

CHATHAM SCHOOL DISTRICT

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

Year Ended June 30, 2025

CHATHAM SCHOOL DISTRICT

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

Year Ended June 30, 2025

# CHATHAM SCHOOL DISTRICT

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**Independent Auditor's Report**

Members of the School Board  
Chatham School District  
Angoon, Alaska

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Chatham School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Chatham School 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Chatham School District, as of June 30, 2025, and the respective changes in financial position, and, where applicable cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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

**Change in Accounting Principle**

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

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

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Chatham School 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 Chatham School 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 Chatham School 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 schedules of revenues, expenditures, and changes in fund balance - original and final budget and actual for major funds, and the District's proportionate share of the net pension/OPEB liabilities, assets, schedules of the District's contributions for the Public Employees' Retirement System and Teachers' Retirement System and the notes to required supplementary information on pages 40-52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chatham School District's basic financial statements. The information listed in the table of contents as "Supplementary Information", which includes the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual for major funds, and the combining and individual non-major fund financial statements; Schedule of Compliance- AS 14.17.505 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and Notes to the Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the basic financial statements. The Schedule of State Financial Assistance and Notes to Schedule of State Financial Assistance are presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and is not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, on our consideration of the Chatham School 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 Chatham School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Chatham School District's internal control over financial reporting and compliance.

*Oetman, Rogers & Co.*

Juneau, Alaska  
December 1, 2025

# **BASIC FINANCIAL STATEMENTS**

## CHATHAM SCHOOL DISTRICT

## Statement of Net Position

June 30, 2025

|   | Governmental<br>Activities |
|---|----------------------------|
| <b><u>Assets and Deferred Outflows of Resources</u></b>     |                            |
| Current:  |                            |
| Cash and cash equivalents                                   | \$ 491,243                 |
| Accounts receivable   | 524,526                    |
| Prepaid expenses  | 9,729                      |
| Inventory   | 27,067                     |
| Total current   | <u>1,052,565</u>           |
| Non-current:  |                            |
| Capital assets  | 26,617,903                 |
| Accumulated depreciation                                    | (22,345,266)               |
| Net OPEB assets   | 1,257,275                  |
| Total non-current   | <u>5,529,912</u>           |
| Deferred outflows of resources -                            |                            |
| Pension/OPEB deferrals                                      | <u>306,719</u>             |
| Total assets and deferred outflows of resources             | <u>6,889,196</u>           |
| <b><u>Liabilities and Deferred Inflows of Resources</u></b> |                            |
| Current liabilities:  |                            |
| Accounts payable  | 397,965                    |
| Payroll liabilities   | 115,871                    |
| Unearned revenue  | 32,906                     |
| Total current liabilities                                   | <u>546,742</u>             |
| Long-term liabilities:                                      |                            |
| Compensated absences  | 45,561                     |
| Due in more than one year - net pension liabilities         | 2,458,338                  |
| Total long-term liabilities                                 | <u>2,503,899</u>           |
| Deferred inflows of resources -                             |                            |
| Pension/OPEB deferrals                                      | <u>77,598</u>              |
| Total liabilities and deferred inflows of resources         | <u>3,128,239</u>           |
| <b><u>Net Position</u></b>                                  |                            |
| Net investment in capital assets                            | 4,272,637                  |
| Unrestricted (deficit)                                      | (511,680)                  |
| Total net position  | <u>\$ 3,760,957</u>        |

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

## CHATHAM SCHOOL DISTRICT

## Statement of Activities

Year Ended June 30, 2025

| Functions/Programs                                     | Expenses     | Net (Expense) Revenue and Changes in Net Position (Deficit) |                                    |                                  |                         |                          |                               |
|--|--------------|---|------------------------------------|----------------------------------|-------------------------|--------------------------|-------------------------------|
|  |              | Program Revenues  |                                    |                                  | Governmental Activities | Business-type Activities | Total Governmental Activities |
|  |              | Charges for Services  | Operating Grants and Contributions | Capital Grants and Contributions |                         |                          |                               |
| <b>Governmental Activities:</b>                        |              |   |                                    |                                  |                         |                          |                               |
| Instruction  | \$ 4,041,096 | 4,472   | 2,085,390                          | -                                | (1,951,234)             | -                        | (1,951,234)                   |
| Special education instruction                          | 508,486      | -   | 39,026                             | -                                | (469,460)               | -                        | (469,460)                     |
| Special education support services - students          | 147,660      | -   | 47,677                             | -                                | (99,983)                | -                        | (99,983)                      |
| Support services - students                            | 9,984        | -   | 6,450                              | -                                | (3,534)                 | -                        | (3,534)                       |
| Support services - instruction                         | 521,140      | -   | 9,558                              | -                                | (511,582)               | -                        | (511,582)                     |
| School administration                                  | 363,228      | -   | 26,301                             | -                                | (336,927)               | -                        | (336,927)                     |
| School administration support services                 | 202,335      | -   | 10,829                             | -                                | (191,506)               | -                        | (191,506)                     |
| District administration                                | 370,646      | -   | 23,120                             | -                                | (347,526)               | -                        | (347,526)                     |
| District administration support services               | 358,398      | -   | 72,351                             | -                                | (286,047)               | -                        | (286,047)                     |
| Operations and maintenance of plant                    | 999,377      | 94,070  | 17,305                             | -                                | (888,002)               | -                        | (888,002)                     |
| Student activities                                     | 172,176      | -   | 87,686                             | -                                | (84,490)                | -                        | (84,490)                      |
| Student transportation - to and from school            | 96,009       | -   | 48,806                             | -                                | (47,203)                | -                        | (47,203)                      |
| Food services  | 108,828      | 371   | 33,545                             | -                                | (74,912)                | -                        | (74,912)                      |
| Total governmental activities                          | \$ 7,899,363 | 98,913  | 2,508,044                          | -                                | (5,292,406)             | -                        | (5,292,406)                   |
| <b>Business-type Activities -</b>                      |              |   |                                    |                                  |                         |                          |                               |
| Foxes Den  | 608          | -   | -                                  | -                                | -                       | (608)                    | (608)                         |
| Total  | \$ 7,899,971 | 98,913  | 2,508,044                          | -                                | (5,292,406)             | (608)                    | (5,293,014)                   |
| <b>General revenues:</b>                               |              |   |                                    |                                  |                         |                          |                               |
| E-Rate   |              |   |                                    | \$ 365,357                       | -                       | 365,357                  |                               |
| Grants not restricted to specific programs             |              |   |                                    | 4,147,045                        | -                       | 4,147,045                |                               |
| Interest income  |              |   |                                    | 50                               | -                       | 50                       |                               |
| Transfers  |              |   |                                    | (272,855)                        | 272,855                 | -                        |                               |
| Other  |              |   |                                    | 89,271                           | -                       | 89,271                   |                               |
| Total general revenues                                 |              |   |                                    | \$ 4,328,868                     | 272,855                 | 272,855                  | 4,601,723                     |
| Change in net position                                 |              |   |                                    | (963,538)                        | 272,247                 | (691,291)                |                               |
| Net position - beginning of year, as originally stated |              |   |                                    | 4,747,235                        | (272,247)               | (272,247)                | 4,474,988                     |
| Change in accounting principle                         |              |   |                                    | (22,740)                         | -                       | -                        | (22,740)                      |
| Net position - beginning of year, as restated          |              |   |                                    | 4,724,495                        | (272,247)               | (272,247)                | 4,452,248                     |
| Net position - ending                                  | \$ 3,760,957 |   |                                    |                                  | -                       | -                        | 3,760,957                     |

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

## CHATHAM SCHOOL DISTRICT

## Balance Sheet - Governmental Funds

June 30, 2025

|   | School<br>Operating<br>Fund | Full-Service<br>Community<br>Schools Special<br>Revenue Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|-----------------------------|--|--------------------------------|--------------------------------|
| <b><u>Assets</u></b>                        |                             |  |                                |                                |
| Cash and cash equivalents                   | \$ 370,776                  | -  | 120,467                        | 491,243                        |
| Accounts receivable                         | 30,797                      | 173,778  | 319,951                        | 524,526                        |
| Due from other funds                        | 441,998                     | -  | 439,458                        | 881,456                        |
| Prepaid expenses                            | 7,846                       | -  | 1,883                          | 9,729                          |
| Inventory                                   | 21,592                      | -  | 5,475                          | 27,067                         |
| <b>Total assets</b>                         | <b><u>873,009</u></b>       | <b><u>173,778</u></b>  | <b><u>887,234</u></b>          | <b><u>1,934,021</u></b>        |
| <b><u>Liabilities and Fund Balances</u></b> |                             |  |                                |                                |
| Liabilities:                                |                             |  |                                |                                |
| Accounts payable                            | 224,011                     | 8,402  | 165,552                        | 397,965                        |
| Payroll liabilities                         | 115,871                     | -  | -                              | 115,871                        |
| Unearned revenue                            | 175                         | -  | 32,731                         | 32,906                         |
| Due to other funds                          | 439,458                     | 165,376  | 276,622                        | 881,456                        |
| <b>Total liabilities</b>                    | <b><u>779,515</u></b>       | <b><u>173,778</u></b>  | <b><u>474,905</u></b>          | <b><u>1,428,198</u></b>        |
| Fund Balances:                              |                             |  |                                |                                |
| Nonspendable                                | 29,438                      | -  | 7,358                          | 36,796                         |
| Committed                                   | -                           | -  | 457,935                        | 457,935                        |
| Unassigned                                  | 64,056                      | -  | (52,964)                       | 11,092                         |
| <b>Total fund balances</b>                  | <b><u>93,494</u></b>        | <b><u>-</u></b>  | <b><u>412,329</u></b>          | <b><u>505,823</u></b>          |
| <b>Total liabilities and fund equity</b>    | <b>\$ <u>873,009</u></b>    | <b><u>173,778</u></b>  | <b><u>887,234</u></b>          | <b><u>1,934,021</u></b>        |

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

## CHATHAM SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet  
to Statement of Net Position

June 30, 2025

|  |                  |                  |
|--|------------------|------------------|
| Fund balances - total governmental funds   | \$               | 505,823          |
| Total net position reported for governmental activities in the State of Net Position is different because:   |                  |                  |
| Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds. |                  |                  |
|  |                  | 4,272,637        |
| Long term liabilities are not due in the current period and therefore, are not reported in the funds   |                  |                  |
| Compensated absences   |                  | (45,561)         |
| Proportionate share of the collective net pension liabilities:   |                  |                  |
| PERS   | (1,591,762)      |                  |
| TRS  | <u>(866,576)</u> | (2,458,338)      |
| Proportionate share of the collective net OPEB assets:   |                  |                  |
| PERS   | 681,822          |                  |
| TRS  | <u>575,453</u>   | 1,257,275        |
| Deferred inflows and outflows of resources are the results of timing differences in the actuarial report.  |                  |                  |
| Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources:  |                  |                  |
| PERS   | 196,853          |                  |
| TRS  | <u>109,866</u>   | 306,719          |
| Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources:  |                  |                  |
| PERS   | (24,165)         |                  |
| TRS  | <u>(53,433)</u>  | (77,598)         |
| Total net position of governmental activities  |                  | <u>3,760,957</u> |

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

## CHATHAM SCHOOL DISTRICT

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

Year Ended June 30, 2025

|  | School<br>Operating<br>Fund | Full-Service<br>Community<br>Schools Special<br>Revenue Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------------|--|--------------------------------|--------------------------------|
| <b>Revenues:</b>   |                             |  |                                |                                |
| Local sources:   |                             |  |                                |                                |
| Charges for services   | \$ 4,472                    | -  | 94,441                         | 98,913                         |
| Interest income  | 50                          | -  | -                              | 50                             |
| E-rate   | 365,357                     | -  | -                              | 365,357                        |
| Other  | 89,271                      | -  | 103,597                        | 192,868                        |
| Intergovernmental:   |                             |  |                                |                                |
| State of Alaska  | 4,245,426                   | -  | 76,129                         | 4,321,555                      |
| Federal sources  | 199,607                     | 609,933  | 1,371,826                      | 2,181,366                      |
| Total revenues   | <u>4,904,183</u>            | <u>609,933</u>   | <u>1,645,993</u>               | <u>7,160,109</u>               |
| <b>Expenditures:</b>   |                             |  |                                |                                |
| Current:   |                             |  |                                |                                |
| Instruction  | 1,736,034                   | 609,933  | 1,293,985                      | 3,639,952                      |
| Special education instruction                                | 495,647                     | -  | -                              | 495,647                        |
| Special education support services - students                | 100,786                     | -  | 46,992                         | 147,778                        |
| Support services - students                                  | 2,757                       | -  | -                              | 2,757                          |
| Support services - instruction                               | 511,582                     | -  | 9,558                          | 521,140                        |
| School administration  | 367,800                     | -  | -                              | 367,800                        |
| School administration support services                       | 190,204                     | -  | -                              | 190,204                        |
| District administration                                      | 367,111                     | -  | -                              | 367,111                        |
| District administration support services                     | 283,741                     | -  | 64,118                         | 347,859                        |
| Operations and maintenance of plant                          | 846,561                     | -  | 87,638                         | 934,199                        |
| Student activities   | 110,286                     | -  | 61,925                         | 172,211                        |
| Student transportation - to and from school                  | -                           | -  | 96,009                         | 96,009                         |
| Food services  | -                           | -  | 102,560                        | 102,560                        |
| Total expenditures   | <u>5,012,509</u>            | <u>609,933</u>   | <u>1,762,785</u>               | <u>7,385,227</u>               |
| Excess (deficiency) of revenues<br>over (under) expenditures | (108,326)                   | -  | (116,792)                      | (225,118)                      |
| Other financing sources (uses):                              |                             |  |                                |                                |
| Transfers in   | 5,288                       | -  | -                              | 5,288                          |
| Transfers out  | (272,855)                   | -  | (5,288)                        | (278,143)                      |
| Total other financing sources (uses):                        | <u>(267,567)</u>            | <u>-</u>   | <u>(5,288)</u>                 | <u>(272,855)</u>               |
| Net change in fund balance                                   | (375,893)                   | -  | (122,080)                      | (497,973)                      |
| Fund balance, beginning of year, as originally stated        | <u>449,639</u>              | <u>-</u>   | <u>534,409</u>                 | <u>984,048</u>                 |
| Change in accounting principle                               | 19,748                      | -  | -                              | 19,748                         |
| Fund balance, beginning of year, as restated                 | <u>469,387</u>              | <u>-</u>   | <u>534,409</u>                 | <u>1,003,796</u>               |
| Fund balances, end of year                                   | <u>\$ 93,494</u>            | <u>-</u>   | <u>412,329</u>                 | <u>505,823</u>                 |

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

## CHATHAM SCHOOL DISTRICT

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

Year Ended June 30, 2025

|  |    |                  |
|--|----|------------------|
| Net change in fund balances - total governmental funds   | \$ | (497,973)        |
| The change in net position reported for governmental activities in the State of Activities is 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.  |    |                  |
|  |    |                  |
| Compensated absences   |    | (3,073)          |
| Change in unfunded net position and OPEB liability and asset:  |    |                  |
| PERS   |    | (93,750)         |
| TRS  |    | <u>40,805</u>    |
|  |    | (52,945)         |
| 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   |    | 36,091           |
| TRS  |    | <u>(10,523)</u>  |
|  |    | 25,568           |
| Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the costs of those assets are allocated over their estimated useful lives. This is the amount by which depreciation exceeded capital outlay in the current period: |    |                  |
| Capital outlays  |    | 130,178          |
| Depreciation expense   |    | <u>(565,293)</u> |
|  |    | (435,115)        |
| Change in net position of governmental activities  | \$ | <u>(963,538)</u> |

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

CHATHAM SCHOOL DISTRICT

Foxes Den Enterprise Fund

Statement of Net Position

June 30, 2025

Liabilities and Net Position

|                                    |            |
|------------------------------------|------------|
| Current liabilities -              | \$ _____ - |
| Net position -                     | _____ -    |
| Total liabilities and net position | \$ _____ - |

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

CHATHAM SCHOOL DISTRICT

Foxes Den Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2025

|   |                     |
|---|---------------------|
| Operating revenues                        | \$ _____ -          |
| Operating expenses -                      |                     |
| Student activities -                      |                     |
| Other expenses                            | _____ 608           |
| Non-operating revenues (expenses) -       |                     |
| Transfers in from school operating fund   | _____ 272,855       |
| Change in net position                    | 272,247             |
| Net position (deficit), beginning of year | _____ (272,247)     |
| Net position (deficit), end of year       | \$ _____ -<br>_____ |

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

## CHATHAM SCHOOL DISTRICT

## Foxes Den Enterprise Fund

## Statement of Cash Flows

Year Ended June 30, 2025

## Cash flows from (for) operating activities:

|  |              |
|--|--------------|
| Cash received from customers                   | \$ -         |
| Cash paid to employees                         | -            |
| Cash paid to suppliers                         | (608)        |
| Net cash flows from (for) operating activities | <u>(608)</u> |

## Cash flows from (for) capital activities

|                                       |          |
|---------------------------------------|----------|
| Sale of property, plant and equipment | <u>-</u> |
|---------------------------------------|----------|

## Cash flows from (for) financing activities:

|  |            |
|--|------------|
| Net cash transferred from (to) operating fund        | <u>608</u> |
| Net increase (decrease) in cash and cash equivalents | -          |

## Beginning cash and cash equivalents

## Ending cash and cash equivalents

## Reconciliation of income (loss) from operations to net cash

## from (for) operating activities:

|                                  |            |
|----------------------------------|------------|
| Change in net position (deficit) | \$ 272,247 |
|----------------------------------|------------|

|   |           |
|---|-----------|
| Adjustments to reconcile income (loss) from operations to cash flows from operating activities: |           |
| Transfer in - School Operating Fund   | (272,855) |
| Changes in assets and liabilities:  |           |

|  |              |
|--|--------------|
| Accounts receivable                            | -            |
| Accounts payable                               | -            |
| Net cash flows from (for) operating activities | <u>(608)</u> |

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

# CHATHAM SCHOOL DISTRICT

## Notes to Basic Financial Statements

June 30, 2025

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The accounting policies of the Chatham School District (School District) conform to accounting principles generally accepted in the United States, as applicable to governmental units.

The Legislature of the State of Alaska established the School District on July 1, 1976. At that time, assets to be used by the School District were turned over by direct transfer or by use permits from the State of Alaska. The School 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 its jurisdiction. The School District receives financial support from state and federal government sources and must comply with the concomitant requirements of these entities. However, the School 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 School District is legally separate from and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the School District for financial statement purposes, and the School District is not included in any other governmental reporting entity. Consequently, the School District's financial statements present only the funds for which its elected governing board is financially accountable.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

The most significant of the School 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 District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

## CHATHAM SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

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

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

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

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

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

Governmental Fund Financial Statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. There are three categories of funds: governmental, proprietary and fiduciary. The district maintains two of these types of funds, governmental and proprietary.

The District reports the following major governmental funds:

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

The *Full-Service Community Schools Special Revenue Fund* accounts for revenues received and expenditures made for the grant passed through the Alaska Association of School Boards "A Strong Start for Southeast Alaskan Students."

Additionally, a Proprietary Fund is used to account for Foxes Den on a for-profit basis.

The *Foxes Den Enterprise Fund* accounts for a student run restaurant in Gustavus, Alaska. This was closed out through a final transfer in 2025.

## CHATHAM SCHOOL DISTRICT

### Notes to 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.

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

#### Intergovernmental Revenue

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

#### Local Revenue

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

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

#### Use of Estimates

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

#### Indirect Costs

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

## **D. Assets, Liabilities and Equity**

### **1. Cash and Cash Equivalents**

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

### **2. Receivables and Payables**

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

## CHATHAM SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

#### **3. Inventories and Prepaid Items Expenses**

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

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

#### **4. Capital Assets**

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

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

#### **5. Unearned Revenue**

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

#### **6. Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A liability is recognized when it is attributable to services already rendered, it accumulates, and it is more likely than not that the District will compensate an employee (either as paid time off or cash payment). Unused leave is accrued utilizing current salary cost as earned by the employee and recorded as a liability in the government-wide financial statement of net position. No accrued leave liability is recorded in the fund financial statements.

## CHATHAM SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

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

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

#### **8. Net Position**

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

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

#### **9. Fund Balance**

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

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

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

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

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

## CHATHAM SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

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

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

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

#### **10. Fair Value of Financial Instruments**

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

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

### **A. Deposits and Investments**

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

#### Custodial Credit Risk

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

Any amount in excess of the Federal Depository Insurance (FDIC) with a maximum of \$250,000 is collateralized with securities held by the District's agent in the District's name. All deposits are carried at fair market value plus accrued interest. The School District has not developed a cash or investment policy.

At June 30, 2025, the District's bank balances totaled \$544,398. Deposits in each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2025, the District had balances of \$200,125 that were not insured or collateralized.

# CHATHAM SCHOOL DISTRICT

## Notes to Basic Financial Statements, Continued

### **B. Receivables**

Receivables as of June 30, 2025 for governmental funds are as follows:

|        |    | School<br>Operating<br>Fund | Community<br>Schools Special<br>Revenue Fund | Other<br>Governmental<br>Fund | Total          |
|--------|----|-----------------------------|--|-------------------------------|----------------|
| Grants | \$ | -                           | 173,778                                      | 319,951                       | 493,729        |
| Other  |    | 30,797                      | -  | -                             | 30,797         |
| Total  | \$ | <u>30,797</u>               | <u>173,778</u>                               | <u>319,951</u>                | <u>524,526</u> |

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

### **C. Capital Assets**

The School District owns land, buildings, vehicles and equipment as follows:

|  | Beginning<br>Balance | Increases        | Decreases | Ending<br>Balance   |
|--|----------------------|------------------|-----------|---------------------|
| <b>Governmental activities:</b>                                    |                      |                  |           |                     |
| Assets not being depreciated:                                      |                      |                  |           |                     |
| Land   | \$ 348,581           | -                | -         | 348,581             |
| Assets being depreciated:  |                      |                  |           |                     |
| Buildings  | 24,813,466           | 80,208           | -         | 24,893,674          |
| Vehicles   | 300,947              | 49,970           | -         | 350,917             |
| Equipment  | 1,024,731            | -                | -         | 1,024,731           |
| Total assets being depreciated                                     | <u>26,139,144</u>    | <u>130,178</u>   | <u>-</u>  | <u>26,269,322</u>   |
| Less accumulated depreciation:                                     |                      |                  |           |                     |
| Buildings  | (20,996,169)         | (505,397)        | -         | (21,501,566)        |
| Vehicles   | (262,257)            | (8,987)          | -         | (271,244)           |
| Equipment  | (521,547)            | (50,909)         | -         | (572,456)           |
| Total accumulated depreciation                                     | <u>(21,779,973)</u>  | <u>(565,293)</u> | <u>-</u>  | <u>(22,345,266)</u> |
| Total assets being depreciated, net                                | <u>4,359,171</u>     | <u>(435,115)</u> | <u>-</u>  | <u>3,924,056</u>    |
| Total Government Capital Assets Net<br>of Accumulated Depreciation | <u>\$ 4,707,752</u>  | <u>(435,115)</u> | <u>-</u>  | <u>4,272,637</u>    |

# CHATHAM SCHOOL DISTRICT

## Notes to Basic Financial Statements, Continued

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

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

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

|  |                   |
|--|-------------------|
| Instruction  | \$ 486,880        |
| Operation and maintenance of plant                     | 72,145            |
| Food services  | 6,268             |
| Total depreciation expense per function – governmental | <u>\$ 565,293</u> |

### **D. Interfund Receivables and Payables**

Interfund receivables and payables are shown as "Due To Other Funds" and "Due From Other Funds" in each of the individual funds. These balances at June 30, 2025, were as follows:

| <u>Receivable Fund</u>   | <u>Payable Fund</u>                | <u>Amount</u>     |
|--------------------------|------------------------------------|-------------------|
| School Operating Fund    | Other Governmental Funds           | \$ 276,622        |
| School Operating Fund    | Full-Service Community Schools SRF | 165,376           |
| Other Governmental Funds | School Operating Fund              | 439,458           |
|                          |                                    | <u>\$ 881,456</u> |

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

| <u>Transfer Out</u>      | <u>Transfer In</u>        | <u>Amount</u>     |
|--------------------------|---------------------------|-------------------|
| School Operating Fund    | Foxes Den Enterprise Fund | \$ 272,855        |
| Other Governmental Funds | School Operating Fund     | 5,288             |
|                          |                           | <u>\$ 278,143</u> |

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

In fiscal year 2025 the District transferred funds from the School Operating Fund to the Foxes Den Enterprise Fund which carried a negative fund balance in the prior period. This transfer was made to close out the Enterprise Fund.

### **E. Deficit Fund Balance**

At June 30, 2025 the Staff Housing Special Revenue Fund had deficit fund balance of \$20,849 and the USDA Farm to School has a deficit fund balance of \$30,232. These deficits are expected to be covered by transfers of fund balance from the School Operating Fund.

# CHATHAM SCHOOL DISTRICT

## Notes to Basic Financial Statements, Continued

### **E. Fund Balances**

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

|                            | School<br>Operating<br>Fund | Other<br>Governmental<br>Funds | Totals                |
|----------------------------|-----------------------------|--------------------------------|-----------------------|
| <b>Nonspendable:</b>       |                             |                                |                       |
| Inventory                  | \$ 21,592                   | 5,475                          | 27,067                |
| Prepaid expenses           | 7,846                       | 1,883                          | 9,729                 |
| <b>Total non-spendable</b> | <b><u>29,438</u></b>        | <b><u>7,358</u></b>            | <b><u>36,796</u></b>  |
| <b>Committed:</b>          |                             |                                |                       |
| Food service               | -                           | 15,708                         | 15,708                |
| Pupil transportation       | -                           | 141,633                        | 141,633               |
| Post secondary survival    | -                           | 36,605                         | 36,605                |
| Student activities         | -                           | 111,590                        | 111,590               |
| Special capital projects   | -                           | 141,537                        | 141,537               |
| Playground improvements    | -                           | 2,780                          | 2,780                 |
| Staff housing repairs      | -                           | 2,403                          | 2,403                 |
| Kitchen maintenance        | -                           | 5,679                          | 5,679                 |
| <b>Total committed</b>     | <b><u>-</u></b>             | <b><u>457,935</u></b>          | <b><u>457,935</u></b> |
| Unassigned                 | <u>64,056</u>               | <u>(52,964)</u>                | <u>11,092</u>         |
| <b>Total Fund Balances</b> | <b><u>\$ 93,494</u></b>     | <b><u>412,329</u></b>          | <b><u>505,823</u></b> |

### **III. OTHER INFORMATION**

#### **A. Risk Management**

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

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

## CHATHAM SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

#### **B. Contingent Liabilities**

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

#### **C. Employee Retirement Systems and Plans**

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

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

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             |

## CHATHAM SCHOOL DISTRICT

### Notes to 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.

## CHATHAM SCHOOL DISTRICT

### Notes to 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%   |

## CHATHAM SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

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

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

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

**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.

CHATHAM SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

|                               | Employer<br>Effective<br>Rate | ARM<br>Board<br>Adopted<br>Rate | State<br>Contribution<br>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%<br>Post-65 medical: 5.4% grading down to 4.5%<br>Rx/EGWP: 6.9% grading down to 4.5%.<br>Initial trend rates are for FY2025.<br>Ultimate trend rates reached in FY2050. |

## CHATHAM SCHOOL DISTRICT

### Notes to 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.

## CHATHAM SCHOOL DISTRICT

### Notes to 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<br>(DB) | Other Post-Employment<br>Benefits (DB) | Total   |
|------------------|--|---------|
| \$ 134,443       | 8,933                                  | 143,376 |

#### **Public Employees' Retirement Plans**

For the year ended June 30, 2025 the State of Alaska contributed \$44,965 (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 \$105,195 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

CHATHAM SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

| Defined Benefit:  | Pension             |
|---|---------------------|
| District's proportionate share of the net pension liability           | \$ 1,591,762        |
| State's proportionate share of the net pension liability              | 595,780             |
| Total   | <u>\$ 2,187,542</u> |
|   |                     |
| OPEB  | OPEB                |
| District's proportionate share of the ARHCT OPEB liability (asset)    | \$ (639,316)        |
| State's proportionate share of the ARHCT OPEB liability (asset)       | (239,744)           |
| Total   | <u>\$ (879,060)</u> |
|   |                     |
| District's proportionate share of the ODD OPEB liability (asset)      | \$ (21,923)         |
| District's proportionate share of the RMP OPEB liability (asset)      | \$ (20,583)         |
|   |                     |
| Total District's share of net pension and OPEB liabilities and assets | <u>\$ 909,940</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 | June 30, 2023 | Change     |
|---------|---------------|---------------|------------|
|         | Measurement   | Measurement   |            |
| Pension | 0.02902%      | 0.02963%      | (0.00061)% |
| OPEB:   |               |               |            |
| ARHCT   | 0.02903%      | 0.02970%      | (0.00067)% |
| ODD     | 0.03672%      | 0.03509%      | 0.00163%   |
| RMP     | 0.04416%      | 0.04203%      | 0.00213%   |

CHATHAM SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2024, the District recognized pension and OPEB expense of \$286,906 and \$23,042, 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<br>of Resources | Deferred Inflows<br>of Resources |
| Defined Benefit:  |                                   |                                  |
| Differences between expected and actual experience  | \$ -                              | -                                |
| Changes of assumptions  | -                                 | -                                |
| Net difference between projected and actual earnings on pension plan investments                              | 15,323                            | -                                |
| Changes in proportion and differences between District contributions and proportionate share of contributions | -                                 | -                                |
| District contributions subsequent to the measurement date   | 134,443                           | -                                |
| Total   | \$ <u>149,766</u>                 | <u>-</u>                         |
|   | OPEB ARHCT                        |                                  |
|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
| Differences between expected and actual experience  | \$ 346                            | -                                |
| Changes of assumptions  | 17,165                            | -                                |
| Net difference between projected and actual earnings on OPEB plan investments                                 | 9,736                             | -                                |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 2,427                             | -                                |
| District contributions subsequent to the measurement date   | -                                 | -                                |
| Total   | \$ <u>29,674</u>                  | <u>-</u>                         |

CHATHAM SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

|   | OPEB ODD                          |                                  |
|---|-----------------------------------|----------------------------------|
|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
| Differences between expected and actual experience  | \$ -                              | (5,136)                          |
| Changes of assumptions  | -                                 | (54)                             |
| Net difference between projected and actual earnings on OPEB plan investments                                 | 70                                | -                                |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 402                               | (2,257)                          |
| District contributions subsequent to the measurement date   | 2,004                             | -                                |
| Total   | \$ 2,476                          | <u>(7,447)</u>                   |
|   | OPEB RMP                          |                                  |
|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
| Differences between expected and actual experience  | \$ 518                            | (2,287)                          |
| Changes of assumptions  | 6,965                             | (13,837)                         |
| Net difference between projected and actual earnings on OPEB plan investments                                 | 290                               | -                                |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 235                               | (594)                            |
| District contributions subsequent to the measurement date   | 6,929                             | -                                |
| Total   | \$ 14,937                         | <u>(16,718)</u>                  |

\$134,443 and \$8,933 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<br>June 30, | Pension     | OPEB<br>ARHCT | OPEB<br>ODD | OPEB<br>RMP    |
|------------------------|-------------|---------------|-------------|----------------|
| 2025                   | \$ (42,662) | (16,000)      | (1,832)     | (2,923)        |
| 2026                   | 79,423      | 64,483        | (1,039)     | 13             |
| 2027                   | (11,724)    | (10,335)      | (1,387)     | (3,081)        |
| 2028                   | (9,714)     | (8,474)       | (1,248)     | (2,148)        |
| 2029                   | -           | -             | (873)       | (1,221)        |
| Thereafter             | -           | -             | (596)       | 650            |
| Total                  | \$ 15,323   | 29,674        | (6,975)     | <u>(8,710)</u> |

## CHATHAM SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

For the year ended June 30, 2025, the District recognized \$(64,726) and \$(13,424) 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<br>(6.25%) | Current Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|----------------------------------|------------------------|-------------------------|------------------------|
| Net pension liability            | \$ 2,120,377           | 1,591,762               | 1,144,427              |
| Net OPEB ARHCT liability (asset) | \$ (404,805)           | (639,316)               | (836,662)              |
| Net OPEB ODD liability (asset)   | \$ (20,591)            | (21,923)                | (22,966)               |
| Net OPEB RMP liability (asset)   | \$ 3,566               | (20,583)                | (39,041)               |

*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<br>(859,192) | Current Rate<br>(639,316) | 1% Increase<br>(378,118) |
|----------------------------------|--------------------------|---------------------------|--------------------------|
| Net OPEB ARHCT liability (asset) | \$ N/A                   | (21,923)                  | N/A                      |
| Net OPEB RMP liability (asset)   | \$ (41,477)              | (20,583)                  | 7,452                    |

### **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.

## CHATHAM SCHOOL DISTRICT

### Notes to 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 \$88,901 for the year ended June 30, 2025, which included forfeitures of \$9,637 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.

CHATHAM SCHOOL DISTRICT

Notes to 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  | Other Post-Employment<br>Benefits (DB) | Total  |
|-----------|--|--------|
| (DB)      |  |        |
| \$ 35,998 | 12,158                                 | 48,156 |

**Teachers' Retirement Plans**

For the year ended June 30, 2025 the State of Alaska contributed \$253,022 (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 \$241,363 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           | \$ 866,576     |
| State's proportionate share of the net pension liability              | 1,493,946      |
| Total   | \$ 2,360,522   |
|   | OPEB           |
| District's proportionate share of the ARHCT OPEB liability (asset)    | \$ (483,331)   |
| State's proportionate share of the ARHCT OPEB liability (asset)       | (788,040)      |
| Total   | \$ (1,271,371) |
| District's proportionate share of the ODD OPEB liability (asset)      | \$ (24,112)    |
| District's proportionate share of the RMP OPEB liability (asset)      | \$ (68,010)    |
| Total District's share of net pension and OPEB liabilities and assets | \$ 291,123     |

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.

CHATHAM SCHOOL DISTRICT

Notes to 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<br>Measurement | June 30, 2023<br>Measurement | Change     |
|---------|------------------------------|------------------------------|------------|
| Pension | 0.04685%                     | 0.05513%                     | (0.00828)% |
| OPEB:   |                              |                              |            |
| ARHCT   | 0.04845%                     | 0.05610%                     | (0.00765)% |
| ODD     | 0.30262%                     | 0.24241%                     | 0.06021%   |
| RMP     | 0.30245%                     | 0.24261%                     | 0.05984%   |

Based on the measurement date of June 30, 2024, the District recognized pension and OPEB expense of \$180,050 and \$81,166, 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<br>of Resources | Deferred Inflows<br>of Resources |
| Defined Benefit:  |                                   |                                  |
| Differences between expected and actual experience  | \$ -                              | -                                |
| Changes of assumptions  | -                                 | -                                |
| Net difference between projected and actual earnings on pension plan investments                              | 14,448                            | -                                |
| Changes in proportion and differences between District contributions and proportionate share of contributions | -                                 | -                                |
| District contributions subsequent to the measurement date   | 35,998                            | -                                |
| Total   | <u>\$ 50,446</u>                  | <u>-</u>                         |

|   | OPEB ARHCT                        |                                  |
|---|-----------------------------------|----------------------------------|
|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
| Differences between expected and actual experience  | \$ -                              | (118)                            |
| Changes of assumptions  | 5,707                             | -                                |
| Net difference between projected and actual earnings on OPEB plan investments                                 | 6,124                             | -                                |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 7,237                             | -                                |
| District contributions subsequent to the measurement date   | -                                 | -                                |
| Total   | <u>\$ 19,068</u>                  | <u>(118)</u>                     |

CHATHAM SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

|   | OPEB ODD                          |                                  |
|---|-----------------------------------|----------------------------------|
|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
| Differences between expected and actual experience  | \$ -                              | (3,810)                          |
| Changes of assumptions  | -                                 | (34)                             |
| Net difference between projected and actual earnings on OPEB plan investments                                 | 102                               | -                                |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 1,741                             | (5,328)                          |
| District contributions subsequent to the measurement date   | 1,280                             | -                                |
| Total   | \$ <u>3,123</u>                   | <u>(9,172)</u>                   |
|   | OPEB RMP                          |                                  |
|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
| Differences between expected and actual experience  | \$ 9,494                          | (4,632)                          |
| Changes of assumptions  | 12,689                            | (26,390)                         |
| Net difference between projected and actual earnings on OPEB plan investments                                 | 968                               | -                                |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 3,200                             | (13,121)                         |
| District contributions subsequent to the measurement date   | 10,878                            | -                                |
| Total   | \$ <u>37,229</u>                  | <u>(44,143)</u>                  |

\$35,998 and \$12,158 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<br>June 30, | Pension          | OPEB<br>ARHCT | OPEB<br>ODD    | OPEB<br>RMP     |
|------------------------|------------------|---------------|----------------|-----------------|
| 2025                   | \$ (39,837)      | (9,706)       | (1,418)        | (5,865)         |
| 2026                   | 72,625           | 40,922        | (751)          | 867             |
| 2027                   | (9,914)          | (6,739)       | (1,279)        | (4,804)         |
| 2028                   | (8,426)          | (5,527)       | (1,052)        | (4,371)         |
| 2029                   | -                | -             | (970)          | (1,880)         |
| Thereafter             | -                | -             | (1,859)        | (1,739)         |
| Total                  | \$ <u>14,448</u> | <u>18,950</u> | <u>(7,329)</u> | <u>(17,792)</u> |

## CHATHAM SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

For the year ended June 30, 2025, the District recognized \$(176,164) and \$54,840 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<br>(6.25%) | Current Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|----------------------------------|------------------------|-------------------------|------------------------|
| Net pension liability            | \$ 1,257,169           | 866,576                 | 535,936                |
| Net OPEB ARHCT liability (asset) | \$ (333,112)           | (483,331)               | (609,039)              |
| Net OPEB ODD liability (asset)   | \$ (24,191)            | (24,112)                | (24,064)               |
| Net OPEB RMP liability (asset)   | \$ (17,951)            | (68,010)                | (105,810)              |

*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<br>(6.25%) | Current Rate<br>(483,331) | 1% Increase<br>(316,747) |
|----------------------------------|------------------------|---------------------------|--------------------------|
| Net OPEB ARHCT liability (asset) | \$ (622,764)           | (483,331)                 | (316,747)                |
| Net OPEB ODD liability (asset)   | \$ N/A                 | (24,112)                  | N/A                      |
| Net OPEB RMP liability (asset)   | \$ (110,377)           | (68,010)                  | (10,649)                 |

### **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%

## CHATHAM SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

The District contributed \$160,338 for the year ended June 30, 2025, which included forfeitures of \$4,095 which have been applied as employer contributions.

#### **D. Subsequent Accounting Pronouncements**

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

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

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

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

#### **E. Implementation of new accounting standards GASB statement No. 101**

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

|                                 | Governmental<br>Funds | Governmental<br>Activities |
|---------------------------------|-----------------------|----------------------------|
| Net position, beginning of year |                       |                            |
| July 1, 2024                    | \$ 984,048            | \$ 4,747,235               |
| Change in accounting principle: |                       |                            |
| Compensated absences            | 19,748                | (22,740)                   |
| Net position, as adjusted       | <u>\$ 1,003,796</u>   | <u>\$ 4,724,495</u>        |

# **REQUIRED SUPPLEMENTARY INFORMATION**

## CHATHAM SCHOOL DISTRICT

## School Operating Fund

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

Year Ended June 30, 2025

|   | Budgeted Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|--------------------|------------------|-------------------|--|
|   | Original           | Final            |                   |  |
| <b>Revenues:</b>  |                    |                  |                   |  |
| Local sources:  |                    |                  |                   |  |
| Charges for services                                      | \$ 2,000           | 2,000            | 4,472             | 2,472  |
| Interest income   | 100                | 100              | 50                | (50)   |
| E-rate  | 357,588            | 357,588          | 365,357           | 7,769  |
| Other local revenues                                      | 42,000             | 42,000           | 89,271            | 47,271   |
| Intergovernmental:  |                    |                  |                   |  |
| State of Alaska   | 4,177,014          | 4,177,014        | 4,245,426         | 68,412   |
| Federal sources   | 185,654            | 185,654          | 199,607           | 13,953   |
| Total revenues  | <u>4,764,356</u>   | <u>4,764,356</u> | <u>4,904,183</u>  | <u>139,827</u>   |
| <b>Expenditures -</b>                                     |                    |                  |                   |  |
| Current:  |                    |                  |                   |  |
| Instruction   | 1,588,089          | 1,588,089        | 1,736,034         | (147,945)  |
| Special education instruction                             | 504,687            | 504,687          | 495,647           | 9,040  |
| Special education support services - students             | 106,908            | 106,908          | 100,786           | 6,122  |
| Support services - students                               | 3,000              | 3,000            | 2,757             | 243  |
| Support services - instruction                            | 544,973            | 544,973          | 511,582           | 33,391   |
| School administration                                     | 351,368            | 351,368          | 367,800           | (16,432)   |
| School administration support services                    | 187,472            | 187,472          | 190,204           | (2,732)  |
| District administration                                   | 342,824            | 342,824          | 367,111           | (24,287)   |
| District administration support services                  | 247,115            | 247,115          | 283,741           | (36,626)   |
| Operations and maintenance of plant                       | 845,478            | 845,478          | 846,561           | (1,083)  |
| Student activities  | 113,485            | 113,485          | 110,286           | 3,199  |
| Total expenditures  | <u>4,835,399</u>   | <u>4,835,399</u> | <u>5,012,509</u>  | <u>(177,110)</u>   |
| Excess (deficiency) of revenues over (under) expenditures | (71,043)           | (71,043)         | (108,326)         | (37,283)   |
| <b>Other financing sources (uses):</b>                    |                    |                  |                   |  |
| Transfers out - Foxes Den Enterprise Fund                 | -                  | -                | (272,855)         | (272,855)  |
| Transfers in - FEMA Special Revenue Fund                  | -                  | -                | 5,288             | 5,288  |
| Net other financing sources (uses)                        | <u>-</u>           | <u>-</u>         | <u>(267,567)</u>  | <u>(267,567)</u>   |
| Net change in fund balance                                | \$ <u>(71,043)</u> | <u>(71,043)</u>  | <u>(375,893)</u>  | <u>(304,850)</u>   |
| Fund balance, beginning of year, as originally stated     |                    |                  | 449,639           |  |
| Change in accounting principle                            |                    |                  | 19,748            |  |
| Fund balance, beginning of year, as restated              |                    |                  | <u>469,387</u>    |  |
| Fund balance, end of year                                 | \$ <u>93,494</u>   |                  |                   |  |

See accompanying notes to Required Supplementary Information.

## CHATHAM SCHOOL DISTRICT

Exhibit F-2

## Full-Service Community Schools Special Revenue Fund

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

Year Ended June 30, 2025

|   | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|---|-------------------|--|
| Revenues -  |   |                   |  |
| Intergovernmental -   |   |                   |  |
| Federal sources - passed through<br>other intermediary agencies | \$ 1,287,897                              | 609,933           | (677,964)  |
| Expenditures -  |   |                   |  |
| Current -   |   |                   |  |
| Instruction   | 1,287,897                                 | 609,933           | 677,964  |
| Excess of revenues over expenditures                            | \$ -                                      | -                 | -  |
| Fund balance, beginning of year                                 |   |                   |  |
| Fund balance, end of year                                       | \$ -                                      | -                 |  |

See accompanying notes to Required Supplementary Information.

## CHATHAM SCHOOL DISTRICT

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

## Public Employees' Retirement System (PERS)

June 30, 2025

| Year | District's Proportion of the Net Pension Liability | District's Proportionate Share of the Net Pension Liability | State of Alaska Proportionate Share of the Net Pension Liability | Total Net Pension Liability | District's Covered Payroll | District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------|--|---|--|-----------------------------|----------------------------|--|--|
| 2016 | 0.0383%  | \$ 1,856,960  | \$ 4,999,735   | \$ 6,856,695                | \$ 504,163                 | 368.33%  | 63.96%   |
| 2017 | 0.0243%  | \$ 1,356,902  | \$ 167,241   | \$ 1,524,143                | \$ 569,881                 | 238.10%  | 59.55%   |
| 2018 | 0.0225%  | \$ 1,160,561  | \$ 431,147   | \$ 1,591,708                | \$ 612,939                 | 189.34%  | 63.37%   |
| 2019 | 0.0258%  | \$ 1,279,711  | \$ 371,022   | \$ 1,650,733                | \$ 634,083                 | 201.82%  | 65.19%   |
| 2020 | 0.0249%  | \$ 1,361,108  | \$ 540,251   | \$ 1,901,359                | \$ 639,133                 | 212.96%  | 63.42%   |
| 2021 | 0.0224%  | \$ 1,322,588  | \$ 546,749   | \$ 1,869,337                | \$ 621,045                 | 212.96%  | 61.61%   |
| 2022 | 0.0232%  | \$ 850,374  | \$ 115,919   | \$ 966,293                  | \$ 602,053                 | 141.25%  | 76.46%   |
| 2023 | 0.0222%  | \$ 1,132,625  | \$ 312,605   | \$ 1,445,230                | \$ 769,127                 | 147.26%  | 67.97%   |
| 2024 | 0.0296%  | \$ 1,536,429  | \$ 514,341   | \$ 2,050,770                | \$ 909,158                 | 168.99%  | 68.23%   |
| 2025 | 0.0290%  | \$ 1,591,762  | \$ 595,780   | \$ 2,187,542                | \$ 973,228                 | 163.55%  | 67.81%   |

See accompanying notes to Required Supplementary Information.

## CHATHAM 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   | 0.0224%   | \$ 189,262   | \$ 71,042   | \$ 260,304                       | \$ 612,939                 | 30.88%  | 89.68%  |
| 2019   | 0.2571%   | \$ 263,814   | \$ 77,136   | \$ 340,950                       | \$ 634,083                 | 41.61%  | 88.12%  |
| 2020   | 0.0248%   | \$ 36,788  | \$ 14,802   | \$ 51,590                        | \$ 639,133                 | 5.76%   | 98.13%  |
| 2021   | 0.0223%   | \$ (101,822)   | \$ (41,958)   | \$ (143,780)                     | \$ 621,045                 | -16.40%   | 106.15%   |
| 2022   | 0.0233%   | \$ (598,323)   | \$ (80,057)   | \$ (678,380)                     | \$ 602,053                 | -99.38%   | 135.54%   |
| 2023   | 0.0220%   | \$ (433,137)   | \$ (123,324)  | \$ (556,461)                     | \$ 769,127                 | -56.32%   | 128.51%   |
| 2024   | 0.0297%   | \$ (682,282)   | \$ (229,495)  | \$ (911,777)                     | \$ 909,158                 | -75.05%   | 133.96%   |
| 2025   | 0.0290%   | \$ (639,316)   | \$ (239,744)  | \$ (879,060)                     | \$ 973,228                 | -65.69%   | 130.59%   |
| <b>Occupational Death and Disability (ODD):</b>      |   |  |   |                                  |                            |   |   |
| 2018   | 0.0332%   | \$ 1,731   | \$ -  | \$ 1,731                         | \$ 612,939                 | 0.28%   | 212.97%   |
| 2019   | 0.0355%   | \$ 4,520   | \$ -  | \$ 4,520                         | \$ 634,083                 | 0.71%   | 270.62%   |
| 2020   | 0.0344%   | \$ 8,217   | \$ -  | \$ 8,217                         | \$ 639,133                 | 1.29%   | 297.43%   |
| 2021   | 0.0319%   | \$ 2,265   | \$ -  | \$ 2,265                         | \$ 621,045                 | 0.36%   | 283.80%   |
| 2022   | 0.0317%   | \$ (8,508)   | \$ -  | \$ (8,508)                       | \$ 602,053                 | -1.41%  | 374.22%   |
| 2023   | 0.0325%   | \$ (14,225)  | \$ -  | \$ (14,225)                      | \$ 769,127                 | -1.85%  | 348.80%   |
| 2024   | 0.0351%   | \$ (18,001)  | \$ -  | \$ (18,001)                      | \$ 909,158                 | -1.98%  | 349.24%   |
| 2025   | 0.0367%   | \$ (21,923)  | \$ -  | \$ (21,923)                      | \$ 973,228                 | -2.25%  | 346.81%   |
| <b>Retiree Medical Plan (RMP):</b>                   |   |  |   |                                  |                            |   |   |
| 2018   | 0.0332%   | \$ (4,710)   | \$ -  | \$ (4,710)                       | \$ 345,719                 | -1.36%  | 93.98%  |
| 2019   | 0.0355%   | \$ (6,898)   | \$ -  | \$ (6,898)                       | \$ 402,001                 | -1.72%  | 88.71%  |
| 2020   | 0.0273%   | \$ (6,620)   | \$ -  | \$ (6,620)                       | \$ 428,792                 | -1.54%  | 83.17%  |
| 2021   | 0.0256%   | \$ (6,975)   | \$ -  | \$ (6,975)                       | \$ 431,507                 | -1.62%  | 92.23%  |
| 2022   | 0.0269%   | \$ (11,864)  | \$ -  | \$ (11,864)                      | \$ 463,204                 | -2.56%  | 115.10%   |
| 2023   | 0.0382%   | \$ (13,264)  | \$ -  | \$ (13,264)                      | \$ 603,949                 | -2.20%  | 120.08%   |
| 2024   | 0.0420%   | \$ (19,956)  | \$ -  | \$ (19,956)                      | \$ 374,245                 | -5.33%  | 124.29%   |
| 2025   | 0.0442%   | \$ (20,583)  | \$ -  | \$ (20,583)                      | \$ 425,025                 | -4.84%  | 119.87%   |

See accompanying notes to Required Supplementary Information.

CHATHAM 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 | \$ 47,840                           | \$ (47,840)   | \$ -                             | \$ 569,881                 |                            | 8.39%  |
| 2017 | \$ 59,024                           | \$ (59,024)   | \$ -                             | \$ 612,939                 |                            | 9.63%  |
| 2018 | \$ 62,992                           | \$ (62,992)   | \$ -                             | \$ 634,083                 |                            | 9.93%  |
| 2019 | \$ 55,145                           | \$ (54,303)   | \$ 842                           | \$ 639,133                 |                            | 8.63%  |
| 2020 | \$ 55,573                           | \$ (55,225)   | \$ 348                           | \$ 621,045                 |                            | 8.95%  |
| 2021 | \$ 53,177                           | \$ (53,177)   | \$ -                             | \$ 602,053                 |                            | 8.83%  |
| 2022 | \$ 75,566                           | \$ (75,566)   | \$ -                             | \$ 769,127                 |                            | 9.82%  |
| 2023 | \$ 102,708                          | \$ (107,670)  | \$ (4,962)                       | \$ 909,158                 |                            | 11.30%   |
| 2024 | \$ 111,434                          | \$ (109,587)  | \$ 1,847                         | \$ 973,228                 |                            | 11.45%   |
| 2025 | \$ 133,001                          | \$ (134,443)  | \$ (1,442)                       | \$ 1,055,803               |                            | 12.60%   |

See accompanying notes to Required Supplementary Information.

## CHATHAM 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   | \$ 17,955                           | \$ (17,955)   | -                                | \$ 634,083                 | 2.83%  |
| 2019   | \$ 17,963                           | \$ (17,963)   | -                                | \$ 639,133                 | 2.81%  |
| 2020   | \$ 22,023                           | \$ (22,023)   | -                                | \$ 621,045                 | 3.55%  |
| 2021   | \$ 10,471                           | \$ (10,471)   | -                                | \$ 602,053                 | 1.74%  |
| 2022   | \$ 10,735                           | \$ (10,735)   | -                                | \$ 769,127                 | 1.40%  |
| 2023   | \$ -                                | \$ -  | -                                | \$ 909,158                 | 0.00%  |
| 2024   | \$ -                                | \$ -  | -                                | \$ 973,228                 | 0.00%  |
| 2025   | \$ -                                | \$ -  | -                                | \$ 1,055,803               | 0.00%  |
| <b>Occupational Death and Disability (ODD):</b>      |                                     |   |                                  |                            |  |
| 2018   | \$ 643                              | \$ (643)  | -                                | \$ 634,083                 | 0.10%  |
| 2019   | \$ 1,115                            | \$ (1,115)  | -                                | \$ 639,133                 | 0.17%  |
| 2020   | \$ 1,199                            | \$ (1,199)  | -                                | \$ 621,045                 | 0.19%  |
| 2021   | \$ 1,436                            | \$ (1,436)  | -                                | \$ 602,053                 | 0.24%  |
| 2022   | \$ 1,872                            | \$ (1,872)  | -                                | \$ 769,127                 | 0.24%  |
| 2023   | \$ 2,149                            | \$ (2,149)  | -                                | \$ 909,158                 | 0.24%  |
| 2024   | \$ 2,520                            | \$ (2,520)  | -                                | \$ 973,228                 | 0.26%  |
| 2025   | \$ 2,004                            | \$ (2,004)  | -                                | \$ 1,055,803               | 0.19%  |
| <b>Retiree Medical Plan (RMP):</b>                   |                                     |   |                                  |                            |  |
| 2018   | \$ 4,141                            | \$ (4,141)  | -                                | \$ 402,001                 | 1.03%  |
| 2019   | \$ 4,031                            | \$ (4,031)  | -                                | \$ 428,792                 | 0.94%  |
| 2020   | \$ 5,976                            | \$ (5,976)  | -                                | \$ 431,507                 | 1.38%  |
| 2021   | \$ 5,883                            | \$ (5,883)  | -                                | \$ 463,204                 | 1.27%  |
| 2022   | \$ 6,462                            | \$ (6,462)  | -                                | \$ 603,949                 | 1.07%  |
| 2023   | \$ 7,881                            | \$ (7,881)  | -                                | \$ 374,245                 | 2.11%  |
| 2024   | \$ 8,498                            | \$ (8,498)  | -                                | \$ 425,025                 | 2.00%  |
| 2025   | \$ 6,929                            | \$ (6,929)  | -                                | \$ 404,097                 | 1.71%  |

See accompanying notes to Required Supplementary Information.

## CHATHAM 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 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 | 0.0456%  | \$ 847,808                                    | \$ 1,356,385   | \$ 2,204,193                | \$ 1,312,597               | 64.59%   | 73.82%   |
| 2017 | 0.0717%  | \$ 1,637,192                                  | \$ 1,939,716   | \$ 3,576,908                | \$ 1,354,162               | 120.90%  | 68.40%   |
| 2018 | 0.0658%  | \$ 1,332,534                                  | \$ 2,323,173   | \$ 3,655,707                | \$ 1,331,515               | 100.08%  | 72.39%   |
| 2019 | 0.0640%  | \$ 1,225,605                                  | \$ 1,820,630   | \$ 3,046,235                | \$ 1,331,103               | 92.07%   | 74.09%   |
| 2020 | 0.0661%  | \$ 1,235,295                                  | \$ 1,831,682   | \$ 3,066,977                | \$ 1,278,509               | 96.62%   | 74.68%   |
| 2021 | 0.0441%  | \$ 896,419                                    | \$ 1,554,451   | \$ 2,450,870                | \$ 1,149,604               | 77.98%   | 72.81%   |
| 2022 | 0.0808%  | \$ 643,257                                    | \$ 546,042   | \$ 1,189,299                | \$ 1,417,616               | 45.38%   | 89.43%   |
| 2023 | 0.0445%  | \$ 741,218                                    | \$ 989,005   | \$ 1,730,223                | \$ 1,248,818               | 59.35%   | 78.33%   |
| 2024 | 0.0551%  | \$ 969,405                                    | \$ 1,531,289   | \$ 2,500,694                | \$ 1,633,789               | 59.33%   | 77.62%   |
| 2025 | 0.0469%  | \$ 866,576                                    | \$ 1,493,946   | \$ 2,360,522                | \$ 1,739,747               | 49.81%   | 77.07%   |

See accompanying notes to Required Supplementary Information.

## CHATHAM 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   | 0.0224%   | \$ 189,262   | \$ 71,042   | \$ 260,304                       | \$ 1,331,515               | 14.21%  | 93.75%  |
| 2019   | 0.0257%   | \$ 263,814   | \$ 77,136   | \$ 340,950                       | \$ 1,331,103               | 19.82%  | 90.23%  |
| 2020   | 0.0248%   | \$ 36,788  | \$ 14,802   | \$ 51,590                        | \$ 1,278,509               | 2.88%   | 105.50%   |
| 2021   | 0.0223%   | \$ (101,822)   | \$ (41,958)   | \$ (143,780)                     | \$ 1,149,604               | -8.86%  | 113.78%   |
| 2022   | 0.2333%   | \$ (598,323)   | \$ (80,057)   | \$ (678,380)                     | \$ 1,417,616               | -42.21%   | 145.41%   |
| 2023   | 0.0453%   | \$ (397,376)   | \$ (509,993)  | \$ (907,369)                     | \$ 1,248,818               | -31.82%   | 134.84%   |
| 2024   | 0.0561%   | \$ (566,965)   | \$ (864,120)  | \$ (1,431,085)                   | \$ 1,633,789               | -34.70%   | 140.49%   |
| 2025   | 0.0485%   | \$ (483,331)   | \$ (788,040)  | \$ (1,271,371)                   | \$ 1,739,747               | -27.78%   | 137.40%   |
| <b>Occupational Death and Disability (ODD):</b>      |   |  |   |                                  |                            |   |   |
| 2018   | 0.0332%   | \$ 1,731   | \$ -  | \$ 1,731                         | \$ 1,331,515               | 0.13%   | 1342.59%  |
| 2019   | 0.0355%   | \$ 4,520   | \$ -  | \$ 4,520                         | \$ 1,331,103               | 0.34%   | 1304.81%  |
| 2020   | 0.0344%   | \$ 8,217   | \$ -  | \$ 8,217                         | \$ 1,278,509               | 0.64%   | 1409.77%  |
| 2021   | 0.0319%   | \$ 2,265   | \$ -  | \$ 2,265                         | \$ 1,149,604               | 0.20%   | 931.08%   |
| 2022   | 0.0317%   | \$ (8,508)   | \$ -  | \$ (8,508)                       | \$ 1,417,616               | -0.60%  | 1254.36%  |
| 2023   | 0.2005%   | \$ (12,111)  | \$ -  | \$ (12,111)                      | \$ 1,248,818               | -0.97%  | 1268.28%  |
| 2024   | 0.2424%   | \$ (16,772)  | \$ -  | \$ (16,772)                      | \$ 1,633,789               | -1.03%  | 1410.42%  |
| 2025   | 0.3026%   | \$ (24,112)  | \$ -  | \$ (24,112)                      | \$ 1,739,747               | -1.39%  | 1600.56%  |
| <b>Retiree Medical Plan (RMP):</b>                   |   |  |   |                                  |                            |   |   |
| 2018   | 0.0332%   | \$ (4,710)   | \$ -  | \$ (4,710)                       | \$ 862,144                 | -0.55%  | 118.16%   |
| 2019   | 0.0355%   | \$ (6,898)   | \$ -  | \$ (6,898)                       | \$ 849,788                 | -0.81%  | 109.56%   |
| 2020   | 0.0273%   | \$ (6,620)   | \$ -  | \$ (6,620)                       | \$ 988,720                 | -0.67%  | 110.03%   |
| 2021   | 0.0256%   | \$ (6,975)   | \$ -  | \$ (6,975)                       | \$ 991,217                 | -0.70%  | 125.59%   |
| 2022   | 0.0269%   | \$ (11,864)  | \$ -  | \$ (11,864)                      | \$ 1,124,077               | -1.06%  | 142.54%   |
| 2023   | 0.2002%   | \$ (38,762)  | \$ -  | \$ (38,762)                      | \$ 985,411                 | -3.93%  | 140.73%   |
| 2024   | 0.2426%   | \$ (53,740)  | \$ -  | \$ (53,740)                      | \$ 1,072,191               | -5.01%  | 140.71%   |
| 2025   | 0.3025%   | \$ (68,010)  | \$ -  | \$ (68,010)                      | \$ 1,383,234               | -4.92%  | 134.72%   |

See accompanying notes to Required Supplementary Information.

CHATHAM 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 | \$ 47,946                           | \$ (47,946)   | \$ -                             | \$ 1,354,162               | 3.54%                      |  |
| 2017 | \$ 42,348                           | \$ (42,348)   | \$ -                             | \$ 1,331,515               | 3.18%                      |  |
| 2018 | \$ 59,845                           | \$ (59,845)   | \$ -                             | \$ 1,331,103               | 4.50%                      |  |
| 2019 | \$ 30,863                           | \$ (16,403)   | \$ 14,460                        | \$ 1,278,509               | 2.41%                      |  |
| 2020 | \$ 40,325                           | \$ (49,251)   | \$ (8,926)                       | \$ 1,149,604               | 3.51%                      |  |
| 2021 | \$ 32,386                           | \$ (32,386)   | \$ -                             | \$ 1,417,616               | 2.28%                      |  |
| 2022 | \$ 31,902                           | \$ (31,902)   | \$ -                             | \$ 1,248,818               | 2.55%                      |  |
| 2023 | \$ 53,605                           | \$ (57,601)   | \$ (3,996)                       | \$ 1,633,789               | 3.28%                      |  |
| 2024 | \$ 47,054                           | \$ (29,638)   | \$ 17,416                        | \$ 1,739,747               | 2.70%                      |  |
| 2025 | \$ 48,622                           | \$ (35,998)   | \$ 12,624                        | \$ 1,659,985               | 2.93%                      |  |

See accompanying notes to Required Supplementary Information.

## CHATHAM 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   | \$ 23,646                           | \$ (23,646)   | \$ -                             | \$ 1,331,103               | 1.78%  |
| 2019   | \$ 14,277                           | \$ (14,277)   | \$ -                             | \$ 1,278,509               | 1.12%  |
| 2020   | \$ 22,072                           | \$ (22,072)   | \$ -                             | \$ 1,149,604               | 1.92%  |
| 2021   | \$ 19,932                           | \$ (19,932)   | \$ -                             | \$ 1,417,616               | 1.41%  |
| 2022   | \$ 17,220                           | \$ (17,220)   | \$ -                             | \$ 1,248,818               | 1.38%  |
| 2023   | \$ 1,102                            | \$ (1,102)  | \$ -                             | \$ 1,633,789               | 0.07%  |
| 2024   | \$ -                                | \$ -  | \$ -                             | \$ 1,739,747               | 0.00%  |
| 2025   | \$ -                                | \$ -  | \$ -                             | \$ 1,659,985               | 0.00%  |
| <b>Occupational Death and Disability (ODD):</b>      |                                     |   |                                  |                            |  |
| 2018   | \$ -                                | \$ -  | \$ -                             | \$ 1,331,103               | 0.00%  |
| 2019   | \$ -                                | \$ -  | \$ -                             | \$ 1,278,509               | 0.00%  |
| 2020   | \$ 791                              | \$ (791)  | \$ -                             | \$ 1,149,604               | 0.07%  |
| 2021   | \$ 971                              | \$ (971)  | \$ -                             | \$ 1,417,616               | 0.07%  |
| 2022   | \$ 899                              | \$ (899)  | \$ -                             | \$ 1,248,818               | 0.07%  |
| 2023   | \$ 996                              | \$ (996)  | \$ -                             | \$ 1,633,789               | 0.06%  |
| 2024   | \$ 1,346                            | \$ (1,346)  | \$ -                             | \$ 1,739,747               | 0.08%  |
| 2025   | \$ 1,280                            | \$ (1,280)  | \$ -                             | \$ 1,659,985               | 0.08%  |
| <b>Retiree Medical Plan (RMP):</b>                   |                                     |   |                                  |                            |  |
| 2018   | \$ 7,733                            | \$ (7,733)  | \$ -                             | \$ 849,788                 | 0.91%  |
| 2019   | \$ 7,811                            | \$ (7,811)  | \$ -                             | \$ 988,720                 | 0.79%  |
| 2020   | \$ 12,562                           | \$ (12,562)   | \$ -                             | \$ 991,217                 | 1.27%  |
| 2021   | \$ 10,454                           | \$ (10,454)   | \$ -                             | \$ 1,124,077               | 0.93%  |
| 2022   | \$ 8,179                            | \$ (8,179)  | \$ -                             | \$ 985,411                 | 0.83%  |
| 2023   | \$ 10,837                           | \$ (10,837)   | \$ -                             | \$ 1,072,191               | 1.01%  |
| 2024   | \$ 13,795                           | \$ (13,795)   | \$ -                             | \$ 1,383,234               | 1.00%  |
| 2025   | \$ 10,878                           | \$ (10,878)   | \$ -                             | \$ 1,276,579               | 0.85%  |

See accompanying notes to Required Supplementary Information.

# CHATHAM SCHOOL DISTRICT

## Notes to Required Supplementary Information

June 30, 2025

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

#### **Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles. The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Annual budgets for operation are adopted by the School Board for all operating revenues, expenditures, and interfund transfers. Budgets are prepared and presented on the modified accrual basis of accounting.
2. The adopted School Operating Fund budget is submitted to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.
3. The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs. The originally adopted budget and the final revised and approved budget are presented in these financial statements. Expenditure authority for the School Operating Fund is limited to the total approved budget and functional areas of expenditures are not to be overspent. Annual appropriations for the School Operating Fund lapse at fiscal year-end.
4. 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. The amount of encumbrances, if significant, is disclosed in the notes to the Basic Financial Statements as commitments. As of June 30, 2025, the District did not have any encumbrances.

#### **Excess of Expenditures over Appropriations**

For the year ended June 30, 2025, expenditures exceeded appropriations in the following major funds:

| School Operating Fund:                 |    |           |
|--|----|-----------|
| Instruction                            | \$ | (147,945) |
| School administration                  | \$ | (16,432)  |
| School administration support services | \$ | (2,732)   |
| District administration                | \$ | (24,287)  |
| District admin support services        | \$ | (36,626)  |
| Operations and maintenance of plant    | \$ | (1,083)   |

## CHATHAM SCHOOL DISTRICT

### Notes to Required Supplementary Information, Continued

## 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.

##### **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.

## CHATHAM SCHOOL DISTRICT

### Notes to Required Supplementary Information, Continued

#### 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.

###### **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**

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.

## **SUPPLEMENTARY INFORMATION**

## CHATHAM SCHOOL DISTRICT

## School Operating Fund

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

Year Ended June 30, 2025

|                                     | Final<br>Budgeted<br>Amounts | Actual<br>Amounts       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------|------------------------------|-------------------------|---|
| <b>Revenues:</b>                    |                              |                         |   |
| Local sources:                      |                              |                         |   |
| Charges for services                | \$ 2,000                     | 4,472                   | 2,472   |
| Earnings on investments             | 100                          | 50                      | (50)  |
| E-rate                              | 357,588                      | 365,357                 | 7,769   |
| Other local revenues                | 42,000                       | 89,271                  | 47,271  |
| Total local sources                 | <u>401,688</u>               | <u>459,150</u>          | <u>57,462</u>   |
| State sources:                      |                              |                         |   |
| Foundation program                  | 3,519,341                    | 3,526,856               | 7,515   |
| Quality schools                     | 9,643                        | 9,643                   | -   |
| HB 268 one-time grant               | 409,836                      | 409,836                 | -   |
| TRS on-behalf payment               | 206,144                      | 253,022                 | 46,878  |
| PERS on-behalf payment              | 31,050                       | 44,966                  | 13,916  |
| Other                               | 1,000                        | 1,103                   | 103   |
| Total state sources                 | <u>4,177,014</u>             | <u>4,245,426</u>        | <u>68,412</u>   |
| Federal sources:                    |                              |                         |   |
| National forest receipts            | -                            | 6,132                   | 6,132   |
| Impact aid                          | <u>185,654</u>               | <u>193,475</u>          | <u>7,821</u>  |
| Total federal sources               | <u>185,654</u>               | <u>199,607</u>          | <u>13,953</u>   |
| <b>Total revenues</b>               | <b><u>4,764,356</u></b>      | <b><u>4,904,183</u></b> | <b><u>139,827</u></b>                                   |
| <b>Expenditures:</b>                |                              |                         |   |
| Current:                            |                              |                         |   |
| Instruction:                        |                              |                         |   |
| Certificated salaries               | 780,823                      | 863,095                 | (82,272)  |
| Non-certificated salaries           | 143,864                      | 166,348                 | (22,484)  |
| Employee benefits                   | 475,668                      | 544,217                 | (68,549)  |
| Housing allowance/subsidy           | 27,950                       | 9,710                   | 18,240  |
| Professional and technical services | 43,752                       | 43,135                  | 617   |
| Staff travel                        | 27,358                       | 30,629                  | (3,271)   |
| Student travel                      | 592                          | 592                     | -   |
| Utility services                    | 3,000                        | 88                      | 2,912   |
| Energy                              | -                            | 586                     | (586)   |
| Other purchased services            | 63,250                       | 47,044                  | 16,206  |
| Supplies, materials and media       | 16,890                       | 18,261                  | (1,371)   |
| Other expenses                      | 4,942                        | 12,329                  | (7,387)   |
| Total instruction                   | <u>1,588,089</u>             | <u>1,736,034</u>        | <u>(147,945)</u>  |
| Special education instruction:      |                              |                         |   |
| Certificated salaries               | 158,091                      | 174,204                 | (16,113)  |
| Non-certificated salaries           | 173,163                      | 151,314                 | 21,849  |
| Employee benefits                   | 161,418                      | 158,858                 | 2,560   |
| Housing allowance/subsidy           | 7,200                        | 4,000                   | 3,200   |
| Professional and technical services | -                            | 59                      | (59)  |
| Staff travel                        | -                            | 2,219                   | (2,219)   |
| Supplies, materials and media       | 4,815                        | 4,993                   | (178)   |
| Total special education instruction | <u>504,687</u>               | <u>495,647</u>          | <u>9,040</u>  |

(continued)

## CHATHAM SCHOOL DISTRICT

## School Operating Fund

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

|  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------------|-------------------|---|
| <b>Expenditures, continued:</b>                            |                              |                   |   |
| <b>Current:</b>  |                              |                   |   |
| <b>Special education support services - students:</b>      |                              |                   |   |
| Certificated salaries                                      | 20,000                       | 5,000             | 15,000  |
| Employee benefits  | 8,408                        | 2,250             | 6,158   |
| Professional and technical services                        | 70,000                       | 88,440            | (18,440)  |
| Staff travel   | 6,000                        | 5,096             | 904   |
| Other expenses   | 2,500                        | -                 | 2,500   |
| <b>Total special education support services - students</b> | <b>106,908</b>               | <b>100,786</b>    | <b>6,122</b>  |
| <b>Support services - students -</b>                       |                              |                   |   |
| Employee benefits  | 3,000                        | 2,757             | 243   |
| <b>Support services - instruction:</b>                     |                              |                   |   |
| Professional and technical services                        | 102,000                      | 100,786           | 1,214   |
| Utility services   | 441,488                      | 407,725           | 33,763  |
| Energy   | -                            | 289               | (289)   |
| Other purchased services                                   | -                            | 575               | (575)   |
| Supplies, materials and media                              | 725                          | 1,303             | (578)   |
| Other expenses   | 760                          | 904               | (144)   |
| <b>Total support services - instruction</b>                | <b>544,973</b>               | <b>511,582</b>    | <b>33,391</b>   |
| <b>School administration:</b>                              |                              |                   |   |
| Certificated salaries                                      | 192,075                      | 191,975           | 100   |
| Employee benefits  | 95,408                       | 87,587            | 7,821   |
| Professional and technical services                        | 9,585                        | 12,736            | (3,151)   |
| Staff travel   | 13,500                       | 16,518            | (3,018)   |
| Student travel   | -                            | 435               | (435)   |
| Utility services   | 20,000                       | 26,159            | (6,159)   |
| Energy   | -                            | 1,215             | (1,215)   |
| Other purchased services                                   | 19,000                       | 27,230            | (8,230)   |
| Supplies, materials and media                              | 1,320                        | 1,692             | (372)   |
| Other expenses   | 480                          | 2,253             | (1,773)   |
| <b>Total school administration</b>                         | <b>351,368</b>               | <b>367,800</b>    | <b>(16,432)</b>   |
| <b>School administration support services:</b>             |                              |                   |   |
| Non-certificated salaries                                  | 101,910                      | 111,838           | (9,928)   |
| Employee benefits  | 77,661                       | 74,879            | 2,782   |
| Staff travel   | 5,278                        | 869               | 4,409   |
| Supplies, materials and media                              | 2,623                        | 2,618             | 5   |
| <b>Total school administration support services</b>        | <b>187,472</b>               | <b>190,204</b>    | <b>(2,732)</b>  |
| <b>District administration:</b>                            |                              |                   |   |
| Certificated salaries                                      | 121,140                      | 105,997           | 15,143  |
| Non-certificated salaries                                  | 78,111                       | 98,847            | (20,736)  |
| Employee benefits  | 96,238                       | 98,273            | (2,035)   |
| Professional and technical services                        | 500                          | -                 | 500   |
| Staff travel   | 33,000                       | 37,893            | (4,893)   |
| Utility services   | 1,500                        | -                 | 1,500   |
| Supplies, materials and media                              | 1,100                        | 1,001             | 99  |
| Other expenses   | 11,235                       | 25,100            | (13,865)  |
| <b>Total district administration</b>                       | <b>342,824</b>               | <b>367,111</b>    | <b>(24,287)</b>   |

(continued)

## CHATHAM SCHOOL DISTRICT

## School Operating Fund

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

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|---|
| <b>Expenditures, continued:</b>                           |                              |                   |   |
| <b>Current:</b>   |                              |                   |   |
| District administration support services:                 |                              |                   |   |
| Non-certificated salaries                                 | 96,830                       | 93,124            | 3,706   |
| Employee benefits   | 42,126                       | 35,088            | 7,038   |
| Professional and technical services                       | 112,838                      | 142,517           | (29,679)  |
| Staff travel  | 2,000                        | 3,629             | (1,629)   |
| Utilities services  | 500                          | 11                | 489   |
| Other purchased services                                  | 2,000                        | 1,031             | 969   |
| Insurance and bond premiums                               | 56,525                       | 56,525            | -   |
| Supplies, materials and media                             | 1,196                        | 1,419             | (223)   |
| Other expenses  | 8,100                        | 14,513            | (6,413)   |
| Indirect cost recovery                                    | (75,000)                     | (64,116)          | (10,884)  |
| Total district administration support services            | 247,115                      | 283,741           | (36,626)  |
| Operations and maintenance of plant:                      |                              |                   |   |
| Non-certificated salaries                                 | 166,823                      | 178,080           | (11,257)  |
| Employee benefits   | 71,882                       | 75,890            | (4,008)   |
| Professional and technical services                       | 16,250                       | 6,909             | 9,341   |
| Staff travel  | 1,500                        | 2,423             | (923)   |
| Utility services  | 37,680                       | 51,345            | (13,665)  |
| Energy  | 361,575                      | 319,802           | 41,773  |
| Other purchased services                                  | 26,200                       | 38,152            | (11,952)  |
| Insurance and bond premiums                               | 112,384                      | 114,382           | (1,998)   |
| Supplies, materials and media                             | 24,635                       | 33,042            | (8,407)   |
| Other expenses  | 189                          | 176               | 13  |
| Equipment   | 26,360                       | 26,360            | -   |
| Total operations and maintenance of plant                 | 845,478                      | 846,561           | (1,083)   |
| Student activities:                                       |                              |                   |   |
| Certificated salaries                                     | 15,000                       | 10,985            | 4,015   |
| Non-certificated salaries                                 | 14,000                       | 8,300             | 5,700   |
| Employee benefits   | 8,240                        | 5,282             | 2,958   |
| Staff travel  | 2,000                        | 2,520             | (520)   |
| Student travel  | 70,000                       | 75,402            | (5,402)   |
| Supplies, materials and media                             | 2,700                        | 5,733             | (3,033)   |
| Other expenses  | 1,545                        | 2,064             | (519)   |
| Total student activities                                  | 113,485                      | 110,286           | 3,199   |
| Total expenditures  | 4,835,399                    | 5,012,509         | (177,110)   |
| Excess (deficiency) of revenues over (under) expenditures | (71,043)                     | (108,326)         | (37,283)  |
| Other financing sources (uses):                           |                              |                   |   |
| Transfers out - Foxes Den Enterprise Fund                 | -                            | (272,855)         | (272,855)   |
| Transfers in - FEMA Special Revenue Fund                  | -                            | 5,288             | 5,288   |
| Net other financing sources (uses)                        | -                            | (267,567)         | (267,567)   |
| Net change in fund balance                                | \$ (71,043)                  | (375,893)         | (304,850)   |
| Fund balance, beginning of year, as originally stated     |                              | 449,639           |   |
| Change in accounting principle                            |                              | 19,748            |   |
| Fund balance, beginning of year, as restated              |                              | 469,387           |   |
| Fund balance, end of year                                 | \$ 93,494                    |                   |   |

## CHATHAM SCHOOL DISTRICT

Exhibit H-2

## Full-Service Community Schools Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts  | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|-------------------------------|-------------------|--|
| <b>Revenues -</b>   |                               |                   |  |
| <b>Intergovernmental -</b>                                      |                               |                   |  |
| Federal sources - passed through<br>other intermediary agencies | \$ 1,287,897                  | 609,933           | (677,964)  |
| <b>Expenditures - current:</b>                                  |                               |                   |  |
| <b>Instruction:</b>   |                               |                   |  |
| Certificated salaries   | 371,125                       | 107,823           | 263,302  |
| Non-certificated salaries                                       | 217,147                       | 186,137           | 31,010   |
| Employee benefits   | 94,594                        | 77,395            | 17,199   |
| Professional and technical services                             | 458,495                       | 107,938           | 350,557  |
| Staff travel  | 44,424                        | 60,555            | (16,131)   |
| Student travel  | -                             | 12,183            | (12,183)   |
| Supplies, materials and media                                   | 67,465                        | 52,928            | 14,537   |
| Other expenses  | 34,647                        | 4,974             | 29,673   |
| Total expenditures  | <u>1,287,897</u>              | <u>609,933</u>    | <u>677,964</u>   |
| Excess of revenues over expenditures                            | \$ <u>    </u><br><u>    </u> | <u>    </u>       | <u>    </u>  |
| Fund balance, beginning of year                                 |                               |                   |  |
| Fund balance, end of year                                       | \$ <u>    </u><br><u>    </u> |                   |  |

## CHATHAM SCHOOL DISTRICT

## Other Governmental Funds

## Combining Balance Sheet

June 30, 2025

| Assets                               | Special Revenue Funds  |                      |                                 |                  |               |                 |                 |
|--------------------------------------|------------------------|----------------------|---------------------------------|------------------|---------------|-----------------|-----------------|
|                                      | Student Transportation | Stronger Connections | Southeast Conference Microgrant | Hunter Education | Food Service  | Title VI-B IDEA | Title I-A Basic |
| Cash and cash equivalents            | \$ -                   | -                    | -                               | -                | -             | -               | -               |
| Accounts receivable                  | -                      | 27,363               | 11,820                          | -                | 3,135         | 10,544          | 35,987          |
| Due from School Operating Fund       | 150,974                | -                    | -                               | 7,959            | 12,573        | 37,441          | -               |
| Prepaid expenses                     | -                      | -                    | -                               | -                | -             | -               | 1,203           |
| Inventory                            | -                      | -                    | -                               | -                | 5,475         | -               | -               |
|                                      | <b>150,974</b>         | <b>27,363</b>        | <b>11,820</b>                   | <b>7,959</b>     | <b>21,183</b> | <b>47,985</b>   | <b>37,190</b>   |
| <b>Liabilities and Fund Balances</b> |                        |                      |                                 |                  |               |                 |                 |
| Liabilities:                         |                        |                      |                                 |                  |               |                 |                 |
| Accounts payable                     | 9,341                  | 20,227               | 2,441                           | -                | -             | 47,985          | -               |
| Unearned revenue                     | -                      | -                    | -                               | 7,959            | -             | -               | -               |
| Due to School Operating Fund         | -                      | 7,136                | 9,379                           | -                | -             | -               | 37,190          |
| Total liabilities                    | <b>9,341</b>           | <b>27,363</b>        | <b>11,820</b>                   | <b>7,959</b>     | <b>-</b>      | <b>47,985</b>   | <b>37,190</b>   |
| Fund balances:                       |                        |                      |                                 |                  |               |                 |                 |
| Nonspendable                         | -                      | -                    | -                               | -                | 5,475         | -               | 1,203           |
| Committed                            | 141,633                | -                    | -                               | -                | 15,708        | -               | -               |
| Unassigned                           | -                      | -                    | -                               | -                | -             | -               | (1,203)         |
| Total fund balances                  | <b>141,633</b>         | <b>-</b>             | <b>-</b>                        | <b>-</b>         | <b>21,183</b> | <b>-</b>        | <b>-</b>        |
| Total liabilities and fund balances  | <b>\$ 150,974</b>      | <b>27,363</b>        | <b>11,820</b>                   | <b>7,959</b>     | <b>21,183</b> | <b>47,985</b>   | <b>37,190</b>   |

(continued)

## CHATHAM SCHOOL DISTRICT

## Other Governmental Funds

## Combining Balance Sheet, continued

| Assets                               | Special Revenue Funds |               |   |               |                         |                     |
|--------------------------------------|-----------------------|---------------|---|---------------|-------------------------|---------------------|
|                                      | SISD Literacy         | Carl Perkins  | Title II-A Teacher and Principal Training | NFF YCC       | Tlingit Native Language | ACA - Staying North |
| Cash and cash equivalents            | \$ -                  | -             | -   | -             | -                       | -                   |
| Accounts receivable                  | 4,256                 | 11,198        | 6,500                                     | -             | 138,014                 | 36,647              |
| Due from School Operating Fund       | -                     | -             | -   | 25,923        | -                       | -                   |
| Prepaid expenses                     | -                     | -             | -   | -             | -                       | 680                 |
| Inventory                            | -                     | -             | -   | -             | -                       | -                   |
|                                      | <u>4,256</u>          | <u>11,198</u> | <u>6,500</u>                              | <u>25,923</u> | <u>138,014</u>          | <u>37,327</u>       |
| <u>Liabilities and Fund Balances</u> |                       |               |   |               |                         |                     |
| Liabilities:                         |                       |               |   |               |                         |                     |
| Accounts payable                     | 500                   | -             | 4,917                                     | 9,362         | 13,232                  | 19,955              |
| Unearned revenue                     | -                     | -             | -   | 16,561        | -                       | -                   |
| Due to School Operating Fund         | 3,756                 | 11,198        | 1,583                                     | -             | 124,782                 | 17,372              |
| Total liabilities                    | <u>4,256</u>          | <u>11,198</u> | <u>6,500</u>                              | <u>25,923</u> | <u>138,014</u>          | <u>37,327</u>       |
| Fund balances:                       |                       |               |   |               |                         |                     |
| Nonspendable                         | -                     | -             | -   | -             | -                       | 680                 |
| Committed                            | -                     | -             | -   | -             | -                       | -                   |
| Unassigned                           | -                     | -             | -   | -             | -                       | (680)               |
| Total fund balances                  | <u>-</u>              | <u>-</u>      | <u>-</u>                                  | <u>-</u>      | <u>-</u>                | <u>-</u>            |
| Total liabilities and fund balances  | \$ <u>4,256</u>       | <u>11,198</u> | <u>6,500</u>                              | <u>25,923</u> | <u>138,014</u>          | <u>37,327</u>       |

(continued)

## CHATHAM SCHOOL DISTRICT

## Other Governmental Funds

## Combining Balance Sheet, continued

| Assets                               | Special Revenue Funds |                     |                 |                         |                    | Total Special Revenue Funds |
|--------------------------------------|-----------------------|---------------------|-----------------|-------------------------|--------------------|-----------------------------|
|                                      | Indian Education      | USDA Farm to School | Staff Housing   | Post Secondary Survival | Student Activities |                             |
| Cash and cash equivalents            | \$ -                  | -                   | 8,827           | -                       | 111,640            | 120,467                     |
| Accounts receivable                  | -                     | 34,487              | -               | -                       | -                  | 319,951                     |
| Due from School Operating Fund       | 12,607                | -                   | 2,977           | 36,605                  | -                  | 287,059                     |
| Prepaid expenses                     | -                     | -                   | -               | -                       | -                  | 1,883                       |
| Inventory                            | -                     | -                   | -               | -                       | -                  | 5,475                       |
|                                      | <u>12,607</u>         | <u>34,487</u>       | <u>11,804</u>   | <u>36,605</u>           | <u>111,640</u>     | <u>734,835</u>              |
| <b>Liabilities and Fund Balances</b> |                       |                     |                 |                         |                    |                             |
| Liabilities:                         |                       |                     |                 |                         |                    |                             |
| Accounts payable                     | 4,596                 | 493                 | 32,453          | -                       | 50                 | 165,552                     |
| Unearned revenue                     | 8,011                 | -                   | 200             | -                       | -                  | 32,731                      |
| Due to School Operating Fund         | -                     | 64,226              | -               | -                       | -                  | 276,622                     |
| Total liabilities                    | <u>12,607</u>         | <u>64,719</u>       | <u>32,653</u>   | <u>-</u>                | <u>50</u>          | <u>474,905</u>              |
| Fund balances:                       |                       |                     |                 |                         |                    |                             |
| Nonspendable                         | -                     | -                   | -               | -                       | -                  | 7,358                       |
| Committed                            | -                     | -                   | -               | 36,605                  | 111,590            | 305,536                     |
| Unassigned                           | -                     | (30,232)            | (20,849)        | -                       | -                  | (52,964)                    |
| Total fund balances                  | <u>-</u>              | <u>(30,232)</u>     | <u>(20,849)</u> | <u>36,605</u>           | <u>111,590</u>     | <u>259,930</u>              |
| Total liabilities and fund balances  | \$ <u>12,607</u>      | <u>34,487</u>       | <u>11,804</u>   | <u>36,605</u>           | <u>111,640</u>     | <u>734,835</u>              |

(continued)

## CHATHAM SCHOOL DISTRICT

## Other Governmental Funds

## Combining Balance Sheet, continued

|                                     | Capital Project Funds    |                             |                       |                     | Total Capital Project Funds | Total Other Governmental Funds |
|-------------------------------------|--------------------------|-----------------------------|-----------------------|---------------------|-----------------------------|--------------------------------|
|                                     | Special Capital Projects | TKE Playground Improvements | Staff Housing Repairs | Kitchen Maintenance |                             |                                |
| Assets                              |                          |                             |                       |                     |                             |                                |
| Cash and cash equivalents           | \$ -                     | -                           | -                     | -                   | -                           | 120,467                        |
| Accounts receivable                 | -                        | -                           | -                     | -                   | -                           | 319,951                        |
| Due from School Operating Fund      | 141,537                  | 2,780                       | 2,403                 | 5,679               | 152,399                     | 439,458                        |
| Prepaid expenses                    | -                        | -                           | -                     | -                   | -                           | 1,883                          |
| Inventory                           | -                        | -                           | -                     | -                   | -                           | 5,475                          |
|                                     | <b><u>141,537</u></b>    | <b><u>2,780</u></b>         | <b><u>2,403</u></b>   | <b><u>5,679</u></b> | <b><u>152,399</u></b>       | <b><u>887,234</u></b>          |
| Liabilities and Fund Balances       |                          |                             |                       |                     |                             |                                |
| <u>Balances</u>                     |                          |                             |                       |                     |                             |                                |
| Liabilities:                        |                          |                             |                       |                     |                             |                                |
| Accounts payable                    | -                        | -                           | -                     | -                   | -                           | 165,552                        |
| Unearned revenue                    | -                        | -                           | -                     | -                   | -                           | 32,731                         |
| Due to School Operating Fund        | -                        | -                           | -                     | -                   | -                           | 276,622                        |
| Total liabilities                   | <u>-</u>                 | <u>-</u>                    | <u>-</u>              | <u>-</u>            | <u>-</u>                    | <u>474,905</u>                 |
| Fund balances:                      |                          |                             |                       |                     |                             |                                |
| Nonspendable                        | -                        | -                           | -                     | -                   | -                           | 7,358                          |
| Committed                           | 141,537                  | 2,780                       | 2,403                 | 5,679               | 152,399                     | 457,935                        |
| Unassigned                          | -                        | -                           | -                     | -                   | -                           | (52,964)                       |
| Total fund balances                 | <b><u>141,537</u></b>    | <b><u>2,780</u></b>         | <b><u>2,403</u></b>   | <b><u>5,679</u></b> | <b><u>152,399</u></b>       | <b><u>412,329</u></b>          |
| Total liabilities and fund balances | \$ <b><u>141,537</u></b> | <b><u>2,780</u></b>         | <b><u>2,403</u></b>   | <b><u>5,679</u></b> | <b><u>152,399</u></b>       | <b><u>887,234</u></b>          |

## CHATHAM 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 | Stronger Connections | Broadband Assistance Grant | Eco Trust    | Southeast Conference Microgrant | Hunter Education | Safety and Well Being |
| <b>Revenues:</b>   |                        |                      |                            |              |                                 |                  |                       |
| Local sources:   |                        |                      |                            |              |                                 |                  |                       |
| Charges for services   | \$ -                   | -                    | -                          | -            | 5,797                           | 11,820           | -                     |
| Other  | -                      | -                    | -                          | 5,797        | 11,820                          | -                | -                     |
| Intergovernmental:   |                        |                      |                            |              |                                 |                  |                       |
| State of Alaska  | 48,806                 | -                    | 9,558                      | -            | -                               | 17,765           | -                     |
| Federal sources:   |                        |                      |                            |              |                                 |                  |                       |
| Pass through   | -                      | 27,363               | -                          | -            | -                               | -                | 2,708                 |
| Direct   | -                      | -                    | -                          | -            | -                               | -                | -                     |
| <b>Total revenues</b>  | <b>48,806</b>          | <b>27,363</b>        | <b>9,558</b>               | <b>5,797</b> | <b>11,820</b>                   | <b>17,765</b>    | <b>2,708</b>          |
| <b>Expenditures:</b>   |                        |                      |                            |              |                                 |                  |                       |
| Current:   |                        |                      |                            |              |                                 |                  |                       |
| Instruction  | -                      | 25,909               | -                          | 5,797        | 11,192                          | 17,765           | 2,564                 |
| Special education support services - students                    | -                      | -                    | -                          | -            | -                               | -                | -                     |
| Support services - instruction                                   | -                      | -                    | 9,558                      | -            | -                               | -                | -                     |
| District administration support services                         | -                      | 1,454                | -                          | -            | 628                             | -                | 144                   |
| Operations and maintenance of plant                              | -                      | -                    | -                          | -            | -                               | -                | -                     |
| Student activities   | -                      | -                    | -                          | -            | -                               | -                | -                     |
| Student transportation - to and from school                      | 96,009                 | -                    | -                          | -            | -                               | -                | -                     |
| Food services  | -                      | -                    | -                          | -            | -                               | -                | -                     |
| <b>Total expenditures</b>  | <b>96,009</b>          | <b>27,363</b>        | <b>9,558</b>               | <b>5,797</b> | <b>11,820</b>                   | <b>17,765</b>    | <b>2,708</b>          |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(47,203)</b>        | <b>-</b>             | <b>-</b>                   | <b>-</b>     | <b>-</b>                        | <b>-</b>         | <b>-</b>              |
| Other financing uses - transfers out                             | -                      | -                    | -                          | -            | -                               | -                | -                     |
| <b>Net change in fund balance</b>                                | <b>(47,203)</b>        | <b>-</b>             | <b>-</b>                   | <b>-</b>     | <b>-</b>                        | <b>-</b>         | <b>-</b>              |
| <b>Fund balances, beginning of year</b>                          | <b>188,836</b>         | <b>-</b>             | <b>-</b>                   | <b>-</b>     | <b>-</b>                        | <b>-</b>         | <b>-</b>              |
| <b>Fund balances, end of year</b>                                | <b>\$ 141,633</b>      | <b>-</b>             | <b>-</b>                   | <b>-</b>     | <b>-</b>                        | <b>-</b>         | <b>-</b>              |

(continued)

## CHATHAM SCHOOL DISTRICT

## Other Governmental Funds

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

|  | Special Revenue Funds |                 |   |                                     |                    |                    |                  |
|--|-----------------------|-----------------|---|-------------------------------------|--------------------|--------------------|------------------|
|  | EHCY<br>Travel        | Food<br>Service | Fresh Fruit<br>and Vegetable<br>Program | Section 619<br>Special<br>Education | Title VI-B<br>IDEA | Title I-A<br>Basic | SISD<br>Literacy |
| <b>Revenues:</b>   |                       |                 |   |                                     |                    |                    |                  |
| Local sources:   |                       |                 |   |                                     |                    |                    |                  |
| Charges for services   | \$ -                  | 371             | -                                       | -                                   | -                  | -                  | -                |
| Other  | -                     | -               | -                                       | -                                   | -                  | -                  | -                |
| Intergovernmental:   |                       |                 |   |                                     |                    |                    |                  |
| State of Alaska  | -                     | -               | -                                       | -                                   | -                  | -                  | -                |
| Federal sources:   |                       |                 |   |                                     |                    |                    |                  |
| Pass through   | 437                   | 33,065          | 480                                     | 1,939                               | 47,689             | 56,658             | 16,916           |
| Direct   | -                     | -               | -                                       | -                                   | -                  | -                  | -                |
| Total revenues   | <u>437</u>            | <u>33,436</u>   | <u>480</u>                              | <u>1,939</u>                        | <u>47,689</u>      | <u>56,658</u>      | <u>16,916</u>    |
| <b>Expenditures:</b>   |                       |                 |   |                                     |                    |                    |                  |
| Current:   |                       |                 |   |                                     |                    |                    |                  |
| Instruction  | 414                   | -               | -                                       | -                                   | -                  | 53,648             | 16,916           |
| Special education support services - students                | -                     | -               | -                                       | 1,836                               | 45,156             | -                  | -                |
| Support services - instruction                               | -                     | -               | -                                       | -                                   | -                  | -                  | -                |
| District administration support services                     | 23                    | -               | -                                       | 103                                 | 2,533              | 3,010              | -                |
| Operations and maintenance of plant                          | -                     | -               | -                                       | -                                   | -                  | -                  | -                |
| Student activities   | -                     | -               | -                                       | -                                   | -                  | -                  | -                |
| Student transportation - to and from school                  | -                     | -               | -                                       | -                                   | -                  | -                  | -                |
| Food services  | -                     | 102,080         | 480                                     | -                                   | -                  | -                  | -                |
| Total expenditures   | <u>437</u>            | <u>102,080</u>  | <u>480</u>                              | <u>1,939</u>                        | <u>47,689</u>      | <u>56,658</u>      | <u>16,916</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                     | (68,644)        | -                                       | -                                   | -                  | -                  | -                |
| Other financing uses - transfers out                         | -                     | -               | -                                       | -                                   | -                  | -                  | -                |
| Net change in fund balance                                   | -                     | (68,644)        | -                                       | -                                   | -                  | -                  | -                |
| Fund balances, beginning of year                             | -                     | 89,827          | -                                       | -                                   | -                  | -                  | -                |
| Fund balances, end of year                                   | \$ -                  | <u>21,183</u>   | <u>-</u>                                | <u>-</u>                            | <u>-</u>           | <u>-</u>           | <u>-</u>         |

(continued)

## CHATHAM SCHOOL DISTRICT

## Other Governmental Funds

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

|  | Special Revenue Funds |  |                     |         |         |                               |                        |
|--|-----------------------|--|---------------------|---------|---------|-------------------------------|------------------------|
|  | Carl<br>Perkins       | Title II-A<br>Teacher and<br>Principal<br>Training | ARP<br>After School | NFF YCC | FEMA    | Tlingit<br>Native<br>Language | ACA -<br>Staying North |
| Revenues:  |                       |  |                     |         |         |                               |                        |
| Local sources:   |                       |  |                     |         |         |                               |                        |
| Charges for services   | \$ -                  | -  | -                   | -       | -       | -                             | -                      |
| Other  | -                     | -  | -                   | -       | -       | -                             | -                      |
| Intergovernmental:   |                       |  |                     |         |         |                               |                        |
| State of Alaska  | -                     | -  | -                   | -       | -       | -                             | -                      |
| Federal sources:   |                       |  |                     |         |         |                               |                        |
| Pass through   | 15,067                | 9,514  | 62,436              | 57,046  | -       | -                             | 499,471                |
| Direct   | -                     | -  | -                   | -       | -       | 462,281                       | -                      |
| Total revenues   | 15,067                | 9,514  | 62,436              | 57,046  | -       | 462,281                       | 499,471                |
| Expenditures:  |                       |  |                     |         |         |                               |                        |
| Current:   |                       |  |                     |         |         |                               |                        |
| Instruction  | 14,349                | 9,009  | 61,123              | 54,011  | -       | 439,085                       | 475,593                |
| Special education support services - students                | -                     | -  | -                   | -       | -       | -                             | -                      |
| Support services - instruction                               | -                     | -  | -                   | -       | -       | -                             | -                      |
| District administration support services                     | 718                   | 505  | 1,313               | 3,035   | -       | 23,196                        | 23,878                 |
| Operations and maintenance of plant                          | -                     | -  | -                   | -       | -       | -                             | -                      |
| Student activities   | -                     | -  | -                   | -       | -       | -                             | -                      |
| Student transportation - to and from school                  | -                     | -  | -                   | -       | -       | -                             | -                      |
| Food services  | -                     | -  | -                   | -       | -       | -                             | -                      |
| Total expenditures   | 15,067                | 9,514  | 62,436              | 57,046  | -       | 462,281                       | 499,471                |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                     | -  | -                   | -       | -       | -                             | -                      |
| Other financing uses - transfers out                         | -                     | -  | -                   | -       | (5,288) | -                             | -                      |
| Net change in fund balance                                   | -                     | -  | -                   | -       | (5,288) | -                             | -                      |
| Fund balances, beginning of year                             | -                     | -  | -                   | -       | 5,288   | -                             | -                      |
| Fund balances, end of year                                   | \$ -                  | -  | -                   | -       | -       | -                             | -                      |

(continued)

## CHATHAM SCHOOL DISTRICT

## Other Governmental Funds

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

|  | Special Revenue Funds |                           |                  |                               |                       | Total<br>Special<br>Revenue<br>Funds |
|--|-----------------------|---------------------------|------------------|-------------------------------|-----------------------|--------------------------------------|
|  | Indian<br>Education   | USDA<br>Farm to<br>School | Staff<br>Housing | Post<br>Secondary<br>Survival | Student<br>Activities |                                      |
| <b>Revenues:</b>   |                       |                           |                  |                               |                       |                                      |
| Local sources:   |                       |                           |                  |                               |                       |                                      |
| Charges for services   | \$ -                  | -                         | 94,070           | -                             | -                     | 94,441                               |
| Other  | -                     | -                         | -                | -                             | 85,980                | 103,597                              |
| Intergovernmental:   |                       |                           |                  |                               |                       |                                      |
| State of Alaska  | -                     | -                         | -                | -                             | -                     | 76,129                               |
| Federal sources:   |                       |                           |                  |                               |                       |                                      |
| Pass through   | -                     | -                         | -                | -                             | -                     | 830,789                              |
| Direct   | 11,989                | 66,767                    | -                | -                             | -                     | 541,037                              |
| Total revenues   | <u>11,989</u>         | <u>66,767</u>             | <u>94,070</u>    | <u>-</u>                      | <u>85,980</u>         | <u>1,645,993</u>                     |
| <b>Expenditures:</b>   |                       |                           |                  |                               |                       |                                      |
| Current:   |                       |                           |                  |                               |                       |                                      |
| Instruction  | 11,937                | 93,473                    | -                | 1,200                         | -                     | 1,293,985                            |
| Special education support services - students                | -                     | -                         | -                | -                             | -                     | 46,992                               |
| Support services - instruction                               | -                     | -                         | -                | -                             | -                     | 9,558                                |
| District administration support services                     | 52                    | 3,526                     | -                | -                             | -                     | 64,118                               |
| Operations and maintenance of plant                          | -                     | -                         | 87,638           | -                             | -                     | 87,638                               |
| Student activities   | -                     | -                         | -                | -                             | 61,925                | 61,925                               |
| Student transportation - to and from school                  | -                     | -                         | -                | -                             | -                     | 96,009                               |
| Food services  | -                     | -                         | -                | -                             | -                     | 102,560                              |
| Total expenditures   | <u>11,989</u>         | <u>96,999</u>             | <u>87,638</u>    | <u>1,200</u>                  | <u>61,925</u>         | <u>1,762,785</u>                     |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                     | (30,232)                  | 6,432            | (1,200)                       | 24,055                | (116,792)                            |
| Other financing uses - transfers out                         | -                     | -                         | -                | -                             | -                     | (5,288)                              |
| Net change in fund balance                                   | -                     | (30,232)                  | 6,432            | (1,200)                       | 24,055                | (122,080)                            |
| Fund balances, beginning of year                             | -                     | -                         | (27,281)         | 37,805                        | 87,535                | 382,010                              |
| Fund balances, end of year                                   | \$ -                  | (30,232)                  | (20,849)         | 36,605                        | 111,590               | 259,930                              |

(continued)

## CHATHAM SCHOOL DISTRICT

## Other Governmental Funds

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

| Capital Project Funds                                     |                               |                             |                       |                     |                | Total Capital Project Funds | Total Other Governmental Funds |
|---|-------------------------------|-----------------------------|-----------------------|---------------------|----------------|-----------------------------|--------------------------------|
|   | Special Capital Projects Fund | TKE Playground Improvements | Staff Housing Repairs | Kitchen Maintenance |                |                             |                                |
| Revenues:   |                               |                             |                       |                     |                |                             |                                |
| Local sources:  |                               |                             |                       |                     |                |                             |                                |
| Charges for services                                      | \$ -                          | -                           | -                     | -                   | -              | -                           | 94,441                         |
| Other   | -                             | -                           | -                     | -                   | -              | -                           | 103,597                        |
| Intergovernmental:  |                               |                             |                       |                     |                |                             |                                |
| State of Alaska   | -                             | -                           | -                     | -                   | -              | -                           | 76,129                         |
| Federal sources:  |                               |                             |                       |                     |                |                             |                                |
| Pass through  | -                             | -                           | -                     | -                   | -              | -                           | 830,789                        |
| Direct  | -                             | -                           | -                     | -                   | -              | -                           | 541,037                        |
| Total revenues  | <u>-</u>                      | <u>-</u>                    | <u>-</u>              | <u>-</u>            | <u>-</u>       | <u>-</u>                    | <u>1,645,993</u>               |
| Expenditures:   |                               |                             |                       |                     |                |                             |                                |
| Current:  |                               |                             |                       |                     |                |                             |                                |
| Instruction   | -                             | -                           | -                     | -                   | -              | -                           | 1,293,985                      |
| Special education support services - students             | -                             | -                           | -                     | -                   | -              | -                           | 46,992                         |
| Support services - instruction                            | -                             | -                           | -                     | -                   | -              | -                           | 9,558                          |
| District administration support services                  | -                             | -                           | -                     | -                   | -              | -                           | 64,118                         |
| Operations and maintenance of plant                       | -                             | -                           | -                     | -                   | -              | -                           | 87,638                         |
| Student activities  | -                             | -                           | -                     | -                   | -              | -                           | 61,925                         |
| Student transportation - to and from school               | -                             | -                           | -                     | -                   | -              | -                           | 96,009                         |
| Food services   | -                             | -                           | -                     | -                   | -              | -                           | 102,560                        |
| Total expenditures  | <u>-</u>                      | <u>-</u>                    | <u>-</u>              | <u>-</u>            | <u>-</u>       | <u>-</u>                    | <u>1,762,785</u>               |
| Excess (deficiency) of revenues over (under) expenditures | -                             | -                           | -                     | -                   | -              | -                           | (116,792)                      |
| Other financing uses - transfers out                      | <u>-</u>                      | <u>-</u>                    | <u>-</u>              | <u>-</u>            | <u>-</u>       | <u>-</u>                    | <u>(5,288)</u>                 |
| Net change in fund balance                                | -                             | -                           | -                     | -                   | -              | -                           | (122,080)                      |
| Fund balances, beginning of year                          | <u>141,537</u>                | <u>2,780</u>                | <u>2,403</u>          | <u>5,679</u>        | <u>152,399</u> | <u>534,409</u>              |                                |
| Fund balances, end of year                                | <u>\$ 141,537</u>             | <u>2,780</u>                | <u>2,403</u>          | <u>5,679</u>        | <u>152,399</u> | <u>412,329</u>              |                                |

## CHATHAM 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<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--|------------------------------|-------------------|--|
| Revenues -   |                              |                   |  |
| Intergovernmental -  |                              |                   |  |
| State of Alaska  | \$ 48,806                    | 48,806            | -  |
| Expenditures - current -   |                              |                   |  |
| Student transportation - to and from school:                                   |                              |                   |  |
| Non-certificated salaries  | -                            | 27,989            | (27,989)   |
| Employee benefits  | -                            | 29,985            | (29,985)   |
| Professional and technical services  | -                            | 8,038             | (8,038)  |
| Staff travel   | -                            | 3,488             | (3,488)  |
| Student travel   | 48,806                       | 12,928            | 35,878   |
| Energy   | -                            | 138               | (138)  |
| Other purchased expenses   | -                            | 1,253             | (1,253)  |
| Supplies, materials and media  | -                            | 12,190            | (12,190)   |
| Total expenditures   | 48,806                       | 96,009            | (47,203)   |
| Excess (deficiency) of revenues over expenditures<br>over (under) expenditures | \$ -                         | (47,203)          | (47,203)   |
| Fund balance, beginning of year  |                              | 188,836           |  |
| Fund balance, end of year  | \$ 141,633                   |                   |  |

## CHATHAM SCHOOL DISTRICT

## Stronger Connections Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| <b>Revenues -</b>                                       |                              |                   |  |
| Intergovernmental -                                     |                              |                   |  |
| Federal sources - passed through<br>the State of Alaska | \$ 46,965                    | 27,363            | (19,602)   |
| <b>Expenditures - current -</b>                         |                              |                   |  |
| Instruction:  |                              |                   |  |
| Professional and technical services                     | 23,727                       | 20,226            | 3,501  |
| Staff travel  | 10,680                       | -                 | 10,680   |
| Student travel  | 5,683                        | 5,683             | -  |
| Supplies, materials and media                           | 4,380                        | -                 | 4,380  |
| Total instruction                                       | <u>44,470</u>                | <u>25,909</u>     | <u>18,561</u>  |
| District administration support services -              |                              |                   |  |
| Indirect costs  | <u>2,495</u>                 | <u>1,454</u>      | <u>1,041</u>   |
| Total expenditures                                      | <u>46,965</u>                | <u>27,363</u>     | <u>19,602</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>   |

## CHATHAM SCHOOL DISTRICT

## Broadband Assistance Grant Special Revenue Fund

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

Year Ended June 30, 2025

|                                      | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|------------------------------|-------------------|--|
| Revenues -                           |                              |                   |  |
| Intergovernmental -                  |                              |                   |  |
| State of Alaska                      | \$ 9,558                     | 9,558             | -  |
| Expenditures - current -             |                              |                   |  |
| Support services - instruction -     |                              |                   |  |
| Utility services                     | 9,558                        | 9,558             | -  |
| Excess of revenues over expenditures | \$ -                         | -                 | -  |
| Fund balance, beginning of year      |                              | -                 |  |
| Fund balance, end of year            | \$ -                         |                   |  |

## CHATHAM SCHOOL DISTRICT

## Eco Trust Special Revenue Fund

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

Year Ended June 30, 2025

|                                      | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|------------------------------|-------------------|--|
| <b>Revenues -</b>                    |                              |                   |  |
| Local sources -                      |                              |                   |  |
| Other local revenues                 | \$ 8,000                     | 5,797             | (2,203)  |
| <b>Expenditures - current -</b>      |                              |                   |  |
| Instruction:                         |                              |                   |  |
| Non-certificated salaries            | 6,000                        | 5,188             | 812  |
| Employee benefits                    | 609                          | 609               | -  |
| Supplies, materials and media        | 1,391                        | -                 | 1,391  |
| Total expenditures                   | <u>8,000</u>                 | <u>5,797</u>      | <u>2,203</u>   |
| Excess of revenues over expenditures | \$ -                         | -                 | -  |
| Fund balance, beginning of year      |                              | -                 |  |
| Fund balance, end of year            | \$ -                         |                   |  |

## CHATHAM SCHOOL DISTRICT

## Southeast Conference Microgrant Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| <b>Revenues -</b>                                 |                              |                   |  |
| <b>Local sources -</b>                            |                              |                   |  |
| Other local revenues                              | \$ 15,000                    | 11,820            | (3,180)  |
| <b>Expenditures - current -</b>                   |                              |                   |  |
| <b>Instruction:</b>                               |                              |                   |  |
| Staff travel                                      | -                            | 1,292             | (1,292)  |
| Student travel                                    | 14,203                       | 9,822             | 4,381  |
| Supplies, materials and media                     | -                            | 78                | (78)   |
| Total instruction                                 | <u>14,203</u>                | <u>11,192</u>     | <u>3,011</u>   |
| <b>District administration support services -</b> |                              |                   |  |
| Indirect costs                                    | 797                          | 628               | 169  |
| Total expenditures                                | <u>15,000</u>                | <u>11,820</u>     | <u>3,180</u>   |
| <b>Excess of revenues over expenditures</b>       | \$ <u><u>-</u></u>           | <u><u>-</u></u>   | <u><u>-</u></u>  |
| <b>Fund balance, beginning of year</b>            |                              |                   |  |
| <b>Fund balance, end of year</b>                  | \$ <u><u>-</u></u>           | <u><u>-</u></u>   | <u><u>-</u></u>  |

## CHATHAM 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<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--|------------------------------|-------------------|--|
| Revenues -                                 |                              |                   |  |
| Intergovernmental -                        |                              |                   |  |
| State of Alaska                            | \$ 25,725                    | 17,765            | (7,960)  |
| Expenditures - current -                   |                              |                   |  |
| Instruction:                               |                              |                   |  |
| Certificated salaries                      | 10,000                       | 4,000             | 6,000  |
| Non-certificated salaries                  | 5,000                        | 8,000             | (3,000)  |
| Employee benefits                          | 2,777                        | 2,247             | 530  |
| Staff travel                               | 5,000                        | 2,673             | 2,327  |
| Supplies, materials and media              | 1,581                        | 845               | 736  |
| Total instruction                          | <u>24,358</u>                | <u>17,765</u>     | <u>6,593</u>   |
| District administration support services - |                              |                   |  |
| Indirect costs                             | <u>1,367</u>                 | <u>-</u>          | <u>1,367</u>   |
| Total expenditures                         | <u>25,725</u>                | <u>17,765</u>     | <u>7,960</u>   |
| Excess of revenues over expenditures       | \$ <u><u>-</u></u>           | <u>-</u>          | <u><u>-</u></u>  |
| Fund balance, beginning of year            |                              |                   |  |
| Fund balance, end of year                  | \$ <u><u>-</u></u>           | <u>-</u>          | <u><u>-</u></u>  |

## CHATHAM SCHOOL DISTRICT

## Safety and Well Being Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| Revenues -  |                              |                   |  |
| Intergovernmental -                                     |                              |                   |  |
| Federal sources - passed through<br>the State of Alaska | \$ 3,000                     | 2,708             | (292)  |
| Expenditures - current:                                 |                              |                   |  |
| Instruction -   |                              |                   |  |
| Staff travel  | 2,841                        | 2,564             | 277  |
| District administration support services -              |                              |                   |  |
| Indirect costs  | 159                          | 144               | 15   |
| Total expenditures                                      | 3,000                        | 2,708             | 292  |
| Excess of revenues over expenditures                    | \$ -                         | -                 | -  |
| Fund balance, beginning of year                         |                              |                   |  |
| Fund balance, end of year                               | \$ -                         |                   |  |

## CHATHAM SCHOOL DISTRICT

Exhibit I-10

## EHCY Travel Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| Revenues -  |                              |                   |  |
| Intergovernmental -                                     |                              |                   |  |
| Federal sources - passed through<br>the State of Alaska | \$ 1,000                     | 437               | (563)  |
| Expenditures - current:                                 |                              |                   |  |
| Instruction -   |                              |                   |  |
| Staff travel  | 947                          | 414               | 533  |
| District administration support services -              |                              |                   |  |
| Indirect costs  | 53                           | 23                | 30   |
| Total expenditures                                      | 1,000                        | 437               | 563  |
| Excess of revenues over expenditures                    | \$ -                         | -                 | -  |
| Fund balance, beginning of year                         |                              |                   |  |
| Fund balance, end of year                               | \$ -                         |                   |  |

## CHATHAM SCHOOL DISTRICT

## Food Service Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| <b>Revenues -</b>   |                              |                   |  |
| Local sources -   |                              |                   |  |
| Charges for services                                      | \$ 1,000                     | 371               | (629)  |
| Intergovernmental -                                       |                              |                   |  |
| Federal sources - passed through the State of Alaska      | 25,000                       | 33,065            | 8,065  |
| Total revenues  | <u>26,000</u>                | <u>33,436</u>     | <u>7,436</u>   |
| <b>Expenditures - current -</b>                           |                              |                   |  |
| Food services:  |                              |                   |  |
| Non-certificated salaries                                 | 36,000                       | 40,121            | (4,121)  |
| Employee benefits   | 14,000                       | 15,776            | (1,776)  |
| Professional and technical services                       | 500                          | 2,336             | (1,836)  |
| Staff travel  | 15,000                       | 10,248            | 4,752  |
| Energy  | 500                          | 179               | 321  |
| Supplies, materials and media                             | 40,000                       | 33,420            | 6,580  |
| Other expenses  | 200                          | -                 | 200  |
| Total expenditures  | <u>106,200</u>               | <u>102,080</u>    | <u>4,120</u>   |
| Excess (deficiency) of revenues over (under) expenditures | \$ <u>(80,200)</u>           | <u>(68,644)</u>   | <u>11,556</u>  |
| Fund balance, beginning of year                           |                              | 89,827            |  |
| Fund balance, end of year                                 | \$ <u>21,183</u>             |                   |  |

## CHATHAM SCHOOL DISTRICT

Exhibit I-12

## Fresh Fruit and Vegetable Program Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| Revenues -  |                              |                   |  |
| Intergovernmental -                                     |                              |                   |  |
| Federal sources - passed through<br>the State of Alaska | \$ 2,019                     | 480               | (1,539)  |
| Expenditures - current -                                |                              |                   |  |
| Food services -   |                              |                   |  |
| Supplies, materials and media                           | 2,019                        | 480               | 1,539  |
| Excess of revenues over expenditures                    | \$ -                         | -                 | -  |
| Fund balance, beginning of year                         |                              |                   |  |
| Fund balance, end of year                               | \$ -                         |                   |  |

## CHATHAM SCHOOL DISTRICT

## Section 619 Special Education Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| Revenues -  |                              |                   |  |
| Intergovernmental -                                     |                              |                   |  |
| Federal sources - passed through<br>the State of Alaska | \$ 6,362                     | 1,939             | (4,423)  |
| Expenditures - current:                                 |                              |                   |  |
| Special education support services - students -         |                              |                   |  |
| Supplies, materials and media                           | 6,024                        | 1,836             | 4,188  |
| District administration support services -              |                              |                   |  |
| Indirect costs  | 338                          | 103               | 235  |
| Total expenditures                                      | 6,362                        | 1,939             | 4,423  |
| Excess of revenues over expenditures                    | \$ -                         | -                 | -  |
| Fund balance, beginning of year                         |                              |                   |  |
| Fund balance, end of year                               | \$ -                         |                   |  |

## CHATHAM SCHOOL DISTRICT

Exhibit I-14

## Title VI-B IDEA Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| Revenues -  |                              |                   |  |
| Intergovernmental -                                     |                              |                   |  |
| Federal sources - passed through<br>the State of Alaska | \$ 47,689                    | 47,689            | -  |
| Expenditures - current:                                 |                              |                   |  |
| Special education support services - students:          |                              |                   |  |
| Professional and technical services                     | 37,624                       | 39,894            | (2,270)  |
| Staff travel  | 5,801                        | 5,262             | 539  |
| Supplies, materials and media                           | 1,331                        | -                 | 1,331  |
| Other expenses  | 400                          | -                 | 400  |
| Total special education<br>support services - students  | 45,156                       | 45,156            | -  |
| District administration support services -              |                              |                   |  |
| Indirect costs  | 2,533                        | 2,533             | -  |
| Total expenditures                                      | 47,689                       | 47,689            | -  |
| Excess of revenues over expenditures                    | \$ -                         | -                 | -  |
| Fund balance, beginning of year                         |                              |                   | -  |
| Fund balance, end of year                               | \$ -                         |                   |  |

## CHATHAM SCHOOL DISTRICT

Exhibit I-15

## Title I-A Basic Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| Revenues -  |                              |                   |  |
| Intergovernmental -                                     |                              |                   |  |
| Federal sources - passed through<br>the State of Alaska | \$ 150,477                   | 56,658            | (93,819)   |
| Expenditures - current:                                 |                              |                   |  |
| Instruction:  |                              |                   |  |
| Non-certificated salaries                               | 88,000                       | 33,559            | 54,441   |
| Employee benefits                                       | 47,034                       | 15,828            | 31,206   |
| Supplies, materials and media                           | 7,450                        | 4,261             | 3,189  |
| Total instruction                                       | <u>142,484</u>               | <u>53,648</u>     | <u>88,836</u>  |
| District administration support services -              |                              |                   |  |
| Indirect costs  | 7,993                        | 3,010             | 4,983  |
| Total expenditures                                      | <u>150,477</u>               | <u>56,658</u>     | <u>93,819</u>  |
| Excess of revenues over expenditures                    | \$ <u>    -</u>              | <u>    -</u>      | <u>    -</u>   |
| Fund balance, beginning of year                         |                              |                   |  |
| Fund balance, end of year                               | \$ <u>    -</u>              |                   |  |

## CHATHAM SCHOOL DISTRICT

Exhibit I-16

## SISD Literacy Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| Revenues -  |                              |                   |  |
| Intergovernmental -   |                              |                   |  |
| Federal sources - passed through<br>other intermediate agencies | \$ 17,285                    | 16,916            | (369)  |
| Expenditures - current -  |                              |                   |  |
| Instruction:  |                              |                   |  |
| Certificated salaries   | 2,285                        | 2,285             | -  |
| Employee benefits   | -                            | 1,108             | (1,108)  |
| Professional and technical services                             | -                            | 1,100             | (1,100)  |
| Staff travel  | -                            | 2,661             | (2,661)  |
| Other purchased services  | -                            | 495               | (495)  |
| Supplies, materials and media                                   | 13,000                       | 2,488             | 10,512   |
| Other expenses  | 2,000                        | 6,779             | (4,779)  |
| Total expenditures  | 17,285                       | 16,916            | 369  |
| Excess of revenues over expenditures                            | \$ -                         | -                 | -  |
| Fund balance, beginning of year                                 |                              | -                 |  |
| Fund balance, end of year                                       | \$ -                         |                   |  |

## CHATHAM SCHOOL DISTRICT

## Carl Perkins Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| <b>Revenues -</b>                                       |                              |                   |  |
| <b>Intergovernmental -</b>                              |                              |                   |  |
| Federal sources - passed through<br>the State of Alaska | \$ 22,000                    | 15,067            | (6,933)  |
| <b>Expenditures - current:</b>                          |                              |                   |  |
| <b>Instruction:</b>                                     |                              |                   |  |
| Certificated salaries                                   | -                            | 5,000             | (5,000)  |
| Non-certificated salaries                               | 5,000                        | -                 | 5,000  |
| Employee benefits                                       | 1,708                        | 1,608             | 100  |
| Professional and technical services                     | 1,997                        | 1,900             | 97   |
| Supplies, materials and media                           | 5,348                        | 5,841             | (493)  |
| Equipment   | 7,244                        | -                 | 7,244  |
| Total instruction                                       | <u>21,297</u>                | <u>14,349</u>     | <u>6,948</u>   |
| <b>District administration support services -</b>       |                              |                   |  |
| Indirect costs  | <u>703</u>                   | <u>718</u>        | <u>(15)</u>  |
| Total expenditures                                      | <u>22,000</u>                | <u>15,067</u>     | <u>6,933</u>   |
| Excess of revenues over expenditures                    | \$ <u>    -</u>              | <u>    -</u>      | <u>    -</u>   |
| Fund balance, beginning of year                         |                              |                   |  |
| Fund balance, end of year                               | \$ <u>    -</u>              |                   |  |

## CHATHAM SCHOOL DISTRICT

Exhibit I-18

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

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| Revenues -  |                              |                   |  |
| Intergovernmental -                                     |                              |                   |  |
| Federal sources - passed through<br>the State of Alaska | \$ 43,130                    | 9,514             | (33,616)   |
| Expenditures - current:                                 |                              |                   |  |
| Instruction:  |                              |                   |  |
| Certificated salaries                                   | 4,300                        | -                 | 4,300  |
| Employee benefits                                       | 2,000                        | -                 | 2,000  |
| Professional and technical services                     | 6,000                        | 4,900             | 1,100  |
| Staff travel  | 27,700                       | 4,091             | 23,609   |
| Other expenses  | 839                          | 18                | 821  |
| Total instruction                                       | <u>40,839</u>                | <u>9,009</u>      | <u>31,830</u>  |
| District administration support services -              |                              |                   |  |
| Indirect costs  | <u>2,291</u>                 | <u>505</u>        | <u>1,786</u>   |
| Total expenditures                                      | <u>43,130</u>                | <u>9,514</u>      | <u>33,616</u>  |
| Excess of revenues over expenditures                    | \$ -                         | -                 | -  |
| Fund balance, beginning of year                         |                              |                   |  |
| Fund balance, end of year                               | \$ -                         |                   |  |

## CHATHAM SCHOOL DISTRICT

## ARP After School Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| Revenues -  |                              |                   |  |
| Intergovernmental -                                     |                              |                   |  |
| Federal sources - passed through<br>the State of Alaska | \$ 62,436                    | 62,436            | -  |
| Expenditures - current:                                 |                              |                   |  |
| Instruction:  |                              |                   |  |
| Certificated salaries                                   | 600                          | 600               | -  |
| Employee benefits                                       | 99                           | 99                | -  |
| Professional and technical services                     | 5,700                        | 5,446             | 254  |
| Staff travel  | 8,300                        | 8,923             | (623)  |
| Supplies, materials and media                           | 8,699                        | 8,330             | 369  |
| Equipment   | 37,725                       | 37,725            | -  |
| Total instruction                                       | 61,123                       | 61,123            | -  |
| District administration support services -              |                              |                   |  |
| Indirect costs  | 1,313                        | 1,313             | -  |
| Total expenditures                                      | 62,436                       | 62,436            | -  |
| Excess of revenues over expenditures                    | \$ -                         | -                 | -  |
| Fund balance, beginning of year                         |                              |                   |  |
| Fund balance, end of year                               | \$ -                         | -                 |  |

## CHATHAM SCHOOL DISTRICT

## NFF YCC Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| <b>Revenues -</b>   |                              |                   |  |
| <b>Intergovernmental -</b>                                      |                              |                   |  |
| Federal sources - passed through<br>other intermediary agencies | \$ 73,606                    | 57,046            | (16,560)   |
| <b>Expenditures - current:</b>                                  |                              |                   |  |
| <b>Instruction:</b>   |                              |                   |  |
| Non-certificated salaries                                       | 47,530                       | 18,025            | 29,505   |
| Employee benefits   | 8,108                        | 1,830             | 6,278  |
| Professional and technical services                             | -                            | 23,350            | (23,350)   |
| Staff travel  | 5,447                        | 5,743             | (296)  |
| Student travel  | 1,100                        | -                 | 1,100  |
| Supplies, materials and media                                   | 6,641                        | 5,063             | 1,578  |
| Total instruction   | <u>68,826</u>                | <u>54,011</u>     | <u>14,815</u>  |
| <b>District administration support services -</b>               |                              |                   |  |
| Indirect costs  | <u>4,780</u>                 | <u>3,035</u>      | <u>1,745</u>   |
| Total expenditures  | <u>73,606</u>                | <u>57,046</u>     | <u>16,560</u>  |
| Excess of revenues over expenditures                            | \$ <u>    -</u>              | <u>    -</u>      | <u>    -</u>   |
| Fund balance, beginning of year                                 |                              |                   |  |
| Fund balance, end of year                                       | \$ <u>    -</u>              |                   |  |

## CHATHAM SCHOOL DISTRICT

Exhibit I-21

## FEMA Special Revenue Fund

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

Year Ended June 30, 2025

|                                      | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--------------------------------------|------------------------------|-------------------|--|
| Revenues                             | \$ _____ -                   | _____ -           | _____ -  |
| Expenditures                         | _____ -                      | _____ -           | _____ -  |
| Excess of revenues over expenditures | _____ -                      | _____ -           | _____ -  |
| Other financing uses - transfers out | _____ -                      | (5,288)           | (5,288)  |
| Net change in fund balance           | \$ _____ -                   | (5,288)           | (5,288)  |
| Fund balance, beginning of year      |                              | 5,288             |  |
| Fund balance, end of year            | \$ _____ -                   |                   |  |

## CHATHAM SCHOOL DISTRICT

Exhibit I-22

## Tlingit Native Language Special Revenue Fund

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

Year Ended June 30, 2025

|  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--|------------------------------|-------------------|--|
| <b>Revenues -</b>                          |                              |                   |  |
| Intergovernmental -                        |                              |                   |  |
| Federal sources - direct                   | \$ 690,711                   | 462,281           | (228,430)  |
| <b>Expenditures - current:</b>             |                              |                   |  |
| Instruction:                               |                              |                   |  |
| Certificated salaries                      | 272,330                      | 178,677           | 93,653   |
| Non-certificated salaries                  | 83,717                       | 71,799            | 11,918   |
| Employee benefits                          | 123,850                      | 69,508            | 54,342   |
| Professional and technical services        | 116,214                      | 107,000           | 9,214  |
| Staff travel                               | 24,844                       | 10,473            | 14,371   |
| Supplies, materials and media              | 15,583                       | 1,628             | 13,955   |
| Other expenses                             | 21,821                       | -                 | 21,821   |
| Total instruction                          | <u>658,359</u>               | <u>439,085</u>    | <u>219,274</u>   |
| District administration support services - |                              |                   |  |
| Indirect costs                             | 32,352                       | 23,196            | 9,156  |
| Total expenditures                         | <u>690,711</u>               | <u>462,281</u>    | <u>228,430</u>   |
| Excess of revenues over expenditures       | \$ <u>      -</u>            | <u>      -</u>    | <u>      -</u>   |
| Fund balance, beginning of year            |                              | <u>      -</u>    |  |
| Fund balance, end of year                  | \$ <u>      -</u>            |                   |  |

## CHATHAM SCHOOL DISTRICT

## ACA - Staying North Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| Revenues -  |                              |                   |  |
| Intergovernmental -   |                              |                   |  |
| Federal sources - passed through<br>other intermediary agencies | \$ 659,332                   | 499,471           | (159,861)  |
| Expenditures - current:   |                              |                   |  |
| Instruction:  |                              |                   |  |
| Certificated salaries   | 211,000                      | 172,092           | 38,908   |
| Non-certificated salaries                                       | -                            | 8,590             | (8,590)  |
| Employee benefits   | 90,550                       | 56,919            | 33,631   |
| Professional and technical services                             | 179,762                      | 63,608            | 116,154  |
| Staff travel  | 10,000                       | 7,068             | 2,932  |
| Energy  | 24,000                       | 44,064            | (20,064)   |
| Supplies, materials and media                                   | 30,000                       | 73,282            | (43,282)   |
| Equipment   | 70,000                       | 49,970            | 20,030   |
| Total instruction   | <u>615,312</u>               | <u>475,593</u>    | <u>139,719</u>   |
| District administration support services -                      |                              |                   |  |
| Indirect costs  | <u>44,020</u>                | <u>23,878</u>     | <u>20,142</u>  |
| Total expenditures  | <u>659,332</u>               | <u>499,471</u>    | <u>159,861</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>   |

## CHATHAM SCHOOL DISTRICT

Exhibit I-24

## Indian Education Special Revenue Fund

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

Year Ended June 30, 2025

|  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--|------------------------------|-------------------|--|
| Revenues -                                 |                              |                   |  |
| Intergovernmental -                        |                              |                   |  |
| Federal sources - direct                   | \$ 31,625                    | 11,989            | (19,636)   |
| Expenditures - current:                    |                              |                   |  |
| Instruction:                               |                              |                   |  |
| Certificated salaries                      | -                            | 1,520             | (1,520)  |
| Non-certificated salaries                  | 20,524                       | 2,447             | 18,077   |
| Employee benefits                          | 5,072                        | 490               | 4,582  |
| Staff travel                               | 1,461                        | -                 | 1,461  |
| Supplies, materials and media              | 2,218                        | 7,480             | (5,262)  |
| Total instruction                          | 29,275                       | 11,937            | 17,338   |
| District administration support services - |                              |                   |  |
| Indirect costs                             | 2,350                        | 52                | 2,298  |
| Total expenditures                         | 31,625                       | 11,989            | 19,636   |
| Excess of revenues over expenditures       | \$ -                         | -                 | -  |
| Fund balance, beginning of year            |                              |                   |  |
| Fund balance, end of year                  | \$ -                         | -                 | -  |

## CHATHAM SCHOOL DISTRICT

Exhibit I-25

## USDA Farm to School Special Revenue Fund

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

Year Ended June 30, 2025

|  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--|------------------------------|-------------------|--|
| Revenues -                                 |                              |                   |  |
| Intergovernmental -                        |                              |                   |  |
| Federal sources - direct                   | \$ 68,876                    | 66,767            | (2,109)  |
| Expenditures - current:                    |                              |                   |  |
| Instruction:                               |                              |                   |  |
| Certificated salaries                      | -                            | 5,500             | (5,500)  |
| Non-certificated salaries                  | -                            | 22,400            | (22,400)   |
| Employee benefits                          | -                            | 3,617             | (3,617)  |
| Professional and technical services        | 30,000                       | 20,292            | 9,708  |
| Staff travel                               | 13,562                       | 4,221             | 9,341  |
| Supplies, materials and media              | 18,283                       | 21,320            | (3,037)  |
| Equipment                                  | -                            | 16,123            | (16,123)   |
| Total instruction                          | <u>61,845</u>                | <u>93,473</u>     | <u>(31,628)</u>  |
| District administration support services - |                              |                   |  |
| Indirect costs                             | <u>7,031</u>                 | <u>3,526</u>      | <u>3,505</u>   |
| Total expenditures                         | <u>68,876</u>                | <u>96,999</u>     | <u>(28,123)</u>  |
| Excess of revenues over expenditures       | \$ <u><u>-</u></u>           | (30,232)          | <u>(30,232)</u>  |
| Fund balance, beginning of year            |                              |                   | -  |
| Fund balance, end of year                  | \$ <u><u>(30,232)</u></u>    |                   |  |

## CHATHAM SCHOOL DISTRICT

## Staff Housing Special Revenue Fund

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

Year Ended June 30, 2025

|  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--|------------------------------|-------------------|--|
| <b>Revenues -</b>  |                              |                   |  |
| Local sources -  |                              |                   |  |
| Charges for services - rental income   | \$ 78,000                    | 94,070            | 16,070   |
| <b>Expenditures - current -</b>  |                              |                   |  |
| Operations and maintenance of plant:   |                              |                   |  |
| Utility services   | 6,500                        | 4,896             | 1,604  |
| Energy   | 33,800                       | 36,232            | (2,432)  |
| Other purchased services   | 5,000                        | 507               | 4,493  |
| Insurance and bond premiums  | 21,651                       | 21,651            | -  |
| Supplies, materials and media  | -                            | 24,352            | (24,352)   |
| Other expenses   | 100                          | -                 | 100  |
| Total expenditures   | <u>67,051</u>                | <u>87,638</u>     | <u>(20,587)</u>  |
| Excess (deficiency) of revenues over expenditures<br>over (under) expenditures | \$ <u>10,949</u>             | <u>6,432</u>      | <u>(4,517)</u>   |
| Fund balance (deficit), beginning of year                                      |                              |                   | (27,281)   |
| Fund balance (deficit), end of year  | \$ <u>(20,849)</u>           |                   |  |

## CHATHAM SCHOOL DISTRICT

Exhibit I-27

## Post Secondary Survival Special Revenue Fund

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

Year Ended June 30, 2025

|  | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--|------------------------------|-------------------|--|
| Revenues   | \$ _____ -                   | _____ -           | _____ -  |
| Expenditures - current -                                     |                              |                   |  |
| Instruction -  |                              |                   |  |
| Other expenses   | _____ -                      | 1,200             | (1,200)  |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ _____ -                   | (1,200)           | 1,200  |
| Fund balance, beginning of year                              |                              | 37,805            |  |
| Fund balance, end of year                                    | \$ _____                     | 36,605            |  |

## CHATHAM SCHOOL DISTRICT

Exhibit I-28

## Student Activities Special Revenue Fund

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

Year Ended June 30, 2025

|   | Final<br>Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|---|------------------------------|-------------------|--|
| <b>Revenues -</b>                           |                              |                   |  |
| <b>Local sources -</b>                      |                              |                   |  |
| Other local revenues                        | \$ _____ -                   | 85,980            | 85,980   |
| <b>Expenditures - current -</b>             |                              |                   |  |
| <b>Student activities:</b>                  |                              |                   |  |
| Professional and technical services         | -                            | 7,795             | (7,795)  |
| Student travel                              | -                            | 2,985             | (2,985)  |
| Other purchased services                    | -                            | 2,110             | (2,110)  |
| Supplies, material and media                | -                            | 47,791            | (47,791)   |
| Other expenses                              | -                            | 1,244             | (1,244)  |
| <b>Total expenditures</b>                   | <u>_____ -</u>               | <u>61,925</u>     | <u>(61,925)</u>  |
| <b>Excess of revenues over expenditures</b> | \$ <u>_____ -</u>            | 24,055            | <u>24,055</u>  |
| <b>Fund balance, beginning of year</b>      |                              | <u>87,535</u>     |  |
| <b>Fund balance, end of year</b>            | \$ <u>_____ -</u>            | <u>111,590</u>    |  |

CHATHAM SCHOOL DISTRICT

Special Capital Projects Capital Project Fund

Schedule of Revenues, Expenditures and Changes  
in Fund Balance

Year Ended June 30, 2025

|                                      |                   |
|--------------------------------------|-------------------|
| Revenues                             | \$ _____ -        |
| Expenditures                         | _____ -           |
| Excess of revenues over expenditures | -                 |
| Fund balance, beginning of year      | <u>141,537</u>    |
| Fund balance, end of year            | \$ <u>141,537</u> |

## CHATHAM SCHOOL DISTRICT

## TKE Playground Improvements Capital Project Fund

Schedule of Revenues, Expenditures and Changes  
in Fund Balance

Year Ended June 30, 2025

|                                      |    |                           |                                 |
|--------------------------------------|----|---------------------------|---------------------------------|
| Revenues                             | \$ | <u>                  </u> | -                               |
| Expenditures                         |    | <u>                  </u> | -                               |
| Excess of revenues over expenditures |    |                           | -                               |
| Fund balance, beginning of year      |    | <u>                  </u> | 2,780                           |
| Fund balance, end of year            | \$ | <u>                  </u> | <u>                  </u> 2,780 |

## CHATHAM SCHOOL DISTRICT

## Staff Housing Repairs Capital Project Fund

Schedule of Revenues, Expenditures and Changes  
in Fund Balance

Year Ended June 30, 2025

|                                      |                 |
|--------------------------------------|-----------------|
| Revenues                             | \$ _____ -      |
| Expenditures                         | _____ -         |
| Excess of revenues over expenditures | -               |
| Fund balance, beginning of year      | _____ 2,403     |
| Fund balance, end of year            | \$ <u>2,403</u> |

## CHATHAM SCHOOL DISTRICT

## Kitchen Maintenance Capital Project Fund

Schedule of Revenues, Expenditures and Changes  
in Fund Balance

Year Ended June 30, 2025

|                                      |                 |
|--------------------------------------|-----------------|
| Revenues                             | \$ _____ -      |
| Expenditures                         | _____ -         |
| Excess of revenues over expenditures | -               |
| Fund balance, beginning of year      | _____ 5,679     |
| Fund balance, end of year            | \$ <u>5,679</u> |

CHATHAM SCHOOL DISTRICT

Schedule of Compliance - AS 14.17.505

June 30, 2025

|   |    |                  |
|---|----|------------------|
| Total fund balance - School Operating Fund    | \$ | 93,494           |
| less exemptions per 4 AAC 09.160(a)           |    |                  |
| Inventory                                     |    | 21,592           |
| Prepaid expenses                              |    | 7,846            |
| Impact aid                                    |    | 193,475          |
| <b>Fund Balance Subject to 10% Limitation</b> | \$ | <u>(129,419)</u> |

Nonexempt fund balance as a percentage of current year expenditures:

$$\frac{\text{Fund balance subject to limitation}}{\text{Current year expenditures}} = \frac{(129,419)}{5,012,509} = -2.6\%$$

## CHATHAM SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

| <u>Grant Title</u>   | <u>Grant Number</u> | <u>Assistance Listing Number</u> | <u>Total Federal Expended</u> |
|--|---------------------|----------------------------------|-------------------------------|
| <b>U.S. Department of Education:</b>   |                     |                                  |                               |
| Passed through the State of Alaska Department of Education and Early Development:                        |                     |                                  |                               |
| Title I-A Basic  | IP 25.CMSD.01       | 84.010                           | \$ 49,868                     |
| Stronger Connections   | CM 25.CMSD.01       | 84.424A                          | 27,363                        |
| Title IV-A Student Support and Academic Enrichment   | IP 25.CMSD.01       | 84.424A                          | 6,790                         |
| Total ALN 84.424   |                     |                                  | <u>34,153</u>                 |
| Title II-A Improving Teacher Quality   | IP 25.CMSD.01       | 84.367A                          | <u>9,514</u>                  |
| Carl Perkins Vocational Ed Secondary   | EK 25.CMSD.01       | 84.048A                          | <u>15,067</u>                 |
| COVID-19 - ARP Act After School  | CO 25.CMSD.01       | 84.425U                          | <u>62,436</u>                 |
| EHCY Travel  | AH 25.CMSD.01       | 84.196                           | <u>437</u>                    |
| Special Education Cluster:   |                     |                                  |                               |
| Title VI-B Special Education   | SE 25.CMSD.01       | 84.027A                          | 47,689                        |
| Title VI-B Section 619 Preschool Disabled  | SE 25.CMSD.01       | 84.173A                          | <u>1,939</u>                  |
| Total Special Education Cluster  |                     |                                  | <u>49,628</u>                 |
| Passed through Southeast Island School District - SISD Comprehensive State Literacy Development          | AL 25.SISS.01       | 84.371C                          | <u>16,916</u>                 |
| Research and Development Cluster:  |                     |                                  |                               |
| Passed through the Association of Alaska School Boards - Southeast Alaska Full-Service Community Schools | S215J220051         | 84.215J                          | <u>609,933</u>                |
| Passed through the Angoon Community Association - Stay North: ACA NACTEP                                 | V101A210009         | 84.101A                          | <u>499,471</u>                |
| Total Research and Development Cluster   |                     |                                  | <u>1,109,404</u>              |
| Direct programs:   |                     |                                  |                               |
| Indian Education   | S060A240466         | 84.060A                          | <u>11,989</u>                 |
| Tlingit Native Language  | S299A200021         | 84.299A                          | <u>462,281</u>                |
| Federal Impact Aid   | None                | 84.041                           | <u>180,693</u>                |
| Total U.S. Department of Education   |                     |                                  | <u>2,002,386</u>              |

(continued)

## CHATHAM SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards, continued

| <u>Grant Title</u>  | <u>Grant Number</u> | <u>Assistance Listing Number</u> | <u>Total Federal Expended</u> |
|---|---------------------|----------------------------------|-------------------------------|
| U.S. Department of Agriculture:<br>USDA Farm to School  | 238AK100L3203       | 10.575                           | <u>66,767</u>                 |
| Passed through the State of Alaska Department of Education and Early Development:<br>Child Nutrition Cluster:<br>School Breakfast Program                   | None                | 10.553                           | 4,701                         |
| National School Lunch Program   | None                | 10.555                           | 28,364                        |
| Fresh Fruit and Vegetable Program   | FF 25.CMSD.02       | 10.582                           | <u>480</u>                    |
| Total Child Nutrition Cluster   |                     |                                  | <u>33,545</u>                 |
| Passed through the State of Alaska Department of Commerce and Economic Development:<br>National Forest Receipts Title I                                     | None                | 10.665                           | <u>6,132</u>                  |
| Total U.S. Department of Agriculture  |                     |                                  | <u>106,444</u>                |
| U.S. Department of Health and Human Services:<br>Passed through the State of Alaska Department of Education and Early Development:<br>Safety and Well Being | SW 25.CMSD.01       | 93.243                           | <u>2,708</u>                  |
| Total Expenditure of Federal Awards   |                     |                                  | <u>\$ 2,111,538</u>           |

See accompanying notes to the schedule.

## CHATHAM 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 Chatham School District (the "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 the District, it is not intended to and does not present the basic financial statements of the District.

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

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. 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. Chatham School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

#### **Note 3. Passed Through Awards**

No amounts were passed through to subrecipients.

#### **Note 4. Reconciliation to the Basic Financial Statements**

Impact Aid revenue is recognized when received; however, expenditures are applied to the prior year and a reserve is established annually for Impact Aid received under the current application.

|   |                     |
|---|---------------------|
| Federal expenditures per the Schedule                 | \$ 2,111,538        |
| Contract revenues reported as federal revenues        |                     |
| in the basic financial statements                     | 57,046              |
| Statutory Impact Aid reserved in FY24                 | (180,693)           |
| Statutory Impact Aid received and reserved in FY25    | 193,475             |
| Total federal revenues per Basic Financial Statements | \$ <u>2,181,366</u> |

## CHATHAM SCHOOL DISTRICT

## Schedule of State Financial Assistance

Year Ended June 30, 2025

| <u>Grant Title</u>                                    | <u>Grant Number</u> | <u>Total State Expended</u> |
|---|---------------------|-----------------------------|
| <b>Department of Education and Early Development:</b> |                     |                             |
| <b>Direct programs:</b>                               |                     |                             |
| * Public School Foundation Program                    | None                | \$ 3,526,856                |
| * HB 268 One-Time Grant                               | None                | 409,836                     |
| Quality Schools                                       | None                | 9,643                       |
| Pupil Transportation                                  | None                | 44,113                      |
| HB 268 Supplemental Pupil Transportation              | None                | 4,693                       |
| Hunter Education                                      | HE 25.CMSD.01       | 17,765                      |
| Education Dividend Raffle Funds                       | None                | 1,103                       |
| Broadband Assistance                                  | BA 25.CMSD.01       | 9,558                       |
| Total Department of Education and Early Development   |                     | <u><u>4,023,567</u></u>     |
| Total State Financial Assistance                      | \$                  | <u><u>4,023,567</u></u>     |

See accompanying notes to the schedule.

## CHATHAM 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 Chatham School District (the “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 the District, it is not intended to and does not present the basic financial statements of the District.

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

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

#### **Note 3. Subrecipients**

No state funds were passed through to subrecipients.

#### **Note 4. Major Programs**

\* denotes a major program for compliance audit purposes.

#### **Note 5. Reconciliation of State Expenditures to the 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:

|   |    |                  |
|---|----|------------------|
| State expenditures per previous page                    | \$ | 4,023,567        |
| PERS On-Behalf  |    | 44,966           |
| TRS On-Behalf   |    | 253,022          |
| Total revenue from State of Alaska per basic financials | \$ | <u>4,321,555</u> |

# **COMPLIANCE REPORTS**

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

**Independent Auditor's Report**

Members of the School Board  
Chatham School District  
Angoon, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chatham School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Chatham School District's basic financial statements, and have issued our report thereon dated December 1, 2025.

**Report on Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2025-001 to be a material weakness.

Members of the School Board  
Chatham School District

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Finding 2025-002 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Chatham 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*.

### **Chatham School Districts' Response to Findings**

*Government Audit Standards* requires the auditor to perform limited procedures on the Districts' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Chatham School Districts' Response was not subjected to the other audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

*Oetman, Rogers & Co.*

Juneau, Alaska  
December 1, 2025

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

**Independent Auditor's Report**

Members of the School Board  
Chatham School District  
Angoon, Alaska

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

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

We have audited Chatham 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 Chatham School District's major federal programs for the year ended June 30, 2025. Chatham School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Chatham 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 Chatham 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 Chatham 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 Chatham 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 Chatham 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 Chatham 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 Chatham 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 Chatham 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 Chatham 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.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying federal schedule of findings and questioned costs as Finding 2025-003. Our opinion on each major federal program is not modified with respect to these matters.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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. We consider the deficiency in internal control over compliance described in the accompanying federal schedule of findings and questioned costs as Finding 2025-003 to be a significant deficiency.

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

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

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

*Altman, Rogers & Co.*

Juneau, Alaska  
December 1, 2025

CHATHAM SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Financial Statements

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

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

Internal control over financial reporting:

Material weakness identified?  Yes  No  
Significant deficiency identified?  Yes  None reported

Noncompliance material to the financial statements noted?  Yes  No

Federal Awards

Internal control over major federal programs (2 CFR 200.516(a)(1)):

Material weakness identified?  Yes  No  
Significant deficiency identified?  Yes  None reported

Any material noncompliance with provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516(a)(2))?

Yes  No

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR 200.516(a)(3) or (4)?

Yes  No

Identification of major programs:

Assistance Listing Number(s)  
84.215 / 84.101

Name of Federal Program or Cluster  
Research and Development Cluster

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

Auditee qualified as low-risk auditee?  Yes  No

CHATHAM SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

**Section II – Financial Statement Findings**

**Finding 2025-001**

**Material Weakness**

**Lack of Internal Control over Credit Card Transactions**

|                               |   |
|-------------------------------|---|
| <b>Criteria:</b>              | Credit cards should have proper controls to prevent financial misstatements due to either fraud or error.   |
| <b>Condition and Context:</b> | During review of credit card transactions, we noted several issues that we consider to be deficiencies in internal controls. Based on our review, we did not receive timely supporting invoice documentation for 6 transactions in our sample of 40. Additionally, we noted several instances of transactions not having sufficient segregation of duties regarding approval and review of transactions.  |
| <b>Cause:</b>                 | Lack of internal controls over credit cards transactions and insufficient policies and procedures to prevent, detect and correct errors timely.   |
| <b>Effect:</b>                | Lack of internal controls over credit card transactions could result in expenditures being miscoded in the general ledger or allow improper or unauthorized transactions to remain undetected. Miscoded transactions could result in eligible grant expenditures to not be reimbursed by the granting agency.   |
| <b>Repeat Finding:</b>        | Yes.  |
| <b>Recommendation:</b>        | We recommend the District send receipts and purchase orders to the Business Manager immediately after each transaction. We also recommend that the District take this opportunity to review and strengthen the Standard Operating Procedure over credit cards (SOP No. 5(5)). Segregation of duties should be required so the same person initiating the transactions is not the person responsible for approving and reviewing transactions. This could be accomplished through Board review of credit card transactions at monthly meetings. We also recommend the District utilize approval systems through online retailers when available. |
| <b>Management's Response:</b> | Management concurs with the finding. See Corrective Action Plan.  |

CHATHAM SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

**Finding 2025-002**

**Significant Deficiency**

**Lack of Internal Control over Bank Reconciliations**

**Criteria:**

Uncleared check activity on the bank statement reconciliations should be routinely reviewed and adjusted to ensure bank balances are accurately stated in the financial statements. Alaska Statue (AS) 34.45 requires governmental agencies and other entities to file unclaimed property reports with the State of Alaska Department of Revenue.

**Condition and Context:**

We noted that many old outstanding checks and other old uncleared reconciling items, some over one year old, are being carried on the monthly cash reconciliations.

**Cause:**

Lack of internal controls over bank reconciliations.

**Effect:**

Potentially to misstatement cash and/or accounts payable balances.

**Repeat Finding:**

No.

**Recommendation:**

We recommend that checks and other uncleared reconciling items that are over six months old be investigated and removed from the bank reconciliation and that the original transaction be reversed. Checks older than six months should be voided and reissued. Research should be done periodically to eliminate large numbers of old items being carried from month to month. If the old items are determined to be legitimately outstanding, a new check should be issued or remitted to the State of Alaska as unclaimed property.

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

CHATHAM SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

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

|                                |  |
|--------------------------------|--|
| <b><u>Finding 2025-003</u></b> | <b><u>Lack of Internal Control over Activities Allowed or Unallowed and Allowable Costs/Cost Principles</u></b>  |
| <b>Federal Agencies:</b>       | U.S. Department of Education – passed through Association of Alaska School Board   |
| <b>Federal Programs:</b>       | “Southeast Alaska Full Service Community Schools”: Research and Development Cluster  |
| <b>ALN:</b>                    | 84.215J  |
| <b>Award Numbers:</b>          | S215J220051  |
| <b>Award Years:</b>            | 2023   |
| <b>Type of Finding:</b>        | Significant deficiency in internal control over compliance and noncompliance.  |
| <b>Criteria:</b>               | Internal control procedures should be in place to ensure that proper controls are in place to prevent financial misstatements due to either fraud or error.  |
| <b>Condition and Context:</b>  | During our tests of transactions for internal controls over compliance and compliance we identified one transaction with no purchase order or approval. There was also no authorization for this transaction to be coded to the grant. |
| <b>Cause:</b>                  | Lack of internal control over credit card transactions.  |
| <b>Effect:</b>                 | Lack of internal controls over credit cards could result in expenditures being miscoded to the program or allow improper or unauthorized transactions to not be prevented, detected, or corrected in a timely manner.                  |
| <b>Questioned Costs:</b>       | Questioned costs are under the reporting threshold of \$25,000.  |
| <b>Repeat Finding:</b>         | Yes.   |
| <b>Recommendation:</b>         | We recommend the District adhere to their internal control policies to ensure accurate controls over credit card transactions.   |
| <b>Managements Response:</b>   | Management agrees with this finding. See Corrective Action Plan.   |

**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  
Chatham School District  
Angoon, Alaska

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

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

We have audited Chatham 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 Chatham School District's major state programs for the year ended June 30, 2025. Chatham School District's major state programs are identified on the Schedule of State Financial Assistance.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion, Chatham School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2025.

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

We are required to be independent of Chatham 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 determination of Chatham School District's compliance with the compliance requirements referred to above.

***Matter Giving Rise to Qualified Opinion on Foundation – Public School Funding and HB 268 One-Time Funding***

As described in the accompanying State Schedule of Findings and Questioned costs, Chatham School District did not comply with the requirements regarding Foundation – Public School Funding and HB 268 One-Time Funding as described in Finding 2025-004 for Reporting. Compliance with such requirements are necessary, in our opinion, for Chatham School District to comply with the requirements applicable to that program.

***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 Chatham 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 Chatham 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 Chatham 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 Chatham 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 Chatham 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 Chatham 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**

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, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying state schedule of findings and questioned costs as Finding 2025-004 to be a material weakness.

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

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

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

*Oitman, Rogers & Co.*

Juneau, Alaska  
December 1, 2025

CHATHAM SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

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

Financial Statements

Type of report the auditor issued on whether the  
Financial statements audited were prepared in  
Accordance with GAAP:

Unmodified

Internal control over financial reporting:

|   |          |     |               |               |
|---|----------|-----|---------------|---------------|
| Material weakness(es) identified?       | <u>X</u> | Yes | <u>      </u> | No            |
| Significant deficiency(ies) identified? | <u>X</u> | Yes | <u>      </u> | None reported |

Noncompliance material to financial statements noted?

       Yes X No

State Awards

Internal control over major programs:

|   |               |     |               |               |
|---|---------------|-----|---------------|---------------|
| Material weakness(es) identified?       | <u>X</u>      | Yes | <u>      </u> | No            |
| Significant deficiency(ies) identified? | <u>      </u> | Yes | <u>X</u>      | None reported |

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

Qualified

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

\$ 750,000

Auditee qualified as low-risk auditee?

       Yes X No

**Section II – Financial Statement Findings**

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

CHATHAM SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs, Continued

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

**Finding 2025-004**

**Noncompliance with Reporting Requirements**

|                               |   |
|-------------------------------|---|
| <b>State Agency:</b>          | Department of Education and Early Development   |
| <b>Grant Name:</b>            | Foundation (Public School Funding) and HB One-Time Funding  |
| <b>Grant Number:</b>          | None.   |
| <b>Type of Finding:</b>       | Material weakness in internal control over compliance and noncompliance.  |
| <b>Criteria:</b>              | Per AS 14.17.600, within two weeks after the end of the 20-day school-day period ending the fourth Friday in October, each public school district shall transmit a report to DEED that reports its ADM for that counting period along with other student count information need to determine state foundation aid. Per 4 AAC 07.060(a), each district shall maintain for each student a cumulative record, which includes attendance records. |
| <b>Condition and Context:</b> | We selected a sample of student counts reported to DEED during the year under audit. While testing the data elements suggested in the compliance supplement, we could not obtain documentation the students were enrolled or attended the District during the period of reporting.  |
| <b>Questioned Costs:</b>      | None.   |
| <b>Cause:</b>                 | Lack of internal control over reporting requirements.   |
| <b>Effect:</b>                | The District is not in compliance with AS 14.17.600 and 4 AAC 07.060(a) in accurately reporting students which could jeopardize future funding.   |
| <b>Repeat Finding:</b>        | Yes.  |
| <b>Recommendation:</b>        | We recommend that the District adhere to existing internal controls for reporting and to store critical documents electronically to make the easily accessible.   |
| <b>Management's Response:</b> | Management concurs with the finding. See Corrective Action Plan.  |

# Chatham School District

David Langford

DISTRICT SUPERINTENDENT



Chatham School District  
Board of Education

MRS. STACEY PROCTOR, PRES  
MS. JEN TODD, VP  
MS LEANN WEIKLE, TREASURER  
MR. ALBERT KOOKESH, III  
MR JACK STRONG

P.O. BOX 109

ANGOON, ALASKA 99820

PHONE: 788-3302 or 788-3682 FAX: 788-3252

## Chatham School District Mission Statement

In partnership with families and communities, the Chatham School District will provide safe and stable educational experiences built upon the uniqueness of each community, to educate students to become self-sufficient adults who will be contributing members of our diverse and changing world. Revised: 8-7-2008

## Summary Schedule of Prior Audit Findings

June 30, 2025

### Section II – Financial Statement Findings

#### Finding 2024-001

##### **Material Weakness**

#### Cash Receipts and Recording Revenue – Enterprise Fund

##### **Condition and Context:**

During the audit, we discovered that revenue for the Foxes Den Enterprise Fund was being recorded monthly during the bank reconciliation process. Credit card sales were being entered based on deposits from a third party transaction processing company. Cash sales were only being entered when the restaurant sent a money order to the District Office. Additionally, supporting documentation of daily sales and cash counts did not demonstrate that there was sufficient segregation of duty between recording sales, collecting cash, and performing beginning and end of day cash counts.

##### **Status:**

This finding has been resolved.

#### Finding 2024-002

##### **Material Weakness**

#### Lack of Internal Control over Credit Card Transactions

##### **Condition and Context:**

During review of credit card transactions, we noted several issues that we consider to be deficiencies in internal controls. Based on our review, we noted numerous instances of transactions not having sufficient segregation of duties regarding approval and review of transactions. Additionally, supporting documentation provided was not sufficient to determine that Amazon purchases were properly authorized and reviewed due to purchase orders covering numerous invoices. We also did not receive timely supporting invoice documentation for 3 transactions in our sample of 40.

##### **Status:**

This finding was repeated as Finding 2025-001.

CHATHAM SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings, Continued

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

**Finding 2024-003**

**Lack of Internal Control over Activities Allowed or Unallowed and Allowable Costs/Cost Principles**

**Significant deficiency in internal control over compliance and noncompliance**

**Condition and Context:** During our tests of transactions for internal controls over compliance and compliance we identified one transaction that was coded to the incorrect federal grant. Originally, it was coded to the incorrect object code per the DEED uniform chart of accounts. When the transaction was corrected, the fund number was changed to what the object code should have been resulting in the cost being charged to the incorrect program.

**Status:** This finding was repeated as Finding 2025-003.

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

**Finding 2024-004**

**Material Noncompliance with Reporting Requirements**

**Significant deficiency in internal control over compliance and noncompliance**

**Condition and Context:** The Projected FY25 ADM report was due November 5<sup>th</sup>, 2023 and was submitted on November 8<sup>th</sup>, 2023. The 20-school-day count ADM information was due on November 10<sup>th</sup>, 2023 and submitted on November 14<sup>th</sup>, 2023.

**Status:** This finding was repeated as Finding 2025-004.

# Chatham School District

# David Langford

## DISTRICT SUPERINTENDENT



## Chatham School District Board of Education

MRS. STACEY PROCTOR, PRES  
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## Corrective Action Plan

June 30, 2025

## **Financial Statement Findings**

## Finding 2025-001

## Lack of Internal Control over Credit Card Transactions

**Name of Contact Person:** David Langford, Superintendent

**Corrective Action Plan:** The District recognizes the need for stronger internal controls surrounding credit card transactions. The following corrective actions will be implemented:

## 1. Policy Revision and Approval:

The District will update the existing credit card standard operating procedure to require prior written approval for all credit card purchases, clear documentation of business purpose, and supporting receipts for each transaction. The policy will be signed and attested to by all card holders.

## 2. Segregation of Duties:

Credit card statements will be reviewed by someone other than the cardholder before payment. The Business Manager will reconcile the statements monthly, and the Superintendent will conduct a secondary review for oversight.

### 3. Training and Accountability:

All staff with credit card access will receive training on allowable purchases, documentation standards, and reporting requirements. Repeat violations will result in disciplinary action.

#### 4. Monthly Audit Review:

Beginning July 2025, the District's internal finance team will conduct monthly spot checks to ensure compliance with policies, documenting findings for the Superintendent's review.

**Proposed Completion Date:** June 30, 2026.

CHATHAM SCHOOL DISTRICT

Corrective Action Plan, Continued

**Finding 2025-002**

**Lack of Internal Control over Bank Reconciliations**

**Name of Contact Person:** David Langford, Superintendent

**Corrective Action Plan:** The District acknowledges weaknesses in the bank reconciliation process and will take the following corrective actions:

**1. Timely Reconciliations:**

All bank accounts will be reconciled monthly within 30 days of statement receipt.

**2. Segregation of Duties:**

The Finance staff will prepare all reconciliations, while the Superintendent or designee will independently review and approve them, verifying alignment with the general ledger and supporting documentation.

**3. Resolution of Uncashed Checks (Outstanding Items):**

The District will develop and implement a procedure for identifying and resolving uncashed (outstanding) checks in accordance with GASB accounting principles and state unclaimed property laws.

- Checks outstanding for more than six months will be investigated to determine whether reissuance, cancellation, or escheatment is required.
- Documentation of all follow-up efforts (e.g., communication with payees, stop payment orders, and reissuance authorizations) will be retained.
- Adjustments related to voided or reissued checks will be recorded in the general ledger to ensure that liabilities are properly stated.
- An annual review of stale-dated checks will be completed prior to fiscal year-end closeout to maintain compliance with GASB Statement No. 9 (Reporting Cash Flows) and GASB Statement No. 34 (Basic Financial Statements for State and Local Governments).

**4. Documentation and Review Procedures:**

Supporting documentation (bank statements, outstanding check lists, deposit records, and review notes) will be maintained in a secure digital file for audit purposes. A standardized reconciliation checklist will be used to ensure accuracy and consistency across periods.

**5. Training:**

The Business Manager will provide to CSD finance staff on governmental accounting controls and reconciliation practices.

**Proposed Completion Date:** June 30, 2026.

CHATHAM SCHOOL DISTRICT

Corrective Action Plan, Continued

**Federal Award Findings**

**Finding 2025-003**

**Lack of Internal Control over Activities Allowed or Unallowed and Allowable Costs/Cost Principles**

**Name of Contact Person:** David Langford, Superintendent

**Corrective Action Plan:** The District will strengthen controls to ensure all expenditures charged to federal programs are allowable, properly documented, and comply with the Uniform Guidance (2 CFR Part 200).

**1. Policy and Procedure Development:**

Written procedures will be implemented defining allowable costs, budget approval processes, and documentation requirements for federal programs.

**2. Pre-Approval and Documentation:**

All expenditures charged to federal awards must receive prior approval from the Program Director and Business Manager, accompanied by invoices, purchase orders, and justification forms referencing the applicable federal cost principle.

**3. Monthly Monitoring:**

The Business Manager will review program expenditures monthly for compliance with allowable cost principles and promptly correct any mischarges.

**4. Training:**

Federal program staff and members of the CSD Grants Committee will receive annual training on allowable costs, cost allocation, and time-and-effort reporting.

**Proposed Completion Date:** June 30, 2026.

CHATHAM SCHOOL DISTRICT

Corrective Action Plan, Continued

**State Award Findings**

**Finding 2025-004**

**Noncompliance with Reporting Requirements**

**Name of Contact Person:** David Langford, Superintendent

**Corrective Action Plan:** The District acknowledges that complete OASIS student enrollment forms and supporting documentation were not available for audit review during the fiscal year. This limited the auditors' ability to verify reported enrollment counts submitted to the Alaska Department of Education and Early Development (DEED). The District will implement the following corrective actions:

**1. Standardized Record Retention and Access:**

The District will establish a formal retention procedure for all OASIS student enrollment forms, ensuring they are securely stored in both digital and physical formats for a minimum of seven years in compliance with DEED requirements and state record retention laws.

**2. Centralized Digital Archive:**

A secure electronic storage system (using the District's student information system or designated shared drive) will be created to maintain scanned copies of all OASIS documentation, including enrollment verification, withdrawal forms, and residency evidence. Access will be restricted to authorized personnel and available for auditor review upon request.

**3. Verification and Cross-Checking:**

Prior to OASIS submission, the Business Manager and School Secretary will cross-verify enrollment counts, student residency documentation, and submission data. A reconciliation report will be printed and signed by both preparers and reviewed by the Superintendent.

**4. Audit Preparation Protocol:**

Each year before the annual audit, the District will compile a complete OASIS audit file, including enrollment data, supporting documentation, and reconciliation reports, to ensure availability to auditors in accordance with DEED OASIS Handbook standards.

**5. Training and Oversight:**

Administrative and school office staff responsible for maintaining enrollment records will receive annual training on OASIS data collection, submission procedures, and audit documentation requirements provided by DEED or ALASBO.

**Proposed Completion Date:** June 30, 2026.