\$ 70,301	\$ (70,301)	\$ -	\$ 4,709,751		1.49%
2017	\$ 67,477	\$ (67,477)	\$ -	\$ 4,600,632		1.47%
2018	\$ 64,186	\$ (64,186)	\$ -	\$ 3,615,917		1.78%
2019	\$ 70,126	\$ (71,948)	\$ (1,822)	\$ 2,636,744		2.66%
2020	\$ 53,213	\$ (51,391)	\$ 1,822	\$ 2,581,970		2.06%
2021	\$ 59,143	\$ (58,668)	\$ 475	\$ 3,039,896		1.95%
2022	\$ 68,989	\$ (68,989)	\$ -	\$ 3,052,404		2.26%
2023	\$ 107,971	\$ (111,291)	\$ (3,320)	\$ 3,462,293		3.12%
2024	\$ 110,201	\$ (109,886)	\$ 315	\$ 3,381,441		3.26%
2025	\$ 111,650	\$ (108,644)	\$ 3,006	\$ 3,502,253		3.19%

See accompanying notes to Required Supplementary Information.

## ANNETTE ISLAND SCHOOL DISTRICT

## Schedule of District's Contributions (OPEB)

## Teachers' Retirement System (TRS)

June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>					
2018	\$ 31,787	\$ (31,787)	\$ -	\$ 3,615,917	0.88%
2019	\$ 34,584	\$ (34,584)	\$ -	\$ 2,636,744	1.31%
2020	\$ 30,017	\$ (30,017)	\$ -	\$ 2,581,970	1.16%
2021	\$ 28,749	\$ (28,749)	\$ -	\$ 3,039,896	0.95%
2022	\$ 31,587	\$ (31,587)	\$ -	\$ 3,052,404	1.03%
2023	\$ -	\$ -	\$ -	\$ 3,462,293	0.00%
2024	\$ -	\$ -	\$ -	\$ 3,381,441	0.00%
2025	\$ -	\$ -	\$ -	\$ 3,502,253	0.00%
<b>Occupational Death and Disability (ODD):</b>					
2018	\$ -	\$ -	\$ -	\$ 3,615,917	0.00%
2019	\$ 1,656	\$ (1,656)	\$ -	\$ 2,636,744	0.06%
2020	\$ 1,713	\$ (1,713)	\$ -	\$ 2,581,970	0.07%
2021	\$ 2,098	\$ (2,098)	\$ -	\$ 3,039,896	0.07%
2022	\$ 21,258	\$ (21,258)	\$ -	\$ 3,052,404	0.70%
2023	\$ 2,377	\$ (2,377)	\$ -	\$ 3,462,293	0.07%
2024	\$ 2,348	\$ (2,348)	\$ -	\$ 3,381,441	0.07%
2025	\$ 2,509	\$ (2,509)	\$ -	\$ 3,502,253	0.07%
<b>Retiree Medical Plan (RMP):</b>					
2018	\$ 16,687	\$ (16,687)	\$ -	\$ 1,154,833	1.44%
2019	\$ 16,348	\$ (16,348)	\$ -	\$ 1,645,207	0.99%
2020	\$ 23,340	\$ (23,340)	\$ -	\$ 1,734,349	1.35%
2021	\$ 24,430	\$ (24,430)	\$ -	\$ 2,132,691	1.15%
2022	\$ 123,883	\$ (123,883)	\$ -	\$ 2,066,075	6.00%
2023	\$ 25,855	\$ (25,855)	\$ -	\$ 2,351,441	1.10%
2024	\$ 24,067	\$ (24,067)	\$ -	\$ 2,296,242	1.05%
2025	\$ 21,331	\$ (21,331)	\$ -	\$ 2,447,444	0.87%

See accompanying notes to Required Supplementary Information.

# ANNETTE ISLANDS SCHOOL DISTRICT

## Notes to Required Supplementary Information

June 30, 2025

### **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 all governmental fund types except capital project funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year end.

The adopted School Operating Fund budget is submitted to the School Board for review and approval. 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.

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

	<u>Amount in Excess of Appropriations</u>
Student activities	\$ 6,310

Excess of expenditures over appropriations were funded through available revenues and fund balance.

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. Public Employees' Retirement System**

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

The table is presented based on the Plan measurement date which 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, 2022 to June 30, 2023**

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

## ANNETTE ISLANDS SCHOOL DISTRICT

### Notes to Required Supplementary Information, Continued

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

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

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

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

#### *Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan*

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

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

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

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

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

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

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

#### **Schedule of District Contributions (Pension) and (OPEB)**

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

### **3. Teachers' Retirement System**

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

The table is presented based on the Plan measurement date which 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, 2022 to June 30, 2023**

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

ANNETTE ISLANDS SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

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

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

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

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

*Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plans*

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

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

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

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**Schedule of District Contributions (Pension) and (OPEB)**

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

## **SUPPLEMENTARY INFORMATION**

## ANNETTE ISLANDS SCHOOL DISTRICT

## School Operating Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Local sources:			
Earnings on investments	\$ 445,000	463,389	18,389
E-rate	140,562	140,562	-
Other	1,500	32,389	30,889
Intergovernmental:			
State of Alaska:			
Foundation program	3,078,521	3,078,521	-
Quality schools	15,558	15,558	-
On-behalf TRS	556,662	508,083	(48,579)
On-behalf PERS	114,435	87,452	(26,983)
Other state revenues	663,012	663,012	-
Federal sources -			
Impact aid	6,107,904	6,107,904	-
Total revenues	<u>11,123,154</u>	<u>11,096,870</u>	<u>(26,284)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Certificated salaries	1,826,955	1,827,812	(857)
Non-certificated salaries	158,023	158,023	-
Employee benefits	1,297,550	1,217,698	79,852
Transportation allowance	5,789	5,789	-
Professional and technical services	15,487	15,487	-
Staff travel	14,424	11,721	2,703
Student travel	37,468	38,830	(1,362)
Utility services	6,000	5,900	100
Other purchased services	900	900	-
Supplies, materials and media	152,117	141,871	10,246
Tuition - stipends and students	125	125	-
Total instruction	<u>3,514,838</u>	<u>3,424,156</u>	<u>90,682</u>
Special education instruction:			
Certificated salaries	271,453	271,453	-
Non-certificated salaries	522,700	522,700	-
Employee benefits	381,346	337,855	43,491
Professional and technical services	3,269	3,269	-
Student travel	4,849	4,186	663
Supplies, materials and media	7,200	6,037	1,163
Total special education instruction	<u>1,190,817</u>	<u>1,145,500</u>	<u>45,317</u>
Special education support services - students:			
Certificated salaries	106,391	106,390	1
Employee benefits	78,618	75,679	2,939
Professional and technical services	136,275	138,418	(2,143)
Staff travel	8,500	8,456	44
Supplies, materials and media	4,200	4,110	90
Other purchased services	5,540	5,540	-
Total special education support - students	<u>339,524</u>	<u>338,593</u>	<u>931</u>

(continued)

## ANNETTE ISLANDS SCHOOL DISTRICT

## School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Current:			
Support services - students:			
Certificated salaries	\$ 189,332	189,332	-
Non-certificated salaries	109,565	109,786	(221)
Employee benefits	201,250	192,239	9,011
Professional and technical services	36,000	33,082	2,918
Supplies, materials and media	9,276	9,131	145
Total support services - students	<u>545,423</u>	<u>533,570</u>	<u>11,853</u>
Support services - instruction:			
Certificated salaries	22,750	22,750	-
Non-certificated salaries	33,604	34,120	(516)
Employee benefits	19,590	18,004	1,586
Professional and technical services	18,591	18,766	(175)
Utility services	181,808	180,800	1,008
Other purchased services	50,500	50,452	48
Supplies, materials and media	27,655	27,018	637
Total support services - instruction	<u>354,498</u>	<u>351,910</u>	<u>2,588</u>
School administration:			
Certificated salaries	358,325	358,325	-
Employee benefits	204,746	190,861	13,885
Staff travel	8,077	8,077	-
Supplies, materials and media	5,573	4,144	1,429
Other	1,875	1,875	-
Total school administration	<u>578,596</u>	<u>563,282</u>	<u>15,314</u>
School administration support services:			
Non-certificated salaries	129,183	129,161	22
Employee benefits	99,967	97,158	2,809
Total school administration support services	<u>229,150</u>	<u>226,319</u>	<u>2,831</u>
District administration:			
Certificated salaries	166,985	166,985	-
Non-certificated salaries	133,834	133,834	-
Employee benefits	176,073	166,693	9,380
Professional and technical services	36,142	36,142	-
Staff travel	21,907	21,862	45
Other purchased services	6,290	6,290	-
Supplies, materials and media	15,300	15,223	77
Tuition - students and stipends	7,700	7,700	-
Other	15,975	15,962	13
Total district administration	<u>580,206</u>	<u>570,691</u>	<u>9,515</u>

(continued)

## ANNETTE ISLANDS SCHOOL DISTRICT

## School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Current:			
District administration support services:			
Certificated salaries	\$ 4,750	4,750	-
Non-certificated salaries	251,643	251,482	161
Employee benefits	202,295	196,525	5,770
Professional and technical services	67,083	64,788	2,295
Staff travel	10,700	10,660	40
Other purchased services	27,400	27,063	337
Insurance and bond premiums	96,436	96,436	-
Supplies, materials and media	56,455	56,436	19
Other	2,800	3,094	(294)
Indirect cost recovery	(61,000)	(61,155)	155
Total district administration support services	658,562	650,079	8,483
Operations and maintenance of plant:			
Certificated salaries	12,000	12,000	-
Non-certificated salaries	416,323	421,679	(5,356)
Employee benefits	213,668	198,817	14,851
Professional and technical services	38,613	36,365	2,248
Staff travel	5,300	5,233	67
Utility services	15,599	15,599	-
Energy	436,390	442,276	(5,886)
Other purchased services	55,768	48,686	7,082
Insurance and bond premiums	102,703	103,653	(950)
Supplies, materials and media	157,176	140,396	16,780
Total operations and maintenance of plant	1,453,540	1,424,704	28,836
Student activities:			
Certificated salaries	97,101	97,101	-
Non-certificated salaries	86,268	86,268	-
Employee benefits	31,443	39,155	(7,712)
Professional and technical services	1,825	1,315	510
Staff travel	15,276	15,276	-
Student travel	320,711	318,221	2,490
Supplies, materials and media	22,827	24,441	(1,614)
Other	3,095	3,079	16
Total student activities	578,546	584,856	(6,310)

(continued)

## ANNETTE ISLANDS SCHOOL DISTRICT

## School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Expenditures, continued:</b>			
Current:			
Student transportation - to and from school -			
Employee benefits	\$ 1,322	1,306	16
Community services:			
Non-certificated salaries	27,798	27,681	117
Employee benefits	9,973	9,192	781
Staff travel	523	523	-
Supplies, materials and media	1,303	1,303	-
Total community services	39,597	38,699	898
Food services -			
Employee benefits	13,700	11,073	2,627
Total expenditures	10,078,319	9,864,738	213,581
Excess of revenues over expenditures	1,044,835	1,232,132	187,297
<b>Other financing sources (uses):</b>			
Transfers out:			
Student Transportation Special Revenue Fund	(7,000)	(30,000)	(23,000)
Food Service Special Revenue Fund	(320,000)	(320,000)	-
Distance Learning and Telemed			
Special Revenue Fund	(250,000)	(250,000)	-
Forest Receipts Education Special Revenue Fund	(322,835)	(946,846)	(624,011)
New Visions Special Revenue Fund	(8,000)	(8,000)	-
School Housing Special Revenue Fund	(20,000)	(20,000)	-
District-wide Major Maintenance			
Capital Project Fund	(117,000)	(117,000)	-
Total other financing sources (uses)	(1,044,835)	(1,691,846)	(647,011)
Net change in fund balance	\$ -	(459,714)	(459,714)
Fund balance, beginning of year		7,586,400	
Fund balance, end of year	\$ 7,126,686		

## ANNETTE ISLANDS SCHOOL DISTRICT

## Administration and Facilities Buildings Capital Project Fund

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance

Year Ended June 30, 2025

Revenues	\$ _____ -
<b>Expenditures:</b>	
Construction and facilities acquisition:	
Professional and technical services	2,754,093
Supplies, materials and media	32,930
Equipment	64,651
Total expenditures	<u>2,851,674</u>
Excess (deficiency) of revenues over expenditures	(2,851,674)
Fund balance, beginning of year	<u>3,859,300</u>
Fund balance, end of year	\$ <u>1,007,626</u>

## ANNETTE ISLANDS SCHOOL DISTRICT

## District-wide Major Maintenance Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance

Year Ended June 30, 2025

## Revenues:

## Local sources:

Earnings on investments	\$ 88,446
Other	12,343
<b>Total revenues</b>	<b>100,789</b>

## Expenditures:

## Current:

Instruction -	
Supplies, materials and media	5,621

## Operations and maintenance of plant:

Non-certificated salaries	44,168
Employee benefits	8,146
Professional and technical services	74,269
Supplies, materials and media	47,069
Equipment	38,236
<b>Total operations and maintenance of plant</b>	<b>211,888</b>

<b>Total expenditures</b>	<b>217,509</b>
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## Excess (deficiency) of revenues over expenditures

(116,720)

## Other financing source:

Transfer in - School Operating Fund	117,000
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Net change in fund balance	280
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Fund balance, beginning of year	3,508,689
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Fund balance, end of year	\$ 3,508,969
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## ANNETTE ISLANDS SCHOOL DISTRICT

## Forest Receipts Education Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Local sources -			
Earnings on investments	\$ 94,740	94,734	(6)
Intergovernmental -			
Federal sources passed through the State of Alaska	13,930	13,930	-
Total revenues	<u>108,670</u>	<u>108,664</u>	<u>(6)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Certificated salaries	241,550	241,546	4
Non-certificated salaries	54,070	54,058	12
Employee benefits	181,790	181,766	24
Supplies, materials and media	4,180	4,172	8
Total instruction	<u>481,590</u>	<u>481,542</u>	<u>48</u>
Special education instruction:			
Non-certificated salaries	59,350	59,345	5
Employee benefits	17,740	17,724	16
Supplies, materials and media	2,220	2,214	6
Total special education instruction	<u>79,310</u>	<u>79,283</u>	<u>27</u>
Total expenditures	<u>560,900</u>	<u>560,825</u>	<u>75</u>
Excess (deficiency) of revenues over expenditures	(452,230)	(452,161)	69
Other financing sources:			
Transfer in - School Operating Fund	<u>322,835</u>	<u>946,846</u>	<u>(624,011)</u>
Net change in fund balance	\$ <u>(129,395)</u>	<u>494,685</u>	<u>(624,080)</u>
Fund balance, beginning of year		<u>1,490,076</u>	
Fund balance, end of year	\$ <u>1,984,761</u>		

## ANNETTE ISLANDS SCHOOL DISTRICT

## Other Governmental Funds

## Combining Balance Sheet

June 30, 2025

Assets	Special Revenue Funds						
	Title II-A						
	Student Transportation	Hunter Education	Food Service	Teacher Training and Recruiting	Title I-A	School Improvement	Carl Perkins CTE
Accounts receivable	\$ -	-	5,356	3,243	81,573	10,817	8,739
Inventories	-	-	8,277	-	-	-	-
Due from other funds	23,789	369	46,017	-	-	-	-
<b>Total assets</b>	<b>23,789</b>	<b>369</b>	<b>59,650</b>	<b>3,243</b>	<b>81,573</b>	<b>10,817</b>	<b>8,739</b>
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts payable	-	369	-	-	-	-	-
Due to other funds	-	-	-	3,243	81,573	10,817	8,739
Unearned revenues	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>369</b>	<b>-</b>	<b>3,243</b>	<b>81,573</b>	<b>10,817</b>	<b>8,739</b>
Fund balances:							
Nonspendable -							
Inventories	-	-	8,277	-	-	-	-
Committed:							
Student transportation	23,789	-	-	-	-	-	-
Food service	-	-	51,373	-	-	-	-
Early childhood education	-	-	-	-	-	-	-
New visions	-	-	-	-	-	-	-
Distance learning	-	-	-	-	-	-	-
Imagination library	-	-	-	-	-	-	-
School housing	-	-	-	-	-	-	-
Leask family scholarship	-	-	-	-	-	-	-
Assigned -							
Capital improvements	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>23,789</b>	<b>-</b>	<b>59,650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 23,789</b>	<b>369</b>	<b>59,650</b>	<b>3,243</b>	<b>81,573</b>	<b>10,817</b>	<b>8,739</b>

(continued)

## ANNETTE ISLANDS SCHOOL DISTRICT

## Other Governmental Funds

## Combining Balance Sheet, Continued

Assets	Special Revenue Funds					
	Thru the Cultural Lens	Haa Latseen Initiative	Indian Education	Johnson O'Malley	Distance Learning and Telemed	New Visions
Accounts receivable	\$ -	10,000	48,971	-	-	-
Inventories	-	-	-	-	-	-
Due from other funds	4,446	-	-	26,645	250,000	12,150
Total assets	<u>4,446</u>	<u>10,000</u>	<u>48,971</u>	<u>26,645</u>	<u>250,000</u>	<u>12,150</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	-	-	782	-	-	-
Due to other funds	-	10,000	48,189	-	-	-
Unearned revenues	4,446	-	-	26,645	-	8,862
Total liabilities	<u>4,446</u>	<u>10,000</u>	<u>48,971</u>	<u>26,645</u>	<u>-</u>	<u>8,862</u>
Fund balances:						
Nonspendable -						
Inventories	-	-	-	-	-	-
Committed:						
Student transportation	-	-	-	-	-	-
Food service	-	-	-	-	-	-
Early childhood education	-	-	-	-	-	-
New visions	-	-	-	-	-	3,288
Distance learning	-	-	-	-	250,000	-
Imagination library	-	-	-	-	-	-
School housing	-	-	-	-	-	-
Leask family scholarship	-	-	-	-	-	-
Assigned -						
Capital improvements	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>3,288</u>
Total liabilities and fund balances	\$ <u>4,446</u>	<u>10,000</u>	<u>48,971</u>	<u>26,645</u>	<u>250,000</u>	<u>12,150</u>

(continued)

## ANNETTE ISLANDS SCHOOL DISTRICT

## Other Governmental Funds

## Combining Balance Sheet, Continued

Assets	Special Revenue Funds				Capital Project Funds			Total Other Governmental Funds
	School Housing	Imagination Library	Leask Family Scholarship	Total	HS Coil Flood Repair	Impact Aid		
Accounts receivable	\$ -	-	-	168,699	-	-		168,699
Inventories	-	-	-	8,277	-	-		8,277
Due from other funds	120,092	2,843	716	487,067	-	424,849		911,916
Total assets	<u>120,092</u>	<u>2,843</u>	<u>716</u>	<u>664,043</u>	<u>-</u>	<u>424,849</u>		<u>1,088,892</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	13,658	217	-	15,026	21,417	-		36,443
Due to other funds	-	-	-	162,561	3,391	-		165,952
Unearned revenues	-	-	-	39,953	-	-		39,953
Total liabilities	<u>13,658</u>	<u>217</u>	<u>-</u>	<u>217,540</u>	<u>24,808</u>	<u>-</u>		<u>242,348</u>
Fund balances:								
Nonspendable -								
Inventories	-	-	-	8,277	-	-		8,277
Committed:								
Student transportation	-	-	-	23,789	-	-		23,789
Food service	-	-	-	51,373	-	-		51,373
New visions	-	-	-	3,288	-	-		3,288
Distance learning	-	-	-	250,000	-	-		250,000
Imagination library	-	2,626	-	2,626	-	-		2,626
School housing	106,434	-	-	106,434	-	-		106,434
Leask family scholarship	-	-	716	716	-	-		716
Assigned -								
Capital improvements	-	-	-	-	-	424,849		424,849
Unassigned	-	-	-	-	(24,808)	-		(24,808)
Total fund balances	<u>106,434</u>	<u>2,626</u>	<u>716</u>	<u>446,503</u>	<u>(24,808)</u>	<u>424,849</u>		<u>846,544</u>
Total liabilities and fund balances	<u>\$ 120,092</u>	<u>2,843</u>	<u>716</u>	<u>664,043</u>	<u>-</u>	<u>424,849</u>		<u>1,088,892</u>

## ANNETTE ISLANDS SCHOOL DISTRICT

## Other Governmental Funds

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

Year Ended June 30, 2025

	Special Revenue Funds							
	Student Transportation	State Centennial Library	Department Reading	Hunter Education	Food Service	Title II-A Teacher Training and Recruiting	Title I-A	School Improvement
<b>Revenues:</b>								
Local sources:								
Charges for services - rentals	\$ -	-	-	-	-	-	-	-
Other	-	-	-	-	4,711	-	-	-
Intergovernmental:								
State of Alaska	59,544	7,000	10,000	22,369	-	-	-	-
Federal sources:								
Direct	-	-	-	-	-	-	-	-
Passed through the State of Alaska	-	-	-	-	286,584	40,516	251,937	28,100
Passed through other organizations	-	-	-	-	-	-	-	-
Total revenues	<u>59,544</u>	<u>7,000</u>	<u>10,000</u>	<u>22,369</u>	<u>291,295</u>	<u>40,516</u>	<u>251,937</u>	<u>28,100</u>
<b>Expenditures:</b>								
Current:								
Instruction	-	-	9,014	21,304	-	32,548	225,983	19,834
Special education instruction	-	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	1,110	-
Support services - instruction	-	-	-	-	-	-	-	5,495
District administration support services	-	-	986	1,065	-	7,968	24,844	2,771
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	66,123	-	-	-	-	-	-	-
Community services	-	7,000	-	-	-	-	-	-
Food services	-	-	-	-	<u>597,140</u>	-	-	-
Total expenditures	<u>66,123</u>	<u>7,000</u>	<u>10,000</u>	<u>22,369</u>	<u>597,140</u>	<u>40,516</u>	<u>251,937</u>	<u>28,100</u>
Excess (deficiency) of revenues over expenditures	(6,579)	-	-	-	(305,845)	-	-	-
Other financing sources -								
Transfers in	30,000	-	-	-	320,000	-	-	-
Net change in fund balances	23,421	-	-	-	14,155	-	-	-
Fund balances, beginning of year, as adjusted	368	-	-	-	45,495	-	-	-
Fund balances, end of year	\$ <u>23,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,650</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

## ANNETTE ISLANDS SCHOOL DISTRICT

## Other Governmental Funds

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued

	Special Revenue Funds							
	Title VI-B IDEA Part B	Title VI-B Section 619	Carl Perkins CTE	Thru the Cultural Lens	Family Violence Prevention Services	Haa Latseen Initiative	REAP	Indian Education
<b>Revenues:</b>								
Local sources:								
Charges for services - rentals	\$ -	-	-	-	-	-	-	-
Other	-	-	-	2,491	-	10,000	-	-
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	-
Federal sources:								
Direct	-	-	-	-	-	-	11,691	118,696
Passed through the State of Alaska	116,848	3,761	22,000	-	-	-	-	-
Passed through other organizations	-	-	-	-	13,184	-	-	-
Total revenues	<u>116,848</u>	<u>3,761</u>	<u>22,000</u>	<u>2,491</u>	<u>13,184</u>	<u>10,000</u>	<u>11,691</u>	<u>118,696</u>
<b>Expenditures:</b>								
Current:								
Instruction	-	-	20,952	2,491	-	8,547	10,538	106,991
Special education instruction	92,951	-	-	-	-	1,453	-	-
Special education support services - students	12,374	3,390	-	-	-	-	-	-
Support services - students	-	-	-	-	13,184	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-
District administration support services	11,523	371	1,048	-	-	-	1,153	11,705
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Total expenditures	<u>116,848</u>	<u>3,761</u>	<u>22,000</u>	<u>2,491</u>	<u>13,184</u>	<u>10,000</u>	<u>11,691</u>	<u>118,696</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-
Other financing sources -								
Transfers in	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances, beginning of year, as adjusted	-	-	-	-	-	-	-	-
Fund balances, end of year	\$ -	-	-	-	-	-	-	-

(continued)

## ANNETTE ISLANDS SCHOOL DISTRICT

## Other Governmental Funds

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued

	Special Revenue Funds							
	Johnson O'Malley	Distance Learning and Telemed	New Visions	Community Arts and Cultural Partnership	Cultural Collaborations Excursion	Cultural Collaborations Access	MS Music	GCI Suicide Prevention
<b>Revenues:</b>								
Local sources:								
Charges for services - rentals	\$ -	-	-	-	-	-	-	-
Other	-	-	-	1,500	1,000	1,000	1,250	10,000
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	-
Federal sources:								
Direct	-	-	-	-	-	-	-	-
Passed through the State of Alaska	-	-	6,138	167	-	-	-	-
Passed through other organizations	11,724	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>11,724</b>	<b>-</b>	<b>6,138</b>	<b>1,667</b>	<b>1,000</b>	<b>1,000</b>	<b>1,250</b>	<b>10,000</b>
<b>Expenditures:</b>								
Current:								
Instruction	5,249	-	9,780	3,005	901	1,803	1,250	-
Special education instruction	-	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	10,000
Support services - instruction	-	-	-	-	-	-	-	-
District administration support services	-	-	1,070	329	99	197	-	-
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	6,475	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>11,724</b>	<b>-</b>	<b>10,850</b>	<b>3,334</b>	<b>1,000</b>	<b>2,000</b>	<b>1,250</b>	<b>10,000</b>
Excess (deficiency) of revenues over expenditures	-	-	(4,712)	(1,667)	-	(1,000)	-	-
Other financing sources -								
Transfers in	-	250,000	8,000	-	-	-	-	-
Net change in fund balances	-	250,000	3,288	(1,667)	-	(1,000)	-	-
Fund balances, beginning of year, as adjusted	-	-	-	1,667	-	1,000	-	-
Fund balances, end of year	\$ -	250,000	3,288	-	-	-	-	-

(continued)

## ANNETTE ISLANDS SCHOOL DISTRICT

## Other Governmental Funds

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued

	Special Revenue Funds					Capital Project Funds		Total Other Governmental Funds
	Native Pathways to College	School Housing	Imagination Library	Leask Family Scholarship	Total	HS Coil Flood Repair	Impact Aid	
<b>Revenues:</b>								
Local sources:								
Charges for services - rentals	\$ -	137,906	-	-	137,906	-	-	137,906
Other	4,000	-	3,300	-	39,252	-	-	39,252
Intergovernmental:								
State of Alaska	-	-	-	-	98,913	-	-	98,913
Federal sources:								
Direct	-	-	-	-	130,387	-	51,836	182,223
Passed through the State of Alaska	-	-	-	-	756,051	-	-	756,051
Passed through other organizations	-	-	-	-	24,908	-	-	24,908
Total revenues	<u>4,000</u>	<u>137,906</u>	<u>3,300</u>	<u>-</u>	<u>1,187,417</u>	<u>-</u>	<u>51,836</u>	<u>1,239,253</u>
<b>Expenditures:</b>								
Current:								
Instruction	4,000	-	1,381	-	485,571	-	-	485,571
Special education instruction	-	-	-	-	94,404	-	-	94,404
Special education support services - students	-	-	-	-	15,764	-	-	15,764
Support services - students	-	-	-	-	24,294	-	-	24,294
Support services - instruction	-	-	-	-	5,495	-	-	5,495
District administration support services	-	-	-	-	65,129	-	-	65,129
Operations and maintenance of plant	-	119,656	-	-	119,656	24,808	125,062	269,526
Student activities	-	-	-	-	6,475	-	-	6,475
Student transportation - to and from school	-	-	-	-	66,123	-	-	66,123
Community services	-	-	-	-	7,000	-	-	7,000
Food services	-	-	-	-	597,140	-	-	597,140
Total expenditures	<u>4,000</u>	<u>119,656</u>	<u>1,381</u>	<u>-</u>	<u>1,487,051</u>	<u>24,808</u>	<u>125,062</u>	<u>1,636,921</u>
Excess (deficiency) of revenues over expenditures	-	18,250	1,919	-	(299,634)	(24,808)	(73,226)	(397,668)
Other financing sources (uses):								
Transfers in	-	20,000	-	-	628,000	-	-	628,000
Net change in fund balances	-	38,250	1,919	-	328,366	(24,808)	(73,226)	230,332
Fund balances, beginning of year, as adjusted	-	68,184	707	716	118,137	-	498,075	616,212
Fund balances, end of year	\$ -	<u>106,434</u>	<u>2,626</u>	<u>716</u>	<u>446,503</u>	<u>(24,808)</u>	<u>424,849</u>	<u>846,544</u>

## ANNETTE ISLANDS SCHOOL DISTRICT

## Student Transportation Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - State of Alaska	\$ 59,544	59,544	-
<b>Expenditures:</b>			
Current:			
Student transportation - to and from school:			
Non-certificated salaries	30,420	30,416	4
Employee benefits	24,720	24,697	23
Insurance and bond premiums	4,890	4,883	7
Supplies, materials and media	6,129	6,127	2
Total expenditures	<u>66,159</u>	<u>66,123</u>	<u>36</u>
Excess (deficiency) of revenues over expenditures	(6,615)	(6,579)	36
<b>Other financing sources:</b>			
Transfer in - School Operating Fund	<u>7,000</u>	<u>30,000</u>	<u>23,000</u>
Net change in fund balance	\$ <u>385</u>	<u>23,421</u>	<u>23,036</u>
Fund balance, beginning of year		<u>368</u>	
Fund balance, end of year	\$ <u>23,789</u>		

## ANNETTE ISLANDS SCHOOL DISTRICT

## State Centennial Library Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental -			
State of Alaska	\$ 7,000	7,000	-
<b>Expenditures:</b>			
Current:			
Community services:			
Other purchased services	2,991	2,991	-
Supplies, materials and media	4,009	4,009	-
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year	\$ -		

## ANNETTE ISLANDS SCHOOL DISTRICT

## Department Reading Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental -			
State of Alaska	\$ 10,000	10,000	-
<b>Expenditures:</b>			
Current:			
Instruction:			
Certificated salaries	7,804	7,804	-
Employee benefits	1,210	1,210	-
Total instruction	9,014	9,014	-
District administration support services -			
Indirect costs	986	986	-
Total expenditures	10,000	10,000	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year	\$ -	-	

## ANNETTE ISLANDS SCHOOL DISTRICT

## Hunter Education Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - State of Alaska	\$ 22,369	22,369	-
<b>Expenditures:</b>			
Current:			
Instruction:			
Certificated salaries	2,861	2,861	-
Employee benefits	443	441	2
Professional and technical services	4,500	3,964	536
Staff travel	3,000	3,374	(374)
Supplies, materials and media	10,500	10,664	(164)
Total instruction	21,304	21,304	-
District administration support services -			
Indirect costs	1,065	1,065	-
Total expenditures	22,369	22,369	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year	\$ -	-	

## ANNETTE ISLANDS SCHOOL DISTRICT

## Food Service Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Local sources - other	\$ 4,711	4,711	-
Intergovernmental -			
Federal sources passed through the State of Alaska	286,584	286,584	-
Total revenues	<u>291,295</u>	<u>291,295</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
Food services:			
Non-certificated salaries	253,230	253,215	15
Employee benefits	116,425	116,420	5
Staff travel	5,185	5,181	4
Supplies, materials and media	<u>222,335</u>	<u>222,324</u>	<u>11</u>
Total expenditures	<u>597,175</u>	<u>597,140</u>	<u>35</u>
Excess (deficiency) of revenues over expenditures	(305,880)	(305,845)	35
Other financing sources:			
Transfer in - School Operating Fund	<u>320,000</u>	<u>320,000</u>	<u>-</u>
Net change in fund balance	\$ <u>14,120</u>	<u>14,155</u>	<u>35</u>
Fund balance, beginning of year		45,495	
Fund balance, end of year	\$ <u>59,650</u>		

## ANNETTE ISLANDS SCHOOL DISTRICT

## Title II-A Teacher Training and Recruiting Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 40,516	40,516	-
<b>Expenditures:</b>			
Current:			
Instruction:			
Employee benefits	443	470	(27)
Transportation allowance	15,000	15,000	-
Professional and technical services	6,000	6,000	-
Staff travel	4,658	4,658	-
Other purchased services	1,500	1,500	-
Supplies, materials and media	4,920	4,920	-
Total instruction	32,521	32,548	(27)
District administration support services:			
Staff travel	4,000	3,973	27
Indirect costs	3,995	3,995	-
Total district administration support services	7,995	7,968	-
Total expenditures	40,516	40,516	(27)
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year	\$ -	-	

## ANNETTE ISLANDS SCHOOL DISTRICT

## Title I-A Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 251,937	251,937	-
<b>Expenditures:</b>			
Current:			
Instruction:			
Certificated salaries	142,605	142,605	-
Non-certificated salaries	30,900	31,004	(104)
Employee benefits	50,903	50,799	104
Supplies, materials and media	1,575	1,575	-
Total instruction	<u>225,983</u>	<u>225,983</u>	<u>-</u>
Support services - students -			
Supplies, materials and media	<u>1,110</u>	<u>1,110</u>	<u>-</u>
District administration support services -			
Indirect costs	<u>24,844</u>	<u>24,844</u>	<u>-</u>
Total expenditures	<u>251,937</u>	<u>251,937</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year			
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	<u>-</u>

## ANNETTE ISLANDS SCHOOL DISTRICT

## School Improvement Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 28,100	28,100	-
<b>Expenditures:</b>			
Current:			
Instruction:			
Professional and technical services	2,000	2,000	-
Staff travel	5,486	5,486	-
Supplies, materials and media	12,348	12,348	-
Total instruction	19,834	19,834	-
Support services - instruction:			
Certificated salaries	4,750	4,750	-
Employee benefits	745	745	-
Total support services instruction	5,495	5,495	-
District administration support services -			
Indirect costs	2,771	2,771	-
Total expenditures	28,100	28,100	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year			
Fund balance, end of year	\$ -		

## ANNETTE ISLANDS SCHOOL DISTRICT

## Title VI-B IDEA Part B Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 116,848	116,848	-
<b>Expenditures:</b>			
Current:			
Special education instruction:			
Certificated salaries	40,454	42,447	(1,993)
Non-certificated salaries	19,537	20,904	(1,367)
Employee benefits	32,960	29,600	3,360
Total special education instruction	92,951	92,951	-
Special education support services - students -			
Professional and technical services	12,374	12,374	-
District administration support services -			
Indirect costs	11,523	11,523	-
Total expenditures	116,848	116,848	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year	\$ -	-	

## ANNETTE ISLANDS SCHOOL DISTRICT

## Title VI-B Section 619 Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 3,761	3,761	-
<b>Expenditures:</b>			
Current:			
Special education support services - students -			
Professional and technical services	3,390	3,390	-
District administration support services -			
Indirect costs	371	371	-
Total expenditures	3,761	3,761	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year			
Fund balance, end of year	\$ -	-	

## ANNETTE ISLANDS SCHOOL DISTRICT

## Carl Perkins CTE Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental -			
Federal sources passed through the State of Alaska	\$ 22,000	22,000	-
<b>Expenditures:</b>			
Current:			
Instruction:			
Certificated salaries	10,951	10,951	-
Employee benefits	1,692	1,692	-
Professional and technical services	2,482	2,482	-
Other purchased services	2,053	2,053	-
Supplies, materials and media	2,758	2,758	-
Other	1,016	1,016	-
Total instruction	<u>20,952</u>	<u>20,952</u>	<u>-</u>
District administration support services -			
Indirect costs	1,048	1,048	-
Total expenditures	<u>22,000</u>	<u>22,000</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year			
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	<u>-</u>

## ANNETTE ISLANDS SCHOOL DISTRICT

## Thru The Cultural Lens Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Local sources - other	\$ 2,491	2,491	-
Expenditures:			
Current:			
Instruction -			
Staff travel	2,491	2,491	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year			-
Fund balance, end of year	\$ -		

## ANNETTE ISLANDS SCHOOL DISTRICT

## Family Violence Prevention Services Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - Federal sources passed through other organizations	\$ 13,184	13,184	-
<b>Expenditures:</b>			
Current:			
Support services - students - Professional and technical services	13,184	13,184	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year			-
Fund balance, end of year	\$ -		

## ANNETTE ISLANDS SCHOOL DISTRICT

## Haa Latseen Initiative Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Local sources - other	\$ 10,000	10,000	-
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Certificated salaries	7,403	7,403	-
Employee benefits	1,144	1,144	-
<b>Total instruction</b>	<b>8,547</b>	<b>8,547</b>	<b>-</b>
<b>Special education instruction:</b>			
Certificated salaries	1,259	1,259	-
Employee benefits	194	194	-
<b>Total special education instruction</b>	<b>1,453</b>	<b>1,453</b>	<b>-</b>
<b>Total expenditures</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year	\$ -		

## ANNETTE ISLANDS SCHOOL DISTRICT

## REAP Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - Federal sources - direct	\$ 11,691	11,691	-
<b>Expenditures:</b>			
Current:			
Instruction -			
Supplies, materials and media	10,538	10,538	-
District administration support services -			
Indirect costs	1,153	1,153	-
Total expenditures	11,691	11,691	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year			
Fund balance, end of year	\$ -	-	-

## ANNETTE ISLANDS SCHOOL DISTRICT

## Indian Education Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - Federal sources - direct	\$ 118,696	118,696	-
<b>Expenditures:</b>			
Current:			
Instruction:			
Certificated salaries	63,837	63,837	-
Employee benefits	27,061	27,101	(40)
Supplies, materials and media	16,093	16,053	40
Total instruction	106,991	106,991	-
District administration support services -			
Indirect costs	11,705	11,705	-
Total expenditures	118,696	118,696	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year	\$ -	-	

## ANNETTE ISLANDS SCHOOL DISTRICT

## Johnson O'Malley Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - Federal sources passed through other Organizations	\$ 11,724	11,724	-
<b>Expenditures:</b>			
Current:			
Instruction:			
Certificated salaries	2,921	2,921	-
Non-certificated salaries	1,461	1,461	-
Employee benefits	470	470	-
Supplies, materials and media	397	397	-
Total instruction	5,249	5,249	-
Student activities:			
Certificated salaries	5,842	5,842	-
Employee benefits	633	633	-
Total student activities	6,475	6,475	-
Total expenditures	11,724	11,724	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year	\$ -		

## ANNETTE ISLANDS SCHOOL DISTRICT

## Distance Learning and Telemed Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance

Year Ended June 30, 2025

Revenues	\$ _____ -
Expenditures	_____ -
Excess of revenues over expenditures	-
Other financing sources:	
Transfer in - School Operating Fund	<u>250,000</u>
Net change in fund balance	250,000
Fund balance, beginning of year	_____ -
Fund balance, end of year	\$ <u><u>250,000</u></u>

## ANNETTE ISLANDS SCHOOL DISTRICT

## New Visions Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 6,138	6,138	-
<b>Expenditures:</b>			
Current:			
Instruction:			
Certificated salaries	500	500	-
Employee benefits	77	77	-
Professional and technical services	750	750	-
Staff travel	2,449	2,449	-
Student travel	988	988	-
Supplies, materials and media	4,660	4,660	-
Other expenses	356	356	-
Total instruction	<u>9,780</u>	<u>9,780</u>	<u>-</u>
District administration support services -			
Indirect costs	<u>1,070</u>	<u>1,070</u>	<u>-</u>
Total expenditures	<u>10,850</u>	<u>10,850</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(4,712)	(4,712)	-
<b>Other financing sources:</b>			
Transfer in - School Operating Fund	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Net change in fund balance	\$ <u>3,288</u>	<u>3,288</u>	<u>-</u>
Fund balance, beginning of year			-
Fund balance, end of year	\$ <u><u>3,288</u></u>		

ANNETTE ISLANDS SCHOOL DISTRICT  
Community Arts and Cultural Partnership Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Local sources - other	\$ 1,500	1,500	-
Intergovernmental -			
Federal sources passed through			
the State of Alaska	167	167	-
Total revenues	<u>1,667</u>	<u>1,667</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Professional and technical services	38	38	-
Staff travel	845	845	-
Supplies, materials and media	1,979	1,979	-
Insurance and bond premiums	143	143	-
Total instruction	<u>3,005</u>	<u>3,005</u>	<u>-</u>
District administration support services -			
Indirect costs	<u>329</u>	<u>329</u>	<u>-</u>
Total expenditures	<u>3,334</u>	<u>3,334</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(1,667)</u>	<u>(1,667)</u>	<u>-</u>
Fund balance, beginning of year		<u>1,667</u>	
Fund balance, end of year	\$ <u>-</u>		

## ANNETTE ISLANDS SCHOOL DISTRICT

## Cultural Collaborations Excursion Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Local sources - other	\$ 1,000	1,000	-
<b>Expenditures:</b>			
<b>Current:</b>			
Instruction -			
Student travel	901	901	-
District administration support services -			
Indirect costs	99	99	-
Total expenditures	1,000	1,000	-
Excess (deficiency) of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year	\$ -		

## ANNETTE ISLANDS SCHOOL DISTRICT

## Cultural Collaborations Access Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Local sources - other	\$ 1,000	1,000	-
<b>Expenditures:</b>			
Current:			
Instruction:			
Professional and technical services	1,000	1,000	-
Supplies, materials and media	803	803	-
Total instruction	<u>1,803</u>	<u>1,803</u>	<u>-</u>
District administration support services -			
Indirect costs	<u>197</u>	<u>197</u>	<u>-</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Fund balance, beginning of year		<u>1,000</u>	
Fund balance, end of year	\$ <u>-</u>		

## ANNETTE ISLANDS SCHOOL DISTRICT

## MS Music Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Local sources - other	\$ 1,250	1,250	-
<b>Expenditures:</b>			
<b>Current:</b>			
Instruction -			
Supplies, materials and media	1,250	1,250	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year	\$ -		

## ANNETTE ISLANDS SCHOOL DISTRICT

## GCI Suicide Prevention Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Local sources - other	\$ 10,000	10,000	-
<b>Expenditures:</b>			
<b>Current:</b>			
Support services - students:			
Professional and technical services	850	850	-
Supplies, materials and media	9,150	9,150	-
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year			-
Fund balance, end of year	\$ -		

## ANNETTE ISLANDS SCHOOL DISTRICT

## Native Pathways to College Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources - other	\$ 4,000	4,000	-
Expenditures:			
Current:			
Instruction:			
Professional and technical services	950	950	-
Supplies, materials and media	3,050	3,050	-
Total expenditures	4,000	4,000	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year			-
Fund balance, end of year	\$ -		

## ANNETTE ISLANDS SCHOOL DISTRICT

## School Housing Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>			
Local:			
Charges for services - rentals	\$ 140,000	137,906	(2,094)
<b>Expenditures:</b>			
Current:			
Operations and maintenance of plant:			
Professional and technical services	40,000	37,143	2,857
Utility services	14,050	13,910	140
Energy	12,500	12,215	285
Other purchased services	2,500	2,385	115
Insurance and bond premiums	16,200	16,143	57
Supplies, materials and media	40,500	37,860	2,640
Total expenditures	<u>125,750</u>	<u>119,656</u>	<u>6,094</u>
Excess of revenues over expenditures	14,250	18,250	4,000
Other financing sources -			
Transfers in - School Operating Fund	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	\$ <u>34,250</u>	<u>38,250</u>	<u>4,000</u>
Fund balance, beginning of year			<u>68,184</u>
Fund balance, end of year	\$ <u><u>106,434</u></u>		

## ANNETTE ISLANDS SCHOOL DISTRICT

## Imagination Library Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources - other	\$ 3,300	3,300	-
Expenditures:			
Current:			
Instruction -			
Supplies, materials and media	1,390	1,381	9
Excess of revenues over expenditures	\$ 1,910	1,919	9
Fund balance, beginning of year		707	
Fund balance, end of year	\$ 2,626		

## ANNETTE ISLANDS SCHOOL DISTRICT

## Leask Family Scholarship Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues	\$ -	-	-
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year			716
Fund balance, end of year	\$ <u><u>716</u></u>		

## ANNETTE ISLANDS SCHOOL DISTRICT

## HS Coil Flood Repair Capital Project Fund

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

Year Ended June 30, 2025

Revenues	\$	<u>      </u> -
Expenditures:		
Current:		
Operations and maintenance of plant:		
Professional and technical services		23,947
Supplies, materials and media		861
Total expenditures		<u>      </u> <u>24,808</u>
Excess (deficiency) of revenues over expenditures		(24,808)
Fund balance, beginning of year		<u>      </u> -
Fund balance, end of year	\$	<u>      </u> <u>(24,808)</u>

## ANNETTE ISLANDS SCHOOL DISTRICT

## Impact Aid Capital Project Fund

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance

Year Ended June 30, 2025

## Revenues:

Intergovernmental -	
Federal sources - direct	\$ <u>51,836</u>

## Expenditures:

## Current:

Operations and maintenance of plant:	
Professional and technical services	96,549
Supplies, materials and media	1,481
Equipment	<u>27,032</u>
Total expenditures	<u>125,062</u>

Excess (deficiency) of revenues over expenditures	(73,226)
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Fund balance, beginning of year	<u>498,075</u>
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Fund balance, end of year	\$ <u>424,849</u>
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## ANNETTE ISLANDS SCHOOL DISTRICT

## Schedule of Compliance - AS 14.17.505

June 30, 2025

Total fund balance - School Operating Fund	\$ 7,126,686
less exemptions per 4 AAC 09.160(a)	
Inventories	9,749
Prepaid items	96,778
Federal impact aid received	<u>6,107,904</u>
<b>Fund Balance Subject to 10% Limitation</b>	<b>\$ <u>912,255</u></b>

Nonexempt fund balance as a percentage of current year expenditures:

$$\frac{\text{Fund balance subject to limitation}}{\text{Current year expenditures}} = \frac{\$ 912,255}{9,864,738} = \underline{\underline{9.25\%}}$$

## ANNETTE ISLANDS SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

<u>Grant Title</u>	<u>Grant Number / Pass-through Entity Identifying Number</u>	<u>Assistance Listing Number</u>	<u>Total Grant Award</u>	<u>Federal Share of Expenditures</u>
<b>U.S. Department of Education:</b>				
Direct:				
Impact Aid:				
Impact Aid Construction	AK-2025-112820	84.041	\$ 51,836	51,836
Impact Aid	AK-2025-112820	84.041	6,107,904	6,107,904
Total ALN 84.041			<u>6,159,740</u>	<u>6,159,740</u>
Indian Education	S060A240092	84.060A	118,696	118,696
REAP	S358C240013	84.358C	11,691	11,691
Total direct			<u>6,290,127</u>	<u>6,290,127</u>
Passed through the State of Alaska,				
Department of Education and Early Development:				
Special Education Cluster (IDEA):				
Title VI-B Part B	SE25.AISD.01	84.027	116,848	116,848
Title VI-B Section 619	SE25.AISD.01	84.173	3,761	3,761
Total Special Education Cluster (IDEA)			<u>120,609</u>	<u>120,609</u>
Title I-A Basic	IP25.AISD.01	84.010A	227,960	227,960
School Improvement 1003a	SI25.AISD.01	84.010A	28,100	28,100
Total ALN 84.010			<u>256,060</u>	<u>256,060</u>
Title IV-A	IP25.AISD.01	84.424A	29,211	29,211
Title II-A Teacher Training and Recruiting	IP25.AISD.01	84.367A	35,282	35,282
Carl Perkins CTE	EK 25.AISD.01	84.048	22,000	22,000
Total passed through the State of Alaska, Department of Education and Early Development			<u>463,162</u>	<u>463,162</u>
Total U.S. Department of Education			<u>6,753,289</u>	<u>6,753,289</u>
U.S. Department of Health and Human Services -				
Passed through Women in Safe Homes -				
Family Violence Prevention and Services	90EV0473	93.592	<u>13,184</u>	<u>13,184</u>
U.S. Department of the Interior -				
Passed through Metlakatla Indian Community -				
Johnson O'Malley	None	15.022	<u>11,724</u>	<u>11,724</u>

(continued)

## ANNETTE ISLANDS SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards, Continued

<u>Grant Title</u>	<u>Grant Number / Pass-through Entity Identifying Number</u>	<u>Assistance Listing Number</u>	<u>Total Grant Award</u>	<u>Federal Share of Expenditures</u>
<b>National Endowment for the Humanities:</b>				
Passed through the Alaska State Council on the Arts:				
Community Arts and Cultural Partnership	FY24MPCAP007	45.025	\$ 1,500	167
New Visions	FY25NV005	45.025	4,000	3,421
New Visions	FY25NV007	45.025	4,000	2,717
Total National Endowment for the Humanities			<u>9,500</u>	<u>6,305</u>
<b>U.S. Department of Agriculture:</b>				
Passed through the State of Alaska,				
Department of Education and Early Development:				
Child Nutrition Cluster:				
National School Breakfast Program	None	10.553	68,152	68,153
National School Lunch Program	None	10.555	190,121	190,121
Commodities	None	10.555	16,521	16,521
Fresh Fruit and Vegetable Program	FF25.AISD.01	10.582	1,425	1,425
Fresh Fruit and Vegetable Program	FF22.AISD.02	10.582	9,044	9,044
Total Child Nutrition Cluster			<u>285,263</u>	<u>285,264</u>
Food Distribution Admin Fee Reimbursement	FD 25.AISD.01	10.560	<u>1,320</u>	<u>1,320</u>
Total U.S. Department of Agriculture			<u>286,583</u>	<u>286,584</u>
Passed through the State of Alaska,				
Department of Commerce, Community, and Economic Development:				
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	None	10.665	<u>13,930</u>	<u>13,930</u>
Total U.S. Department of Agriculture			<u>300,513</u>	<u>300,514</u>
Total expenditures of federal awards			<u>\$ 7,088,210</u>	<u>7,085,016</u>

See accompanying notes to the schedule.

ANNETTE ISLANDS SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Annette Islands School District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Annette Islands School District, it is not intended to and does not present the basic financial statements of Annette Islands 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. Annette Islands School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. Non-monetary Assistance**

Non-monetary assistance is reported in the schedule at fair market value of commodities received and disbursed. For the year ended June 30, 2025, the District received \$16,521 in commodities.

**Note 4. Passed Through Awards**

No amounts were passed through to subrecipients.

## ANNETTE ISLANDS SCHOOL DISTRICT

## Schedule of State Financial Assistance

Year Ended June 30, 2025

<u>Name of Award</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>State Expenditures</u>
Department of Education and Early Development:			
* Foundation	None	\$ 3,078,521	3,078,521
Quality Schools	None	15,558	15,558
House Bill 268	None	661,232	661,232
Pupil Transportation	None	53,818	53,818
Pupil Transportation HB 268 Supplemental	None	5,726	5,726
Public Library Assistance	PLA24-Metla	7,000	7,000
Department Reading	DR 25.AISD.01	10,000	10,000
Hunter Education	HE25.AISD.01	22,369	22,369
Dividend Raffle Funds	None	1,780	1,780
Total Department of Education and Early Development		<u>3,856,004</u>	<u>3,856,004</u>
Total State financial assistance	\$	<u><u>3,856,004</u></u>	<u><u>3,856,004</u></u>

See accompanying notes to the schedule.

ANNETTE ISLANDS SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2025

**Note 1. Basis of Presentation**

The accompanying Schedule of State Financial Assistance (the "Schedule") includes the state award activity of Annette Islands School District under programs of the State of Alaska for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Annette Islands School District, it is not intended to and does not present the basic financial statements of Annette Islands School District.

**Note 2. Summary of Significant Accounting Policies**

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

**Note 3. Subrecipients**

No state funds were passed through to subrecipients.

**Note 4. Major Programs**

\* Denotes a major program for compliance audit purposes.

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

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

Total expenditures per Schedule of State Financial Assistance	\$ 3,856,004
PERS On-Behalf	87,452
TRS On-Behalf	508,083
Total State Financial Assistance	\$ <u>4,451,539</u>

# **COMPLIANCE REPORTS**

**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  
Annette Islands School District  
Metlakatla, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Annette Islands School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Annette Islands School District's basic financial statements, and have issued our report thereon dated November 25, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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

Members of the School Board  
Annette Islands School District

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

*Ottman, Rogers & Co.*

Anchorage, Alaska  
November 25, 2025

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

**Independent Auditor's Report**

Members of the School Board  
Annette Islands School District  
Metlakatla, Alaska

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Annette Islands School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Annette Islands School District's major federal programs for the year ended June 30, 2025. Annette Islands School 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, Annette Islands School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

*Altman, Rogers & Co.*

Anchorage, Alaska  
November 25, 2025

ANNETTE ISLANDS SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

***Section I - Summary of Auditor's Results***

***Financial Statements***

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

Unmodified

Is a going concern emphasis-of-matter paragraph included in the audit report?

Yes  No

Internal control over financial reporting:

Significant deficiency(ies) identified?

Yes  None Reported

Material weakness(es) identified?

Yes  No

Noncompliance material to financial statements noted?

Yes  No

***Federal Awards***

Internal Control over major programs:

Significant deficiency(ies) identified?

Yes  None Reported

Material weakness(es) identified?

Yes  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  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  No

Identification of major programs:

Assistance Listing Number(s)/Cluster

84.041

84.010

Name of Federal Programs or Cluster

Impact Aid

Title I

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

\$ 750,000

Auditee qualified as low-risk auditee?

Yes  No

ANNETTE ISLANDS SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

***Section II - Financial Statement Findings***

The Annette Islands School District did not have any findings related to the financial statements.

***Section III - Federal Award Findings and Questioned Costs***

The Annette Islands School District did not have any findings related to the federal awards.

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

**Independent Auditor's Report**

Members of the School Board  
Annette Islands School District  
Metlakatla, Alaska

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

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

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

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of 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 Annette Islands School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Annette Islands School District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

*Altman, Rogers & Co.*

Anchorage, Alaska  
November 25, 2025

ANNETTE ISLANDS SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

***Section I - Summary of Auditor's Results***

**Financial Statements**

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Significant deficiency(ies) identified?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/>	None Reported
Material weakness(es) identified?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/>	No
Noncompliance material to financial statements noted?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/>	No

**State Financial Assistance**

Internal control over major programs:			
Material weakness(es) identified	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/>	No
Significant deficiency(ies) identified	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/>	None Reported
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>		
Dollar threshold used to distinguish between Type A and Type B programs:	\$	<u>750,000</u>	
Auditee qualified as low-risk auditee?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/>	No

***Section II – Financial Statement Findings***

The Annette Islands School District did not have any findings related to the financial statements.

***Section III – State Award Findings and Questioned Costs***

The Annette Islands School District did not have any findings related to the state awards.