

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

Basic Financial Statements, Required
Supplementary Information, Additional
Supplementary Information, and Single
Audit Reports
Year Ended June 30, 2025

DRAFT

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

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Year Ended June 30, 2025

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

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Independent Auditor's Report

Members of the School Board
Petersburg School District
Petersburg, Alaska

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 12 to the financial statements, the District has adopted the provision of Governmental Accounting Standards Board Statement Number 100, *Accounting Changes and Error Corrections*. Our opinion is not modified with respects to this matter.

As discussed in Note 13 to the financial statements, the District has adopted the provision of Governmental Accounting Standards Board Statement Number 101, *Compensated Absences*. Our opinion is not modified with respects to this matter.



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, the schedules of the District's proportionate share of the net pension and net OPEB asset, and schedules of the District's contributions 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 require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements and schedules, Schedule of Compliance as required by Alaska Statute 14.17.505, Schedule of Expenditures of Federal Awards 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 the Schedule of State Financial Assistance as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund financial statements and schedules, Schedule of Compliance, Schedule of Expenditures of Federal Awards, and the Schedule of State Financial Assistance are 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 XXXX, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Anchorage, Alaska
XXXX, 2025

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Basic Financial Statements

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

Statement of Net Position

	Governmental Activities
<i>June 30, 2025</i>	
Assets and Deferred Outflows of Resources	
Assets	
Cash and investments	\$ 5,338,467
Accounts receivable	246,111
Inventory	2,842
Prepaid items	485,351
Net other postemployment benefits assets- restricted	2,522,884
Capital assets, net of accumulated depreciation	1,643,558
Total Assets	10,239,213
Deferred Outflows of Resources	
Pension related	449,762
Other postemployment benefits related	169,321
Total Deferred Outflows of Resources	619,083
Total Assets and Deferred Outflows of Resources	\$ 10,858,296
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	\$ 4,878
Accrued payroll and related liabilities	10,405
Due within one year - compensated absences	147,917
Unearned revenue	1,327,783
Noncurrent liabilities:	
Due in more than one year - compensated absences	330,590
Due in more than one year - net pension liability	4,700,053
Total Liabilities	6,521,626
Deferred Inflows of Resources	
Other postemployment benefits related	96,200
Net Position	
Investment in capital assets	1,643,558
Restricted for other post employment benefits	2,522,884
Restricted for scholarships	62,528
Restricted for capital projects	350,511
Unrestricted (deficit)	(339,011)
Total Net Position	4,240,470
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 10,858,296

See accompanying notes to basic financial statements.

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

Statement of Activities

Year Ended June 30, 2025	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Governmental Activities					
Instruction	\$ 4,630,665	\$ -	\$ 637,597	\$ -	\$ (3,993,068)
Special education instruction	1,870,060	-	328,188	-	(1,541,872)
Support services - students	586,516	-	395,453	-	(191,063)
Support services - instruction	958,185	-	78,466	-	(879,719)
School administration	440,423	-	52,506	-	(387,917)
School administration support services	281,764	-	12,285	-	(269,479)
District administration	500,937	-	40,269	-	(460,668)
District administration support services	361,894	-	40,777	-	(321,117)
Operations and maintenance of plant	1,507,154	-	22,986	-	(1,484,168)
Student activities	739,351	306,537	22,511	-	(410,303)
Student transportation - to and from school	217,612	-	459,235	-	241,623
Food service	750,154	17,860	608,025	-	(124,269)
Expendable trust	6,220	-	-	-	(6,220)
Construction and facilities acquisition	-	-	-	405,809	405,809
	\$ 12,850,935	\$ 324,397	\$ 2,698,298	\$ 405,809	(9,422,431)
General Revenues					
Local appropriation					3,399,996
State grants and entitlements not restricted to specific purpose					6,658,587
Interest income					52,735
E-rate					87,158
Other					200,855
Transfer to primary government					(55,298)
Total General Revenues					10,344,033
Change in Net Position					921,602
Net Position, beginning of year, as previously reported					3,732,829
Adjustment - GASB 101 (Note 13)					(413,961)
Net Position, beginning of year, as adjusted					3,318,868
Net Position, end of year					\$ 4,240,470

See accompanying notes to basic financial statements.

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

Governmental Funds
Balance Sheet

	Major Funds		Nonmajor Governmental	Total
	General Fund	Capital Projects Fund	Special Revenue Funds	Governmental Funds
<i>June 30, 2025</i>				
Assets				
Cash and investments	\$ 1,846,526	\$ 2,410,727	\$ 1,081,214	\$ 5,338,467
Accounts receivable	-	15,931	230,180	246,111
Inventory	-	-	2,842	2,842
Prepaid items	470,891	-	14,460	485,351
Due from other funds	240,586	-	-	240,586
Total Assets	\$ 2,558,003	\$ 2,426,658	\$ 1,328,696	\$ 6,313,357
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 4,878	\$ -	\$ -	\$ 4,878
Accrued payroll and related liabilities	10,405	-	-	10,405
Due to other funds	-	15,931	224,655	240,586
Unearned revenue	-	1,137,683	190,100	1,327,783
Total Liabilities	15,283	1,153,614	414,755	1,583,652
Fund Balances				
Nonspendable	470,891	-	17,302	488,193
Restricted	-	350,511	62,528	413,039
Assigned	-	922,533	848,571	1,771,104
Unassigned	2,071,829	-	(14,460)	2,057,369
Total Fund Balances	2,542,720	1,273,044	913,941	4,729,705
Total Liabilities and Fund Balances	\$ 2,558,003	\$ 2,426,658	\$ 1,328,696	\$ 6,313,357

See accompanying notes to basic financial statements.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Total fund balances for governmental funds		\$ 4,729,705
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets for governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation, consist of:		
Building Improvements, equipment, and vehicles	\$ 4,640,220	
Accumulated depreciation	<u>(2,996,662)</u>	
Total capital assets, net		1,643,558
Certain other postemployment benefit plans have been funded in excess of the required contributions. These assets are not financial resources and therefore are not reported in the funds.		
Net other postemployment benefits asset		2,522,884
Noncurrent liabilities are not due and payable in the current period and therefore are not reported as fund liabilities. Noncurrent liabilities reported in these statements consist of:		
Compensated absences	(478,507)	
Net pension liability	<u>(4,700,053)</u>	
Total noncurrent liabilities		<u>(5,178,560)</u>
Certain changes in net pension liabilities and net other postemployment benefits liabilities and assets are deferred rather than recognized immediately. These are amortized over time:		
Deferred outflows of resources related to pensions	449,762	
Deferred outflows of resources related to other postemployment benefits	169,321	
Deferred inflows of resources related to other postemployment benefits	<u>(96,200)</u>	
Total deferred pension and other postemployment benefits items		<u>522,883</u>
Total Net Position of Governmental Activities		<u>\$ 4,240,470</u>

See accompanying notes to basic financial statements.

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

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

	Major Funds				
		Food Service Special	Capital	Nonmajor Governmental Special	Total
	General	Revenue	Projects	Revenue	Governmental
Year Ended June 30, 2025	Fund	Fund	Fund	Funds	Funds
Revenues					
Local sources	\$ 3,675,574		\$ -	\$ 603,236	\$ 4,278,810
State of Alaska	7,272,110		405,809	286,181	7,964,100
Federal grants:					
Passed through State of Alaska	-		-	954,571	954,571
Direct federal grants and contracts	-		-	47,851	47,851
Other	-		-	227,964	227,964
Other sources	-		-	63,865	63,865
Total Revenues	10,947,684		405,809	2,183,668	13,537,161
Expenditures					
Current:					
Instruction	4,125,943		-	194,660	4,320,603
Special education instruction	1,578,693		-	185,217	1,763,910
Support services - students	216,255		-	345,328	561,583
Support services - instruction	872,153		-	53,226	925,379
School administration	415,287		-	32	415,319
School administration support services	267,251		-	-	267,251
District administration	451,219		-	-	451,219
District administration support services	336,083		-	30,598	366,681
Operations and maintenance of plant	1,283,461		-	-	1,283,461
Student activities	485,844		-	240,022	725,866
Student transportation - to and from school	-		-	217,612	217,612
Food service	-		-	715,802	715,802
Expendable trust	-		-	6,220	6,220
Construction and facilities acquisition	-		1,231,570	44,573	1,276,143
Total Expenditures	10,032,189		1,231,570	2,033,290	13,297,049
Excess (Deficiency) of Revenues Over Expenditures	915,495		(825,761)	150,378	240,112
Other Financing Sources (Uses)					
Transfers in	-		340,000	-	340,000
Transfers out	(340,000)		-	-	(340,000)
Transfer from primary government	-		1,112,774	-	1,112,774
Net Other Financing Sources (Uses)	(340,000)		1,452,774	-	1,112,774
Net Change in Fund Balances	575,495		627,013	150,378	1,352,886
Fund Balances, beginning of year, as previously reported	1,967,225	500,106	646,031	263,457	3,376,819
Adjustment - from major fund to nonmajor fund	-	(500,106)	-	500,106	-
Fund Balances, beginning of year, as adjusted	1,967,225	-	646,031	763,563	3,376,819
Fund Balances, end of year	\$ 2,542,720	\$ -	\$ 1,273,044	\$ 913,941	\$ 4,729,705

See accompanying notes to basic financial statements.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2025

Net change in fund balances - total governmental funds		\$ 1,352,886
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is comprised of:		
Capital outlay	\$ 100,608	
Depreciation expense	(238,669)	
	<u></u>	(138,061)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Increase in net pension liability and related deferred outflows and inflows of resources	(15,628)	
Decrease in net other postemployment benefits assets and related deferred outflows and inflows of resources	(237,092)	
	<u></u>	(252,720)
Other noncurrent liabilities reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the increase in compensated absences.		
		<u>(40,503)</u>
Change in Net Position of Governmental Activities		<u>\$ 921,602</u>

See accompanying notes to basic financial statements.

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

Notes to Basic Financial Statements
Year Ended June 30, 2025

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

The financial statements included in this report are for the District only. There are no component units for which the District is financially accountable, nor do any special financial relationships exist between the District and any other entity.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. In general, the effect of interfund activity has been removed from these statements to minimize the double counting of internal activities. The District reports *governmental activities*, which normally are supported by intergovernmental revenues. The District has no *business-type activities*, which rely primarily on fees and charges to external parties.

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

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

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

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

Notes to Basic Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. The major funds are presented in separate columns. Nonmajor funds are aggregated and presented in a single column.

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

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

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

The following are the District's major governmental funds:

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

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

The other governmental funds of the District are considered nonmajor.

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

D. Budgets

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

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

The School Board authorizes formal budget revisions periodically each year to adjust the revenues and expenditures to available resources and program needs. The final revised and approved budget is presented in these financial statements. Expenditure authority for the School Operating Fund is limited to the total approved budget. The Superintendent has the authority to make line-item transfers limited

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to under \$10,000. These budget adjustments must be included in the School Board's next formal budget revision. Any interfund transfers require prior approval by the School Board.

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

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

E. Encumbrances

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

F. Cash and Investments

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

G. Short-Term Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

H. Inventories

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

I. Capital Assets

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

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

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

J. Compensated Absences

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

K. Fund Balances

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

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

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

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

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

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

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

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L. Unearned Revenue

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

M. Interfund Transfers

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

N. Pensions / OPEB

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

O. Deferred Outflows/Inflows of Resources

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

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

P. Net Position

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

Q. Management Estimates and Assumptions

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

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2. Cash and Investments

The District utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "cash and investments" or included in "due to other funds." The balances at June 30, 2025 were as follows:

Cash and cash equivalents	\$ 4,808,502
AMLIP investments	529,965
Total Due to Other Funds	\$ 5,338,467

Custodial credit risk - Custodial credit risk is the risk that in the event of bank or broker failure, the District's deposits and investments may not be returned to it. The District does not have a deposit policy for custodial credit risk, but does seek to mitigate this risk on its deposits through the use of a tri-party collateralization agreement. All the District's deposits in financial institutions as of June 30, 2025 are insured or covered by a tri-party collateralization agreement.

The AMLIP is an external investment pool (Pool) which is rated AAA for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. The Pool is incorporated in the State of Alaska as a nonprofit corporation and reports to a board of directors. Alaska Statute 37.23.050 requires the retention of an investment manager. The manager is required to produce monthly disclosure statements on the Pool. The Pool also has retained an investment adviser who monitors performance of the investment manager to ensure compliance with investment policies. All participation in the Pool is voluntary. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase investments having remaining maturities of 397 days or less. On a monthly basis, the investments in the Pool are reviewed for fair value by an independent pricing service. As of June 30, 2025, the fair value of the investments in the Pool approximates amortized cost and is equal to the value of Pool shares. The District has no unfunded commitments to the Pool. The District can redeem its investment in AMLIP on a daily basis with no prior notification.

3. Receivables

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

4. Interfund Receivables, Payables, and Transfers

A schedule of interfund balances and transfers for the year ended June 30, 2025, follows:

Due to Other Funds:

To the General Fund from:	
Capital Projects Funds for short-term advances	\$ 15,931
Nonmajor governmental funds for short-term advances	224,655
Total Due to Other Funds	\$ 240,586

Transfers to Other Funds:

From the General Fund to:	
Capital Projects Fund	\$ 340,000

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5. Capital Assets

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

<i>Governmental Activities</i>	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Assets being depreciated:				
Equipment and vehicles	\$ 1,821,818	\$ 38,388	\$ (24,916)	\$ 1,835,290
Building improvements	2,742,710	62,220	-	2,804,930
Total assets being depreciated	4,564,528	100,608	(24,916)	4,640,220
Accumulated depreciation	(2,782,909)	(238,669)	24,916	(2,996,662)
Total Governmental Capital Assets				
Net of Depreciation	\$ 1,781,619	\$ (138,061)	\$ -	\$ 1,643,558

Depreciation expense was charged to governmental functions as follows for the year ended June 30, 2025:

Instruction	\$ 22,398
District administration support services	4,753
Operations and maintenance of plant	202,904
Student activities	2,159
Food service	6,455
Total Depreciation Allocated to Governmental Functions	\$ 238,669

In addition, significant capital construction and related work in progress on buildings was performed by the District, which is funded from transfers from Petersburg Borough (Borough) and a grant from the State of Alaska. For the current year, the net of the transfers from the Borough of \$1,112,744 and the cost of the capital asset transferred back to the Borough of \$1,168,072, has been reported as a transfer to the Borough in the amount of \$55,298. Out of the \$1,112,774 that was transferred, the remaining \$350,511 will be used for the project and is included in restricted fund balance.

6. Noncurrent Liabilities

The following schedule shows the changes in compensated absences for the year ended June 30, 2025.

	Restated Balance July 1, 2024	Change	Balance June 30, 2025	Due Within One Year
Compensated absences*	\$ 438,004	\$ 40,503	\$ 478,507	\$ 147,917

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

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7. Pension and Other Postemployment Benefits Plans

(a) Defined Benefit (DB) Pension Plans

General Information About the Plans

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

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

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

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

Historical Context and Special Funding Situation

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

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

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

Employee Contribution Rates

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

Employer and Other Contribution Rates

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

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

ARM Board Adopted Rate: This is the rate formally adopted by the ARM Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25-year term which ends in 2039. This change results in a lower ARM Board Rates than previously adopted.

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

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Contribution rates for the year ended June 30, 2025 were determined in the June 30, 2023 actuarial valuations. The District's contribution rates for the 2025 fiscal year were as follows:

<i>PERS</i>	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans - Pension	20.03%	4.76%
Defined contribution - Pension	6.73%	-%
Total Contribution Rates	26.76%	4.76%

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

<i>TRS</i>	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans - Pension	21.30%	16.03%
Defined contribution - Pension	7.29%	-%
Total Contribution Rates	28.59%	16.03%

Alaska Statute 14.25.070(a) capped the employer rate at 12.56% with the State of Alaska making a nonemployer contribution for the difference between actuarially required contribution and the cap. For the fiscal year the employer rate is 12.56% for pension and 0.00% for ARHCT. The contribution requirements for the District are established and may be amended by the ARM Board. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the DC Plan payroll. The DBUL amount is computed as the difference between (a) amount calculated for the statutory employer contribution rate of 12.56% on eligible salary less (b) total of the employer contribution for (1) defined contribution employer matching amount, (2) major medical, (3) occupational death and disability, and (4) health reimbursement arrangement. The difference is deposited based on an actuarial allocation into the defined benefit plan's pension and healthcare funds.

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In 2025, the District was credited with the following contributions to the pension plans:

	Measurement Period July 1, 2023 to June 30, 2024	District Fiscal Year July 1, 2024 to June 30, 2025
<i>PERS</i>		
Employer contributions (including DBUL)	\$ 185,862	\$ 169,660
Nonemployer contributions (on-behalf)	41,861	61,098
Total Contributions	\$ 227,723	\$ 230,758

	Measurement Period July 1, 2023 to June 30, 2024	District Fiscal Year July 1, 2024 to June 30, 2025
<i>TRS</i>		
Employer contributions (including DBUL)	\$ 207,138	\$ 215,106
Nonemployer contributions (on-behalf)	443,857	552,425
Total Contributions	\$ 650,995	\$ 767,531

In addition, employee contributions to the Plans totaled \$15,191 for PERS and \$116,015 for TRS during the District's fiscal year.

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

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the District. The amount recognized by the District for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the District were as follows:

	PERS	TRS
District's proportionate share of NPL	\$ 1,897,001	\$ 2,803,052
State's proportionate share of NPL associated with the District	713,354	4,817,813
Total Net Pension Liability	\$ 2,610,355	\$ 7,620,865

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 to calculate the net pension liability as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2024 measurement date, the District's proportion for PERS was 0.03459 percent, which was a decrease of 0.00229 percent from its proportion measured as of June 30, 2023. At the June 30, 2024 measurement date, the District's proportion for TRS was 0.15153 percent, which was a decrease of 0.01245 from its proportion measured as of June 30, 2023.

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For the year ended June 30, 2025, the District recognized pension expense of \$317,339 for PERS and \$918,415 for TRS. In addition, the District recognized on-behalf revenue of \$114,667 and \$727,032 for support provided by the State for PERS and TRS, respectively. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>PERS</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 18,261	\$ -
District contributions subsequent to the measurement date	169,660	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 187,921	\$ -

<i>TRS</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 46,735	\$ -
District contributions subsequent to the measurement date	215,106	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 261,841	\$ -

The \$169,660 for PERS and \$215,106 for TRS reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Year Ending June 30,</i>	<i>PERS</i>	<i>TRS</i>
2026	\$ (50,843)	\$ (128,859)
2027	94,653	234,916
2028	(13,972)	(32,069)
2029	(11,577)	(27,253)
Total Amortization	\$ 18,261	\$ 46,735

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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For PERS, increases range from 6.75% to 2.85% based on service. For TRS, increases range from 7.00% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2024 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2025 to 2039. The liability is expected to go to zero at 2039.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality PERS	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
TRS	Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time. Post-commencement mortality rates for healthy retirees were based on 97% of the Pub-2010 Teachers Retiree table, amount-weighted, and projected

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with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 100% of male and 95% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

The total pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. 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, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect expected future experience.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.39%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	26%	+/- 6%	5.48%
Global equity (non-U.S.)	17%	+/- 4%	7.14%
Global equity	-%	-%	5.79%
Aggregate bonds	21%	+/- 10%	2.10%
Multi-asset	8%	+/- 4%	-%
Real assets	14%	+/- 7%	4.63%
Private equity	14%	+/- 7%	8.84%
Cash equivalents	-%	-%	0.77%

Discount Rate

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

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

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

<i>PERS</i>	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	0.03459%	\$ 2,526,984	\$ 1,897,001	\$ 1,363,884

<i>TRS</i>	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	0.15153%	\$ 4,066,476	\$ 2,803,052	\$ 1,733,553

Pension Plan Fiduciary Net Position

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

(b) Defined Contribution (DC) Pension Plans

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

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

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer

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contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2025 to cover a portion of the District's employer match contributions. For the year ended June 30, 2025, forfeitures reduced pension expense by \$0 for PERS and \$11,954 for TRS.

Employee Contribution Rate

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

Employer Contribution Rate

For the year ended June 30, 2025, the District was required to contribute 5% of covered salary into the Plan for PERS and 7% of covered salary for TRS.

The District and employee contributions to PERS for pensions for the year ended June 30, 2025 were \$62,830 and \$100,529, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2025 were \$174,466 and \$199,389, respectively. The District contribution amount was recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plans

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

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

Employer Contribution Rate

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

Employer contribution rates for the year ended June 30, 2025 were as follows:

	PERS	TRS
Retiree Medical Plan	0.83%	0.68%
Occupational Death and Disability Benefits	0.24%	0.08%
Total Contribution Rates	1.07%	0.76%

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In 2025, the District was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2023 to June 30, 2024	District Fiscal Year July 1, 2024 to June 30, 2025
<i>PERS</i>		
Employer contributions - RMP	\$ 12,350	\$ 10,430
Employer contributions - ODD	3,668	3,016
Total Contributions	\$ 16,018	\$ 13,446

	Measurement Period July 1, 2023 to June 30, 2024	District Fiscal Year July 1, 2024 to June 30, 2025
<i>TRS</i>		
Employer contributions - RMP	\$ 19,636	\$ 16,948
Employer contributions - ODD	1,915	1,994
Total Contributions	\$ 21,551	\$ 18,942

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

At June 30, 2025, the District reported an asset for its proportionate share of the net OPEB assets (NOA) that reflected a reduction for State OPEB support provided to the District. The amount recognized by the District for its proportional share, the related State proportion, and the total were as follows:

	PERS	TRS
District's proportionate share of NOA - ARHCT	\$ 762,613	\$ 1,567,325
District's proportionate share of NOA - RMP	29,913	96,806
District's proportionate share of NOA - ODD	31,913	34,314
Total District's Proportionate Share of NOA	\$ 824,439	\$ 1,698,445
State's proportionate share of the ARHCT NOA associated with the District	\$ 283,126	\$ 2,542,743
Total Net OPEB Assets	\$ 1,107,565	\$ 4,241,188

The total OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 and adjusted to reflect updated assumptions to calculate the net OPEB assets as of that date. The District's proportion of the net OPEB assets was based on a projection of the District's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

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<i>PERS</i>	June 30, 2023 Measurement Date Employer Proportion	June 30, 2024 Measurement Date Employer Proportion	Change
District's proportionate share of the net OPEB assets:			
ARHCT	0.03682%	0.03463%	(0.00219)%
RMP	0.06413%	0.06417%	0.00004 %
ODD	0.05354%	0.05346%	(0.00008)%

<i>TRS</i>	June 30, 2023 Measurement Date Employer Proportion	June 30, 2024 Measurement Date Employer Proportion	Change
District's proportionate share of the net OPEB assets:			
ARHCT	0.16848%	0.15710%	(0.01138)%
RMP	0.41712%	0.43052%	0.01340 %
ODD	0.41685%	0.43065%	0.01380 %

For the year ended June 30, 2025, the District recognized OPEB expense (benefit) of \$94,042 for PERS and \$241,252 for TRS. Of these amounts, \$11,134 for PERS and \$51,364 for TRS was recorded for on-behalf revenue and expense for support provided by the ARHCT plans. OPEB expense (benefit) and on-behalf revenue for the year ended is listed by plan in the table below:

<i>PERS</i>	OPEB Expense (Benefit)	On-behalf Revenue
ARHCT	\$ 91,462	\$ 11,134
RMP	3,634	-
ODD	(1,054)	-
Total	\$ 94,042	\$ 11,134

<i>TRS</i>	OPEB Expense (Benefit)	On-behalf Revenue
ARHCT	\$ 242,394	\$ 51,364
RMP	1,298	-
ODD	(2,440)	-
Total	\$ 241,252	\$ 51,364

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At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>PERS</i>	ARHCT	RMP	ODD	Total
Deferred Outflows of Resources:				
Difference between expected and actual experience	\$ 413	\$ 753	\$ -	\$ 1,166
Changes in assumptions	20,475	10,122	-	30,597
Net difference between projected and actual investment earnings	11,613	422	102	12,137
Changes in proportion and differences between District contributions and proportionate share of contributions	8,658	99	713	9,470
District contributions subsequent to the measurement date	-	10,430	3,016	13,446
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 41,159	\$ 21,826	\$ 3,831	\$ 66,816

<i>PERS</i>	ARHCT	RMP	ODD	Total
Deferred Inflows of Resources:				
Difference between expected and actual experience	\$ -	\$ (3,324)	\$ (7,476)	\$ (10,800)
Changes in assumptions	-	(20,109)	(79)	(20,188)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(726)	(1,438)	(2,164)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ -	\$ (24,159)	\$ (8,993)	\$ (33,152)

Amounts reported as deferred outflows of resources related to OPEB plans resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net OPEB assets in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>PERS</i>	ARHCT	RMP	ODD	Total
Year Ending June 30,				
2026	\$ (13,323)	\$ (4,321)	\$ (2,239)	\$ (19,883)
2027	76,918	(23)	(1,123)	75,772
2028	(12,328)	(4,505)	(1,676)	(18,509)
2029	(10,108)	(3,171)	(1,462)	(14,741)
2030	-	(1,778)	(994)	(2,772)
Thereafter	-	1,035	(684)	351
Total Amortization	\$ 41,159	\$ (12,763)	\$ (8,178)	\$ 20,218

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At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>TRS</i>	<i>ARHCT</i>	<i>RMP</i>	<i>ODD</i>	<i>Total</i>
Deferred Outflows of Resources:				
Difference between expected and actual experience	\$ -	\$ 13,514	\$ -	\$ 13,514
Changes in assumptions	18,507	18,061	-	36,568
Net difference between projected and actual investment earnings	19,857	1,378	146	21,381
Changes in proportion and differences between District contributions and proportionate share of contributions	10,743	682	675	12,100
District contributions subsequent to the measurement date	-	16,948	1,994	18,942
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 49,107	\$ 50,583	\$ 2,815	\$ 102,505

<i>TRS</i>	<i>ARHCT</i>	<i>RMP</i>	<i>ODD</i>	<i>Total</i>
Deferred Inflows of Resources:				
Difference between expected and actual experience	\$ (384)	\$ (6,593)	\$ (5,422)	\$ (12,399)
Changes in assumptions	-	(37,564)	(49)	(37,613)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(8,408)	(4,628)	(13,036)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ (384)	\$ (52,565)	\$ (10,099)	\$ (63,048)

Amounts reported as collective deferred outflows of resources related to OPEB plans resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net OPEB assets in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>TRS</i>	<i>ARHCT</i>	<i>RMP</i>	<i>ODD</i>	<i>Total</i>
Year Ending June 30,				
2026	\$ (44,200)	\$ (7,771)	\$ (2,022)	\$ (53,993)
2027	132,699	1,812	(1,072)	133,439
2028	(21,853)	(6,337)	(1,915)	(30,105)
2029	(17,923)	(5,684)	(1,573)	(25,180)
2030	-	(2,001)	(1,351)	(3,352)
Thereafter	-	1,051	(1,345)	(294)
Total Amortization	\$ 48,723	\$ (18,930)	\$ (9,278)	\$ 20,515

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Actuarial Assumptions

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2024:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For PERS, increases range from 6.75% to 2.85% based on service. For TRS ARHCT Plan, increase range from 7.00% to 2.85% based on service. For TRS ODD and RMP Plans, increases range from 7.25% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2024 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2024 to 2039.
Investment rate of return	7.25%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Healthcare cost trend rates (ARHCT and RMP Plans)	Pre-65 medical: 6.4% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Rx/EGWP: 6.9% grading down to 4.5% Initial trend rates are from FY 2025 Ultimate trend rates reached in FY 2050
Mortality PERS (ARHCT and RMP Plans)	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement.

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(ODD Plan)

These rates are applied only after the death of the original member.

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

TRS

(ARHCT and RMP Plans)

Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 100% of female rates of the Pub-2010 Teachers Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 100% of male and 94% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

(ODD Plan)

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

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Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

Participation (ARHCT)	100% system paid of members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible.
PERS	25% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.
TRS	20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. 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, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect the expected future experience. For the ARHCT and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2023 actuarial valuation.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.39% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	26%	+/- 6%	5.48%
Global equity (non-U.S.)	17%	+/- 4%	7.14%
Global equity	-%	-%	5.79%
Aggregate bonds	21%	+/- 10%	2.10%
Multi-asset	8%	+/- 4%	-%
Real assets	14%	+/- 7%	4.63%
Private equity	14%	+/- 7%	8.84%
Cash equivalents	-%	-%	0.77%

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Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2024 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

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

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

<i>PERS</i>	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net OPEB asset (liability):				
ARHCT	0.03463%	\$ 482,875	\$ 762,613	\$ 998,018
RMP	0.06417%	\$ (5,182)	\$ 29,913	\$ 56,738
ODD	0.05346%	\$ 29,975	\$ 31,913	\$ 33,432

<i>TRS</i>	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net OPEB asset:				
ARHCT	0.15710%	\$ 1,080,200	\$ 1,567,325	\$ 1,974,964
RMP	0.43052%	\$ 25,551	\$ 96,806	\$ 150,612
ODD	0.43065%	\$ 34,426	\$ 34,314	\$ 34,245

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

The following presents the District's proportionate share of the net OPEB asset calculated using the healthcare cost trend rates as summarized in the 2023 actuarial valuation reports as well as what the District's proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

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<i>PERS</i>	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB asset (liability):				
ARHCT	0.03463%	\$ 1,024,894	\$ 762,613	\$ 451,041
RMP	0.06417%	\$ 60,278	\$ 29,913	\$ (10,830)
ODD	0.05346%	\$ n/a	\$ n/a	\$ n/a

<i>TRS</i>	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB asset:				
ARHCT	0.15710%	\$ 2,019,470	\$ 1,567,325	\$ 1,027,131
RMP	0.43052%	\$ 157,113	\$ 96,806	\$ 15,159
ODD	0.43065%	\$ n/a	\$ n/a	\$ n/a

OPEB Plan Fiduciary Net Position

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

(d) Defined Contribution OPEB Plans

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

Contribution Rate

AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2024, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,387 per year for each full-time employee, and \$1.53 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2025, the District contributed \$69,342 in DC OPEB costs to PERS and \$73,203 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

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

Pension Plan	PERS	TRS	Total
Deferred Outflows of Resources	\$ 187,921	\$ 261,841	\$ 449,762
Net Pension Liability	(1,897,001)	(2,803,052)	(4,700,053)
Net Pension Expense	317,339	918,415	1,235,754

OPEB Plan	PERS	TRS	Total
Deferred Outflows of Resources	\$ 66,816	\$ 102,505	\$ 169,321
Net OPEB Assets	824,439	1,698,445	2,522,884
Deferred Inflows of Resources	(33,152)	(63,048)	(96,200)
Net OPEB Expense	94,042	241,252	335,294

8. Fund Balances

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

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Inventory	\$ -	\$ -	\$ 2,842	\$ 2,842
Prepaid items	470,891	-	14,460	485,351
Total nonspendable	470,891	-	17,302	488,193
Restricted:				
Capital projects	-	350,511	-	350,511
Scholarship funds	-	-	62,528	62,528
Total restricted	-	350,511	62,528	413,039
Assigned:				
Student transportation	-	-	303,806	303,806
Student activities	-	-	158,764	158,764
Food service	-	-	386,001	386,001
Capital projects	-	922,533	-	922,533
Total assigned	-	922,533	848,571	1,771,104
Unassigned	2,071,829	-	(14,460)	2,057,369
Total Fund Balances	\$ 2,542,720	\$ 1,273,044	\$ 913,941	\$ 4,729,705

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9. Contingencies

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

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

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

10. Risk Management

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

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

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

11. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates. The following new accounting standards were implemented by the District for 2025 reporting:

GASB Statement No. 101 - Compensated Absences - Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District evaluated the impacts of GASB Statement 101 and determined that the provisions were applicable for the current fiscal year.

GASB Statement No. 102 - Certain Risk Disclosures - Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to provide users of the government

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financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The District evaluated the impacts of GASB 102 and determined there to be no impacts to the District's financial statements for the current fiscal year.

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

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

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

12. Changes within the Financial Reporting Entity

For the year ended June 30, 2025, the District had changes with the financial reporting entity as defined by GASB Statement No. 100, Accounting Changes and Error Corrections. The nature of the changes were as follows:

CLSD Comprehensive Literacy Special Revenue Fund is now classified as a nonmajor fund. For the year ended June 30, 2024, the fund was classified as a major fund.

Hurst Wood SPED Grant Special Revenue Fund is now classified as a nonmajor fund. For the year ended June 30, 2024, the fund was classified as a major fund.

The Food Service Special Revenue Fund is now classified as a nonmajor fund. For the year ended June 30, 2024, the fund was classified as a major fund.

The changes with the financial reporting entity resulted in adjustments to the beginning fund balance and net position as follows:

	June 30, 2024 As Previously Reported	Changes within the Financial Reporting Entity	June 30, 2025
Governmental Funds:			
General Fund	\$ 1,967,225	\$ -	\$ 1,967,225
Food Service Special Revenue Fund	500,106	(500,106)	-
Capital Projects Funds	646,031	-	646,031
Nonmajor Special Revenue Funds	263,457	500,106	763,563
Total Governmental Funds	\$ 3,376,819	\$ -	\$ 3,376,819

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

Notes to Basic Financial Statements

13. Change in Accounting Principle

For the year ended June 30, 2025, the District had a change in accounting principle for the implementation of GASB Statement No. 101, Compensated Absences. The nature of the changes are as follows:

The District is reporting additional compensated absence liability as a result of implementing the standard on the statement of net position as both current and long-term liabilities, thereby increasing accrued liabilities.

The changes in accounting principle resulted in adjustments to the beginning net position as follows:

	6/30/2024 As Previously Reported	Change in Accounting Principle	6/30/2024
Net Position, beginning of year	\$ 3,732,829	\$ (413,961)	\$ 3,318,868

Required Supplementary Information

DRAFT

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

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

<i>Year Ended June 30, 2025</i>	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Local sources	\$ 3,659,885	\$ 3,641,305	\$ 3,675,574	\$ 34,269
State of Alaska	6,261,035	7,361,016	7,272,110	(88,906)
Total Revenues	9,920,920	11,002,321	10,947,684	(54,637)
Expenditures				
Instruction	4,067,546	4,330,067	4,125,943	204,124
Special education instruction	1,660,303	1,707,153	1,578,693	128,460
Support services - students	208,773	212,216	216,255	(4,039)
Support services - instruction	836,853	924,107	872,153	51,954
School administration	406,217	421,360	415,287	6,073
School administration support services	286,496	294,066	267,251	26,815
District administration	433,347	448,148	451,219	(3,071)
District administration support services	353,654	363,395	336,083	27,312
Operations and maintenance of plant	1,456,242	1,389,078	1,283,461	105,617
Student activities	496,936	517,193	485,844	31,349
Total Expenditures	10,206,367	10,606,783	10,032,189	574,594
Excess (Deficiency) of Revenues Over Expenditures	(285,447)	395,538	915,495	519,957
Other Financing Uses - transfers out	(50,000)	(340,000)	(340,000)	-
Net Change in Fund Balance	<u>\$ (335,447)</u>	<u>\$ 55,538</u>	575,495	<u>\$ 519,957</u>
Fund Balance, beginning of year			<u>1,967,225</u>	
Fund Balance, end of year			<u>\$ 2,542,720</u>	

See accompanying notes to Required Supplementary Information.

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

<i>Years Ended June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Pension Liability	0.03459%	0.03688%	0.03913%	0.04177%	0.03486%	0.03210%	0.03887%	0.03841%	0.04741%	0.04618%
District's Proportionate Share of the Net Pension Liability	\$ 1,897,001	\$ 1,912,294	\$ 1,994,553	\$ 1,532,304	\$ 2,057,097	\$ 1,756,981	\$ 1,931,620	\$ 1,985,572	\$ 2,649,754	\$ 2,239,935
State of Alaska Proportionate Share of the Net Pension Liability	713,354	636,332	556,119	210,103	853,778	697,437	557,581	740,885	336,853	600,616
Total Net Pension Liability	\$ 2,610,355	\$ 2,548,626	\$ 2,550,672	\$ 1,742,407	\$ 2,910,875	\$ 2,454,418	\$ 2,489,201	\$ 2,726,457	\$ 2,986,607	\$ 2,840,551
District's Covered Payroll	\$ 1,446,198	1,338,025	1,138,284	1,082,033	1,144,346	1,138,871	1,111,864	1,121,141	1,071,115	1,073,055
District's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	131.17%	142.92%	175.22%	141.61%	179.76%	154.27%	173.73%	177.10%	247.38%	208.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.81%	68.23%	67.97%	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%

Schedule of the District's Contributions

<i>Years Ended June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contributions	\$ 169,660	\$ 185,862	\$ 166,167	\$ 124,863	\$ 116,943	\$ 108,668	\$ 117,591	\$ 129,522	\$ 110,025	\$ 97,320
Contributions Relative to the Contractually Required Contribution	169,660	185,862	166,167	124,863	116,943	108,668	117,591	129,522	110,025	97,320
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	1,424,893	1,446,198	1,338,025	1,138,284	1,082,033	1,144,346	1,138,871	1,111,864	1,121,141	1,071,115
Contributions as a Percentage of Covered Payroll	11.91%	12.85%	12.42%	10.97%	10.81%	9.50%	10.33%	11.65%	9.81%	9.09%

See accompanying notes to Required Supplementary Information.

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

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

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

Schedule of the District's Contributions

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

See accompanying notes to Required Supplementary Information.

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

Public Employees' Retirement System - OPEB RMP Plan

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

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

Schedule of the District's Contributions

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

See accompanying notes to Required Supplementary Information.

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

Public Employees' Retirement System - OPEB ODD Plan

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

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

Schedule of the District's Contributions

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

See accompanying notes to Required Supplementary Information.

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

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

<i>Years Ended June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Pension Liability	0.15153%	0.16398%	0.19859%	0.22563%	0.16313%	0.17371%	0.17071%	0.16272%	0.18109%	0.16425%
District's Proportionate Share of the Net Pension Liability	\$ 2,803,052	\$ 2,883,517	\$ 3,310,272	\$ 1,795,942	\$ 3,316,529	\$ 3,254,783	\$ 3,267,931	\$ 3,297,713	\$ 4,134,925	\$ 3,055,795
State of Alaska Proportionate Share of the Net Pension Liability	4,817,813	4,559,908	4,409,762	1,524,499	5,757,512	4,816,886	4,860,590	5,755,371	4,912,845	4,890,196
Total Net Pension Liability	\$ 7,620,865	\$ 7,443,425	\$ 7,720,034	\$ 3,320,441	\$ 9,074,041	\$ 8,071,669	\$ 8,128,521	\$ 9,053,084	\$ 9,047,770	\$ 7,945,991
District's Covered Payroll	3,736,704	3,604,909	3,443,208	3,575,921	3,320,679	3,392,700	3,341,983	3,306,207	3,284,085	3,100,117
District's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	75.01%	79.99%	96.14%	50.22%	99.88%	95.93%	97.78%	99.74%	125.91%	98.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.07%	77.62%	78.33%	89.43%	72.81%	74.68%	74.09%	72.39%	68.40%	73.82%

Schedule of the District's Contributions

<i>Years Ended June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contributions	\$ 215,106	\$ 207,138	\$ 204,227	\$ 130,013	\$ 136,269	\$ 173,571	\$ 189,249	\$ 203,759	\$ 179,601	\$ 173,758
Contributions Relative to the Contractually Required Contribution	215,106	207,138	204,227	130,013	136,269	173,571	189,249	203,759	179,601	173,758
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	3,833,584	3,736,704	3,604,909	3,443,208	3,575,921	3,320,679	3,392,700	3,341,983	3,306,207	3,284,085
Contributions as a Percentage of Covered Payroll	5.61%	5.54%	5.67%	3.78%	3.81%	5.23%	5.58%	6.10%	5.43%	5.29%

See accompanying notes to Required Supplementary Information.

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

Teachers' Retirement System - OPEB ARHCT Plan

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

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

Schedule of the District's Contributions

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

See accompanying notes to Required Supplementary Information.

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

Teachers' Retirement System - OPEB RMP Plan

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

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

Schedule of the District's Contributions

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

See accompanying notes to Required Supplementary Information.

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

Teachers' Retirement System - OPEB ODD Plan

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

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

Schedule of the District's Contributions

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

See accompanying notes to Required Supplementary Information.

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

Notes to Required Supplementary Information
June 30, 2025

1. Budgetary Comparison Schedules

The budgetary comparison schedules are presented on the modified accrual basis of accounting.

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

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

These tables are presented based on the Plan measurement date. For June 30, 2025, the Plan measurement date is June 30, 2024.

Changes in Assumptions:

The total pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. 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, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect expected future experience.

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

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

Schedule of the District's Contributions

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

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

Notes to Required Supplementary Information, continued
June 30, 2025

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

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

These tables are presented based on the Plan measurement date. For June 30, 2025, the Plan measurement date is June 30, 2024.

Changes in Assumptions:

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. 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, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect the expected future experience. For the ARHCT and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2023 actuarial valuation.

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

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

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

Schedule of the District's Contributions

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

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

Additional Supplementary Information

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

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

<i>Year Ended June 30, 2025</i>	Final Budget	Actual	Variance With Final Budget
Revenues			
Local sources:			
District appropriation	\$ 3,400,000	\$ 3,399,996	\$ (4)
E-rate	87,160	87,158	(2)
Student activity revenue	80,120	80,162	42
Interest income	39,025	52,735	13,710
Other	35,000	55,523	20,523
Total local sources	3,641,305	3,675,574	34,269
State of Alaska:			
TRS on-behalf	607,619	552,426	(55,193)
PERS on-behalf	75,738	61,097	(14,641)
Public school funding	6,656,301	6,636,325	(19,976)
Other state revenue	21,358	22,262	904
Total State of Alaska	7,361,016	7,272,110	(88,906)
Total Revenues	11,002,321	10,947,684	(54,637)
Expenditures			
Instruction:			
Certificated salaries	2,270,692	2,247,022	23,670
Noncertificated salaries	237,488	196,827	40,661
Employee benefits	1,428,050	1,302,128	125,922
Professional and technical services	5,800	106	5,694
Student travel	2,600	2,300	300
Supplies, materials and media	357,937	351,110	6,827
Other expenditures	10,000	10,179	(179)
Equipment	17,500	16,271	1,229
Total instruction	4,330,067	4,125,943	204,124
Special education instruction:			
Certificated salaries	459,564	458,640	924
Noncertificated salaries	585,785	517,807	67,978
Employee benefits	647,604	588,350	59,254
Professional and technical services	5,050	5,010	40
Staff travel	1,600	1,558	42
Student travel	900	887	13
Other purchased services	2,500	2,597	(97)
Supplies, materials and media	3,900	3,594	306
Other expenditures	250	250	-
Total special education instruction	1,707,153	1,578,693	128,460

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

<i>Year Ended June 30, 2025</i>	Final Budget	Actual	Variance With Final Budget
Expenditures, continued			
Support services - students:			
Certificated salaries	\$ 90,200	\$ 91,403	\$ (1,203)
Noncertificated salaries	2,600	3,590	(990)
Employee benefits	47,166	65,268	(18,102)
Professional and technical services	62,000	46,158	15,842
Supplies, materials and media	10,250	9,836	414
Total support services - students	212,216	216,255	(4,039)
Support services - instruction:			
Certificated salaries	277,930	274,921	3,009
Noncertificated salaries	52,538	50,716	1,822
Employee benefits	167,657	157,474	10,183
Professional and technical services	44,664	44,664	-
Staff travel	2,000	1,428	572
Utilities services	120,000	115,205	4,795
Other purchased services	85,093	64,959	20,134
Insurance and bond premiums	9,000	7,925	1,075
Supplies, materials and media	165,225	154,861	10,364
Total support services - instruction	924,107	872,153	51,954
School administration:			
Certificated salaries	254,200	253,484	716
Employee benefits	152,890	149,044	3,846
Staff travel	5,800	5,534	266
Supplies, materials and media	6,520	5,975	545
Other expenditures	1,950	1,250	700
Total school administration	421,360	415,287	6,073
School administration support services:			
Noncertificated salaries	171,422	162,063	9,359
Employee benefits	112,744	97,413	15,331
Professional and technical services	2,400	1,804	596
Utilities services	6,400	5,916	484
Supplies, materials and media	1,100	55	1,045
Total school administration support services	294,066	267,251	26,815

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

<i>Year Ended June 30, 2025</i>	Final Budget	Actual	Variance With Final Budget
Expenditures, continued			
District administration:			
Certificated salaries	\$ 151,620	\$ 167,005	\$ (15,385)
Noncertificated salaries	91,100	94,885	(3,785)
Employee benefits	114,099	118,747	(4,648)
Professional and technical services	32,654	21,315	11,339
Staff travel	17,600	13,462	4,138
Utilities services	5,400	4,961	439
Supplies, materials and media	12,450	9,274	3,176
Other expenditures	23,225	21,570	1,655
Total district administration	448,148	451,219	(3,071)
District administration support services:			
Noncertificated salaries	118,349	115,955	2,394
Employee benefits	60,129	58,866	1,263
Professional and technical services	122,500	103,189	19,311
Staff travel	6,000	4,960	1,040
Insurance and bond premiums	76,997	77,796	(799)
Supplies, materials and media	950	1,069	(119)
Other expenditures	8,000	4,846	3,154
Indirect costs	(29,530)	(30,598)	1,068
Total district administration support services	363,395	336,083	27,312
Operations and maintenance of plant:			
Noncertificated salaries	325,832	310,088	15,744
Employee benefits	156,331	136,086	20,245
Professional and technical services	23,000	22,210	790
Staff travel	2,000	2,120	(120)
Utilities services	73,100	77,111	(4,011)
Energy	502,388	461,390	40,998
Other purchased services	51,000	44,258	6,742
Insurance and bond premiums	149,717	139,996	9,721
Supplies, materials and media	95,710	79,576	16,134
Other expenditures	4,000	1,309	2,691
Equipment	6,000	9,317	(3,317)
Total operations and maintenance of plant	1,389,078	1,283,461	105,617

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

<i>Year Ended June 30, 2025</i>	Final Budget	Actual	Variance With Final Budget
Expenditures, continued			
Student activities:			
Certificated salaries	\$ 124,943	\$ 105,499	\$ 19,444
Noncertificated salaries	61,566	63,692	(2,126)
Employee benefits	63,074	59,783	3,291
Professional and technical services	-	45	(45)
Staff travel	9,300	7,196	2,104
Student travel	228,630	219,557	9,073
Utilities services	1,500	776	724
Supplies, materials and media	21,180	22,807	(1,627)
Other expenditures	7,000	6,489	511
Total student activities	517,193	485,844	31,349
Total Expenditures	10,606,783	10,032,189	574,594
Excess of Revenues Over Expenditures	395,538	915,495	519,957
Other Financing Uses - transfers out	(340,000)	(340,000)	-
Net Change in Fund Balance	\$ 55,538	575,495	\$ 519,957
Fund Balance, beginning of year		1,967,225	
Fund Balance, end of year		\$ 2,542,720	

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

Nonmajor Special Revenue Funds
Combining Balance Sheet

<i>June 30, 2025</i>	Suicide Prevention	Student Trans- portation	YBRS Incentive Alaska Grant	Food Service	Title I-A Basic	Title I-C Migrant Education	Title I-A Highly Qualified	Migrant Education Book	Great Grant
Assets									
Cash and investments	\$ -	\$ 303,806	\$ 1,000	\$ 366,016	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	5,365	-	-	19,985	54,626	47,279	1,606	2,975	14,959
Inventory	-	-	-	2,842	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-
Total Assets	\$ 5,365	\$ 303,806	\$ 1,000	\$ 388,843	\$ 54,626	\$ 47,279	\$ 1,606	\$ 2,975	\$ 14,959
Liabilities and Fund Balances									
Liabilities									
Unearned revenue	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	5,365	-	-	-	54,626	47,279	1,606	2,975	14,959
Total Liabilities	5,365	-	1,000	-	54,626	47,279	1,606	2,975	14,959
Fund Balances									
Nonspendable	-	-	-	2,842	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Assigned	-	303,806	-	386,001	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	-	303,806	-	388,843	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 5,365	\$ 303,806	\$ 1,000	\$ 388,843	\$ 54,626	\$ 47,279	\$ 1,606	\$ 2,975	\$ 14,959

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

Nonmajor Special Revenue Funds
Combining Balance Sheet, continued

	Title VI-B IDEA	Preschool Disabled	Carl Perkins	State and Local Cybersecurity Grant	Raising the Bar AK	USDA Healthy Meal Incentives	HMI Scales Grant	Kito Memorial Trust Scholarship
<i>June 30, 2025</i>								
Assets								
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9,893
Accounts receivable	40,459	681	17,335	4,141	-	16,538	4,231	-
Inventory	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	14,460	-	-	-
Total Assets	\$ 40,459	\$ 681	\$ 17,335	\$ 4,141	\$ 14,460	\$ 16,538	\$ 4,231	\$ 9,893
Liabilities and Fund Balances								
Liabilities								
Unearned revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Due to other funds	40,459	681	17,335	4,141	14,460	16,538	4,231	-
Total Liabilities	40,459	681	17,335	4,141	14,460	16,538	4,231	-
Fund Balances								
Nonspendable	-	-	-	-	14,460	-	-	-
Restricted	-	-	-	-	-	-	-	9,893
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(14,460)	-	-	-
Total Fund Balances	-	-	-	-	-	-	-	9,893
Total Liabilities and Fund Balances	\$ 40,459	\$ 681	\$ 17,335	\$ 4,141	\$ 14,460	\$ 16,538	\$ 4,231	\$ 9,893

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

Nonmajor Special Revenue Funds
Combining Balance Sheet, continued

<i>June 30, 2025</i>	Erwin Memorial Trust Scholarship	Cold Storage Trust Scholarship	Esther Evans Memorial Scholarship	Thru the Cultural Lens Grant	Hurst Wood SPED Grant	Small Local Grants	Student Activity	William K Neumann Bequest Shop Program	Totals
Assets									
Cash and investments	\$ 9,459	\$ 22,938	\$ 20,238	\$ 25,173	\$ 138,966	\$ 5,000	\$ 158,764	\$ 19,961	\$ 1,081,214
Accounts receivable	-	-	-	-	-	-	-	-	230,180
Inventory	-	-	-	-	-	-	-	-	2,842
Prepaid expenses	-	-	-	-	-	-	-	-	14,460
Total Assets	\$ 9,459	\$ 22,938	\$ 20,238	\$ 25,173	\$ 138,966	\$ 5,000	\$ 158,764	\$ 19,961	\$ 1,328,696
Liabilities and Fund Balances									
Liabilities									
Unearned revenue	\$ -	\$ -	\$ -	\$ 25,173	\$ 138,966	\$ 5,000	\$ -	\$ 19,961	\$ 190,100
Due to other funds	-	-	-	-	-	-	-	-	224,655
Total Liabilities	-	-	-	25,173	138,966	5,000	-	19,961	414,755
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	17,302
Restricted	9,459	22,938	20,238	-	-	-	-	-	62,528
Assigned	-	-	-	-	-	-	158,764	-	848,571
Unassigned	-	-	-	-	-	-	-	-	(14,460)
Total Fund Balances	9,459	22,938	20,238	-	-	-	158,764	-	913,941
Total Liabilities and Fund Balances	\$ 9,459	\$ 22,938	\$ 20,238	\$ 25,173	\$ 138,966	\$ 5,000	\$ 158,764	\$ 19,961	\$ 1,328,696

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

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

<i>Year Ended June 30, 2025</i>	Suicide Pre- vention	Student Transpor- tation	State School Based Health Center Grant	YBRS Incentive Alaska Grant	Food Service	Breakfast Start Up Expansion Grant	Local Food for Local Schools Grant	Title I-A Basic
Revenues								
Local sources	\$ -	\$ 250,000	\$ -	\$ -	\$ 17,860	\$ -	\$ -	\$ -
State of Alaska	26,500	209,235	6,500	1,010	-	42,522	-	-
Federal grants:								
Passed through State of Alaska	-	-	-	-	433,915	-	1,617	162,904
Direct federal grants and contracts	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Other sources	-	-	-	-	-	-	-	-
Total Revenues	26,500	459,235	6,500	1,010	451,775	42,522	1,617	162,904
Expenditures								
Instruction	-	-	-	-	-	-	-	-
Special education instruction	-	-	-	-	-	-	-	-
Support services - students	25,171	-	6,500	1,010	-	-	-	154,734
Support services - instruction	-	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-	-
District administration support services	1,329	-	-	-	-	-	-	8,170
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	217,612	-	-	-	-	-	-
Food service	-	-	-	-	563,038	42,522	1,617	-
Expendable trust	-	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-	-
Total Expenditures	26,500	217,612	6,500	1,010	563,038	42,522	1,617	162,904
Net Change in Fund Balances	-	241,623	-	-	(111,263)	-	-	-
Fund Balances, beginning of year, as previously reported	-	62,183	-	-	-	-	-	-
Adjustment - from major fund to nonmajor fund	-	-	-	-	500,106	-	-	-
Fund Balances, beginning of year, as adjusted	-	62,183	-	-	500,106	-	-	-
Fund Balances, end of year	\$ -	\$ 303,806	\$ -	\$ -	\$ 388,843	\$ -	\$ -	\$ -

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

Nonmajor Special Revenue Funds

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

	Title I-C Migrant Education	Title I-A Highly Qualified	Migrant Education Book	Great Grant	Title VI-B IDEA	Preschool Disabled	Carl Perkins	State and Local Cybersecurity Grant
<i>Year Ended June 30, 2025</i>								
Revenues								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Alaska	-	-	-	-	-	-	-	414
Federal grants:								
Passed through State of Alaska	137,395	5,312	4,590	14,959	161,218	1,934	27,000	3,727
Direct federal grants and contracts	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Other sources	-	-	-	-	-	-	-	-
Total Revenues	137,395	5,312	4,590	14,959	161,218	1,934	27,000	4,141
Expenditures								
Instruction	-	-	-	14,209	-	-	25,714	4,141
Special education instruction	-	-	-	-	153,133	1,837	-	-
Support services - students	130,518	5,046	4,360	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-	-
District administration support services	6,877	266	230	750	8,085	97	1,286	-
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-	-
Expendable trust	-	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-	-
Total Expenditures	137,395	5,312	4,590	14,959	161,218	1,934	27,000	4,141
Net Change in Fund Balances	-	-	-	-	-	-	-	-
Fund Balances, beginning of year, as previously reported	-	-	-	-	-	-	-	-
Adjustment - from major fund to nonmajor fund	-	-	-	-	-	-	-	-
Fund Balances, beginning of year, as adjusted	-	-	-	-	-	-	-	-
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Nonmajor Special Revenue Funds

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

	Raising the Bar AK	Indian Education	Small, Rural School Achievement	USDA Healthy Meal Incentives	HMI Scales Grant	Kito Memorial Trust Scholarship	Erwin Memorial Trust Scholarship	Cold Storage Trust Scholarship
<i>Year Ended June 30, 2025</i>								
Revenues								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Alaska	-	-	-	-	-	-	-	-
Federal grants:								
Passed through State of Alaska	-	-	-	-	-	-	-	-
Direct federal grants and contracts	-	29,024	18,827	-	-	-	-	-
Other	98,518	-	-	59,504	69,942	-	-	-
Other sources	-	-	-	-	-	-	-	-
Total Revenues	98,518	29,024	18,827	59,504	69,942	-	-	-
Expenditures								
Instruction	98,518	29,024	-	-	-	-	-	-
Special education instruction	-	-	-	-	-	-	-	-
Support services - students	-	-	-	17,313	-	-	-	-
Support services - instruction	-	-	18,827	-	-	-	-	-
School administration	-	-	-	-	-	-	-	-
District administration support services	-	-	-	-	3,508	-	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Food service	-	-	-	42,191	66,434	-	-	-
Expendable trust	-	-	-	-	-	1,000	500	800
Construction and facilities acquisition	-	-	-	-	-	-	-	-
Total Expenditures	98,518	29,024	18,827	59,504	69,942	1,000	500	800
Net Change in Fund Balances	-	-	-	-	-	(1,000)	(500)	(800)
Fund Balances, beginning of year, as previously reported	-	-	-	-	-	10,893	9,959	23,738
Adjustment - from major fund to nonmajor fund	-	-	-	-	-	-	-	-
Fund Balances, beginning of year, as adjusted	-	-	-	-	-	10,893	9,959	23,738
Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,893	\$ 9,459	\$ 22,938

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

Nonmajor Special Revenue Funds

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

	Harris Memorial Trust Scholarship	Jacob T. Memorial Trust Scholarship	Esther Evans Memorial Scholarship	Eric Corl Memorial Scholarship	Donors Choose Fund	Hurst Wood SPED Grant	Student Activity	William K Neumann Bequest Shop Program	Totals
<i>Year Ended June 30, 2025</i>									
Revenues									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 1,305	\$ 27,534	\$ 306,537	\$ -	\$ 603,236
State of Alaska	-	-	-	-	-	-	-	-	286,181
Federal grants:									
Passed through State of Alaska	-	-	-	-	-	-	-	-	954,571
Direct federal grants and contracts	-	-	-	-	-	-	-	-	47,851
Other	-	-	-	-	-	-	-	-	227,964
Other sources	-	-	-	-	-	-	-	63,865	63,865
Total Revenues	-	-	-	-	1,305	27,534	306,537	63,865	2,183,668
Expenditures									
Instruction	-	-	-	-	629	-	3,133	19,292	194,660
Special education instruction	-	-	-	-	-	27,534	2,713	-	185,217
Support services - students	-	-	-	-	676	-	-	-	345,328
Support services - instruction	-	-	-	-	-	-	34,399	-	53,226
School administration	-	-	-	-	-	-	32	-	32
District administration support services	-	-	-	-	-	-	-	-	30,598
Student activities	-	-	-	-	-	-	240,022	-	240,022
Student transportation - to and from school	-	-	-	-	-	-	-	-	217,612
Food service	-	-	-	-	-	-	-	-	715,802
Expendable trust	1,420	850	-	1,650	-	-	-	-	6,220
Construction and facilities acquisition	-	-	-	-	-	-	-	44,573	44,573
Total Expenditures	1,420	850	-	1,650	1,305	27,534	280,299	63,865	2,033,290
Net Change in Fund Balances	(1,420)	(850)	-	(1,650)	-	-	26,238	-	150,378
Fund Balances, beginning of year, as previously reported	1,420	850	20,238	1,650	-	-	132,526	-	263,457
Adjustment - from major fund to nonmajor fund	-	-	-	-	-	-	-	-	500,106
Fund Balances, beginning of year, as adjusted	1,420	850	20,238	1,650	-	-	132,526	-	763,563
Fund Balances, end of year	\$ -	\$ -	\$ 20,238	\$ -	\$ -	\$ -	\$ 158,764	\$ -	\$ 913,941

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

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
State of Alaska	\$ 26,500	\$ 26,500	\$ -
Expenditures			
Support services - students:			
Professional and technical services	14,931	15,851	(920)
Staff travel	3,800	2,843	957
Other purchased services	4,440	4,440	-
Supplies, material and media	2,000	2,037	(37)
Total support services - students	25,171	25,171	-
District administration support services - indirect costs	1,329	1,329	-
Total Expenditures	26,500	26,500	-
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

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

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Local sources - district appropriation	\$ 250,000	\$ 250,000	\$ -
State of Alaska	209,235	209,235	-
Total Revenues	459,235	459,235	-
Expenditures			
Student transportation - to and from school:			
Professional and technical services	210,460	210,460	-
Other expenditures	7,152	7,152	-
Total Expenditures	217,612	217,612	-
Net Change in Fund Balance	<u>\$ 241,623</u>	241,623	<u>\$ -</u>
Fund Balance, beginning of year		<u>62,183</u>	
Fund Balance, end of year		<u>\$ 303,806</u>	

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
State School Based Health Center Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
State of Alaska	\$ 6,500	\$ 6,500	\$ -
Expenditures			
Support services - students - supplies, material and media	6,500	6,500	-
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
State of Alaska	\$ 1,010	\$ 1,010	\$ -
Expenditures			
Support services - students - supplies, material and media	1,010	1,010	-
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

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

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

<i>Year Ended June 30, 2025</i>	Final Budget	Actual	Variance With Final Budget
Revenues			
Local sources	\$ 17,860	\$ 17,860	\$ -
Federal grants passed through the State of Alaska	433,915	433,915	-
Total Revenues	451,775	451,775	-
Expenditures			
Food service:			
Noncertificated salaries	197,697	197,697	-
Employee benefits	93,855	93,855	-
Professional and technical services	4,476	4,476	-
Supplies, materials and media	266,273	266,273	-
Equipment	737	737	-
Total Expenditures	563,038	563,038	-
Net Change in Fund Balance	\$ (111,263)	(111,263)	\$ -
Fund Balance, beginning of year		500,106	
Fund Balance, end of year		\$ 388,843	

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Breakfast Start Up Expansion Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
State of Alaska	\$ 42,522	\$ 42,522	\$ -
Expenditures			
Food service:			
Noncertificated salaries	8,696	8,696	-
Employee benefits	6,712	6,712	-
Supplies, materials and media	11,101	11,101	-
Equipment	16,013	16,013	-
Total Expenditures	42,522	42,522	-
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Local Food for Local Schools Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	\$ 1,617	\$ 1,617	\$ -
Expenditures			
Food service - supplies, materials and media	1,617	1,617	-
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

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

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	\$ 162,904	\$ 162,904	\$ -
Expenditures			
Support services - students:			
Certificated salaries	101,851	101,851	-
Employee benefits	50,542	50,458	84
Supplies, materials and media	2,341	2,425	(84)
Total support services - students	154,734	154,734	-
District administration support services - indirect costs	8,170	8,170	-
Total Expenditures	162,904	162,904	-
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Title I-C Migrant Education Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	\$ 150,945	\$ 137,395	\$ (13,550)
Expenditures			
Support services - students:			
Certificated salaries	45,284	45,401	(117)
Noncertificated salaries	14,950	13,013	1,937
Employee benefits	26,245	26,012	233
Professional and technical services	2,350	450	1,900
Staff travel	2,763	1,926	837
Student travel	15,000	5,416	9,584
Supplies, materials and media	22,653	23,912	(1,259)
Tuition and stipends	347	278	69
Other expenditures	13,800	14,110	(310)
Total support services - students	143,392	130,518	12,874
District administration support services - indirect costs	7,553	6,877	676
Total Expenditures	150,945	137,395	13,550
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

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

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	\$ 8,370	\$ 5,312	\$ (3,058)
Expenditures			
Support services - students:			
Professional and technical services	450	450	-
Staff travel	7,500	4,596	2,904
Total support services - students	7,950	5,046	2,904
District administration support services - indirect costs	420	266	154
Total Expenditures	8,370	5,312	3,058
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

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

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	\$ 4,590	\$ 4,590	\$ -
Expenditures			
Support services - students - supplies, materials and media	4,360	4,360	-
District administration support services - indirect costs	230	230	-
Total Expenditures	4,590	4,590	-
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

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

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	\$ 14,959	\$ 14,959	\$ -
Expenditures			
Instruction:			
Certificated salaries	10,000	10,000	-
Noncertificated salaries	1,000	1,000	-
Employee benefits	212	212	-
Supplies, materials and media	2,997	2,997	-
Total instruction	14,209	14,209	-
District administration support services - indirect costs	750	750	-
Total Expenditures	14,959	14,959	-
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

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

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	\$ 175,564	\$ 161,218	\$ (14,346)
Expenditures			
Special education instruction:			
Certificated salaries	53,044	50,800	2,244
Noncertificated salaries	700	-	700
Employee benefits	26,800	26,369	431
Professional and technical services	77,300	71,759	5,541
Staff travel	3,400	2,455	945
Student travel	-	560	(560)
Supplies, materials and media	5,515	1,190	4,325
Total special education instruction	166,759	153,133	13,626
District administration support services - indirect costs	8,805	8,085	720
Total Expenditures	175,564	161,218	14,346
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

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

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	\$ 1,934	\$ 1,934	\$ -
Expenditures			
Special education instruction - supplies, materials and media	1,837	1,837	-
District administration support services - indirect costs	97	97	-
Total Expenditures	1,934	1,934	-
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

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

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Federal grants passed through the State of Alaska	\$ 27,000	\$ 27,000	\$ -
Expenditures			
Instruction:			
Certificated salaries	2,217	2,217	-
Employee benefits	320	320	-
Professional and technical services	595	595	-
Staff travel	2,026	2,026	-
Supplies, materials and media	20,556	20,556	-
Total instruction	25,714	25,714	-
District administration support services - indirect costs	1,286	1,286	-
Total Expenditures	27,000	27,000	-
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
State of Alaska	\$ 414	\$ 414	\$ -
Federal grants passed through the State of Alaska	3,727	3,727	-
Total Revenues	4,141	4,141	-
Expenditures			
Instruction - professional and technical services	4,141	4,141	-
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

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

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Federal sources passed through other agencies	\$ 98,518	\$ 98,518	\$ -
Expenditures			
Instruction:			
Certificated salaries	56,000	56,000	-
Noncertificated salaries	4,675	4,675	-
Employee benefits	8,219	8,219	-
Staff travel	29,098	29,098	-
Supplies, materials and media	526	526	-
Total Expenditures	98,518	98,518	-
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

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

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Direct federal grants	\$ 29,024	\$ 29,024	\$ -
Expenditures			
Instruction:			
Certificated salaries	16,083	16,083	-
Employee benefits	6,983	6,983	-
Student travel	5,958	5,958	-
Total Expenditures	29,024	29,024	-
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Small, Rural School Achievement Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Direct federal grants	\$ 18,827	\$ 18,827	\$ -
Expenditures			
Support services - instruction:			
Professional and technical services	5,348	5,348	-
Staff travel	13,479	13,479	-
Total Expenditures	18,827	18,827	-
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
USDA Healthy Meal Incentives Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Federal sources passed through other agencies	\$ 59,504	\$ 59,504	\$ -
Expenditures			
Support services - student - professional and technical services	17,313	17,313	-
Food service:			
Noncertificated salaries	12,877	12,877	-
Employee benefits	3,335	3,335	-
Professional and technical services	809	809	-
Staff travel	8,102	8,102	-
Supplies, materials and media	17,068	17,068	-
Total food service	42,191	42,191	-
Total Expenditures	59,504	59,504	-
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

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

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Federal sources passed through other agencies	\$ 69,942	\$ 69,942	\$ -
Expenditures			
District administration support services - indirect costs	3,508	3,508	-
Food service:			
Noncertificated salaries	41,928	41,928	-
Employee benefits	17,328	17,328	-
Professional and technical services	2,500	2,500	-
Staff travel	3,910	3,910	-
Supplies, materials and media	744	744	-
Other expenditures	24	24	-
Total food service	66,434	66,434	-
Total Expenditures	69,942	69,942	-
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Kito Memorial Trust Scholarship Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2025

Expenditures	
Expendable trust - scholarship payments	\$ 1,000
Net Change in Fund Balance	(1,000)
Fund Balance, beginning of year	10,893
Fund Balance, end of year	\$ 9,893

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Erwin Memorial Trust Scholarship Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2025

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

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Cold Storage Trust Scholarship Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2025

Expenditures	
Expendable trust - scholarship payments	\$ 800
Net Change in Fund Balance	(800)
Fund Balance, beginning of year	23,738
Fund Balance, end of year	\$ 22,938

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Harris Memorial Trust Scholarship Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2025

Expenditures	
Expendable trust - scholarship payments	\$ 1,420
Net Change in Fund Balance	(1,420)
Fund Balance, beginning of year	1,420
Fund Balance, end of year	\$ -

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Jacob T. Memorial Trust Scholarship Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2025

Expenditures	
Expendable trust - scholarship payments	\$ 850
Net Change in Fund Balance	(850)
Fund Balance, beginning of year	850
Fund Balance, end of year	\$ -

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Esther Evans Memorial Scholarship Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2025

Net Change in Fund Balance	\$ -
Fund Balance, beginning of year	20,238
Fund Balance, end of year	\$ 20,238

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Eric Corl Memorial Scholarship Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2025

Expenditures	
Expendable trust - scholarship payments	\$ 1,650
Net Change in Fund Balance	(1,650)
Fund Balance, beginning of year	1,650
Fund Balance, end of year	\$ -

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

Donors Choose Fund Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Local sources	\$ 1,305	\$ 1,305	\$ -
Expenditures			
Instruction - supplies, materials and media	629	629	-
Support services - student - supplies, materials and media	676	676	-
Total Expenditures	1,305	1,305	-
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

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

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance With Final Budget
Revenues			
Local sources	\$ -	\$ 27,534	\$ 27,534
Expenditures			
Special education instruction:			
Professional and technical services	6,721	6,721	-
Staff travel	20,394	20,394	-
Other expenditures	419	419	-
Total Expenditures	27,534	27,534	-
Net Change in Fund Balance	<u>\$ (27,534)</u>	-	<u>\$ 27,534</u>
Fund Balance, beginning of year		-	
Fund Balance, end of year		<u>\$ -</u>	

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Student Activity Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2025

Revenues

Other local revenue	\$ 306,537
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Expenditures

Instruction - supplies, material and media	3,133
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Special education instruction:	
Supplies, materials and media	2,096
Other expenditures	617

Total special education instruction	2,713
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Support services - instruction:	
Supplies, materials and media	32,427
Other expenditures	1,972

Total support services - instruction	34,399
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School administration - supplies, materials and media	32
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Student activities:	
Noncertificated salaries	1,595
Employee benefits	388
Professional and technical services	2,900
Staff travel	2,791
Student travel	102,273
Other purchased services	2,000
Supplies, materials and media	107,829
Other expenditures	20,246

Total student activities	240,022
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Total Expenditures	280,299
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Net Change in Fund Balance	26,238
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Fund Balance, beginning of year	132,526
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Fund Balance, ending	\$ 158,764
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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
William K Neumann Bequest - Shop Program Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2025

Revenues

Other sources	\$ 63,865
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Expenditures

Instruction:

Professional and technical services	3,950
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Supplies, material and media	15,342
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Total instruction	19,292
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Construction and facilities acquisition - other purchased services	44,573
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Total Expenditures	63,865
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Net Change in Fund Balance	-
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Fund Balance, beginning of year	-
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Fund Balance, ending	\$ -
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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Capital Project Funds
Combining Balance Sheet

<i>June 30, 2025</i>	Capital Projects	ADA	Carpet Replacement	Vehicle Replacement	Structural Damage	Career Technical Education Equipment	Petersburg Middle/High School Roof Replacement	PHS Office Security Remodel	Totals
Assets									
Cash and investments	\$ 499,891	\$ 259,754	\$ 77,164	\$ 61,451	\$ 8,821	\$ 15,452	\$ 1,488,194	\$ -	\$ 2,410,727
Accounts receivable	-	-	-	-	-	-	-	15,931	15,931
Total Assets	\$ 499,891	\$ 259,754	\$ 77,164	\$ 61,451	\$ 8,821	\$ 15,452	\$ 1,488,194	\$ 15,931	\$ 2,426,658
Liabilities and Fund Balances									
Liabilities									
Unearned revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,137,683	\$ -	\$ 1,137,683
Due to other funds	-	-	-	-	-	-	-	15,931	15,931
Total Liabilities	-	-	-	-	-	-	1,137,683	15,931	1,153,614
Fund Balances									
Restricted	-	-	-	-	-	-	350,511	-	350,511
Assigned	499,891	259,754	77,164	61,451	8,821	15,452	-	-	922,533
Total Fund Balance	499,891	259,754	77,164	61,451	8,821	15,452	350,511	-	1,273,044
Total Liabilities and Fund Balances	\$ 499,891	\$ 259,754	\$ 77,164	\$ 61,451	\$ 8,821	\$ 15,452	\$ 1,488,194	\$ 15,931	\$ 2,426,658

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

Capital Project Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

<i>Year Ended June 30, 2025</i>	Capital Projects	ADA	Carpet Replacement	Vehicle Replacement	Structural Damage	Career Technical Education Equipment	Petersburg Middle/High School Roof Replacement	PHS Office Security Remodel	Totals
Revenues									
State of Alaska	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,809	\$ -	\$ 405,809
Expenditures									
Construction and facilities acquisition	46,967	11,817	4,714	-	-	-	624,321	543,751	1,231,570
Deficiency of Revenues Over Expenditures	(46,967)	(11,817)	(4,714)	-	-	-	(218,512)	(543,751)	(825,761)
Other Financing Sources									
Transfers in	300,000	-	-	40,000	-	-	-	-	340,000
Transfer from primary government	-	-	-	-	-	-	569,023	543,751	1,112,774
Net Other Financing Sources	300,000	-	-	40,000	-	-	569,023	543,751	1,452,774
Net Change in Fund Balances	253,033	(11,817)	(4,714)	40,000	-	-	350,511	-	627,013
Fund Balances, beginning of year	246,858	271,571	81,878	21,451	8,821	15,452	-	-	646,031
Fund Balances, end of year	\$ 499,891	\$ 259,754	\$ 77,164	\$ 61,451	\$ 8,821	\$ 15,452	\$ 350,511	\$ -	\$ 1,273,044

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

Year Ended June 30, 2025

Expenditures	
Construction and facilities acquisition:	
Professional and technical services	\$ 5,400
Other purchased services	41,567
Total Expenditures	46,967
Deficiency of Revenues Over Expenditures	(46,967)
Other Financing Sources - transfers in	300,000
Net Change in Fund Balance	253,033
Fund Balance, beginning of year	246,858
Fund Balance, end of year	\$ 499,891

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

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

Year Ended June 30, 2025

Expenditures

Construction and facilities acquisition:

Other purchased services	\$ 5,875
Supplies, material and media	5,942

Total Expenditures	11,817
---------------------------	--------

Net Change in Fund Balance	(11,817)
----------------------------	----------

Fund Balance, beginning of year	271,571
---------------------------------	---------

Fund Balance, end of year	\$ 259,754
---------------------------	------------

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Carpet Replacement Capital Project Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2025

Expenditures

Construction and facilities acquisition - other purchased services	\$ 4,714
Net Change in Fund Balance	(4,714)
Fund Balance, beginning of year	81,878
Fund Balance, end of year	\$ 77,164

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Vehicle Replacement Capital Project Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2025

Other Financing Sources - transfers in	\$ 40,000
Net Change in Fund Balance	40,000
Fund Balance, beginning of year	21,451
Fund Balance, end of year	\$ 61,451

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Structural Damage Capital Project Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2025

Net Change in Fund Balance	\$ -
Fund Balance, beginning of year	8,821
Fund Balance, end of year	\$ 8,821

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Career Technical Education Equipment Capital Project Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2025

Net Change in Fund Balance	\$ -
Fund Balance, beginning of year	15,452
Fund Balance, end of year	\$ 15,452

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

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

Year Ended June 30, 2025

Revenues

State of Alaska	\$ 405,809
-----------------	------------

Total Revenues	405,809
-----------------------	----------------

Expenditures

Construction and facilities acquisition:	
Noncertificated salaries	4,279
Employee benefits	348
Professional and technical services	158,754
Capital outlay	460,940

Total Expenditures	624,321
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Other Financing Source - transfer from primary government	569,023
---	---------

Net Change in Fund Balance	350,511
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Fund Balance, beginning of year	-
---------------------------------	---

Fund Balance, end of year	\$ 350,511
----------------------------------	-------------------

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

Year Ended June 30, 2025

Expenditures

Construction and facilities acquisition:

Noncertificated salaries	\$ 2,735
Employee benefits	404
Professional and technical services	86,315
Capital outlay	454,297

Total Expenditures	543,751
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Other Financing Source - transfer from primary government	543,751
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Net Change in Fund Balance	-
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Fund Balance, beginning of year	-
---------------------------------	---

Fund Balance, end of year	\$ -
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Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)

Schedule of Compliance - AS 14.17.505
Year Ended June 30, 2025

Total fund balance - School Operating Fund	\$ 2,542,720	
less exemptions per 4 AAC 09.160(a):		
Prepaid items	<u>470,891</u>	
Fund Balance Subject to 10% Limitation	<u>\$ 2,071,829</u>	
Nonexempt fund balance as a percentage of current year expenditures:		
<u>Fund balance subject to limitation</u>	<u>\$ 2,071,829</u>	<u>20.65%</u>
Current year expenditures	\$ 10,032,189	

Note 1: Waiver of 10% Fund Limitation

On March 11, 2020, a Public Health Disaster Emergency was declared under AS 26.23.020. The State of Alaska issued a notice to suspend the requirements of 4 AAC 09.160. Requirement that school districts retain only 10% of their operating funds for the following year will be suspended until June 30, 2025. Petersburg School District has elected to present this schedule.

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

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subre- cipients	Total Federal Expendi- tures
U.S. Department of Agriculture				
Passed through the State of Alaska, Department of Education and Early Development:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	MA 25.039.01	\$ -	\$ 110,789
National School Lunch Program	10.555	MA 25.039.05	-	189,202
National School Lunch Program - USDA Commodities	10.555	MA 25.039.01	-	25,719
Total Assistance Listing Number 10.555			-	214,921
Summer Food Service Program for Children	10.559	MA 25.039.01	-	37,868
Fresh Fruit and Vegetable Program	10.582	FF.25.PBSD.01	-	2,091
Fresh Fruit and Vegetable Program	10.582	FF.25.PBSD.02	-	14,634
Total Assistance Listing Number 10.582			-	16,725
Total Child Nutrition Cluster			-	380,303
Child and Adult Care Food Program - After School Snack Program	10.558	MA 25.039.01	-	50,849
State Administrative Expenses for Child Nutrition	10.560	FD 25.PBSD.01	-	2,763
Local Food for Schools Cooperative Agreement Program	10.185	LF 24.PBSD.01	-	1,617
Passed through the State of Alaska, Department of Agriculture			-	435,532
Passed through the Action for Healthy Kids				
Child Nutrition Discretionary Grants Limited Availability				
Healthy Meals Incentives	10.579	0584-0512	-	59,504
Passed through Boise State University				
Child Nutrition Discretionary Grants Limited Availability				
Supporting Community Agriculture and Local Education Systems	10.579	10986-PO143718	-	69,942
Total Assistance Listing Number 10.579			-	129,446
Total U.S. Department of Agriculture			-	564,978

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Schedule of Expenditures of Federal Awards, continued
Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subre- cipients	Total Federal Expendi- tures
U.S. Department of Education				
Passed through the State of Alaska, Department of Education and Early Development:				
Title I Grants to Local Education Agencies - Title I-A Basic	84.010	IP 25.PBSD.01	\$ -	\$ 117,050
Migrant Education State Grant Program - Title I-C Migrant	84.011	IP 25.PBSD.01	-	137,395
Migrant Education State Grant Program - Migrant Travel	84.011	MB 25.PBSD.01	-	5,312
Migrant Education State Grant Program - Migrant Education PAC	84.011	MB 25.PBSD.01	-	4,590
Total Assistance Listing Number 84.011			-	147,297
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	SE 25.PBSD.01	-	161,218
Special Education Preschool Grants	84.173	SE 25.PBSD.01	-	1,934
Total Special Education Cluster			-	163,152
Carl Perkins, Vocational Education Basic - Career and Technical Education - Basic Grants to States	84.048	EK 25.PBSD.01	-	27,000
Student Support and Academic Enrichment (SSAE) Program Title IV-A Reaped	84.424	IP 25.PBSD.01	-	15,318
Supporting Effective Instruction State Grants Title II-A Reaped	84.367	IP 25.PBSD.01	-	30,536
Special Education - State Personnel Development	84.323	GT 25.PBSD.02	-	14,959
Total Passed through the State of Alaska, Department of Education and Early Development			-	515,312
Passed through the Alaska Council of School Administrators Teacher and School Leader Inventive Grants	84.374	S374A230034	-	98,518
Direct Program:				
Indian Education Grants to Local Educational Agencies	84.060		-	29,024
Rural Education	84.358		-	18,827
Total U.S. Department of Education			-	661,681
U.S Department of Homeland Security				
State and Local Cyber Security Grant	97.137	22 SLCGP-GY22	-	3,727
Total Expenditures of Federal Awards			\$ -	\$ 1,230,386

See accompanying notes to the Schedule of Expenditures of Federal Awards.

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

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 Petersburg School District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Petersburg School District, it is not intended to and does not present the financial position or changes in net position of Petersburg School District.

Note 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 expenditure are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

Petersburg School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Rural Education Achievement Program (REAP) Funds

Under the Rural Education Achievement Program (REAP) the District is permitted to re-allocate funding between various Title programs to pay for activities that are allowable under the program. In the current year, the district re-allocated \$30,536 of title II-A (ALN 84.367) funding and \$15,318 of Title IV-A (ALN 84.424) funding to cover allowable costs under Title I-A (ALN 84.010).

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

Schedule of State Financial Assistance
Year Ended June 30, 2025

State Agency/ Program Title	Award Number	Total Award Amount	Passed through to Subrecipients	State Expenditures
Department of Education and Early Development				
Major Program:				
*Public School Funding	FY25	\$ 6,064,956	\$ -	\$ 5,787,291
*Funding outside the Formula, one-time HB281	FY25	849,034	-	849,034
*Quality Schools	FY25	19,977	-	19,977
*Petersburg High/Middle School Roof Replacement	GR-25-014	2,777,384	-	405,809
Nonmajor Programs:				
State of Alaska Raffle Fund	FY25	2,285	-	2,285
Suicide Awareness, Prevention and Postvention	SP 25.PBSD.01	26,500	-	26,500
Pupil Transportation	FY25	189,115	-	189,115
Funding outside the Formula, one-time HB268	FY25	20,120	-	20,120
Breakfast Program	BG 24.PBSD.02	42,522	-	42,522
Total Department of Education and Early Development			-	7,342,653
Department of Health				
Youth Risk Behavior Survey	FY25	1,010	-	1,010
School Based Health Center	FY25	6,500	-	6,500
Total Department of Health			-	7,510
Department of Homeland Security				
State and Local Cyber Security Grant	22 SLCGP-GY22	414	-	414
Total State Financial Assistance			\$ -	\$ 7,350,577

Note 1. Major Program Notation

* denotes a major program

Note 2. Basis of Presentation

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

Note 3. Summary of Significant Accounting Policies

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

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Single Audit Reports

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

Members of the School Board
Petersburg School District
Petersburg, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Petersburg School District (the "District"), a component unit of Petersburg Borough, Alaska, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated XXXX,XXXX.

Report on Internal Control Over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anchorage, Alaska

XXXX, XXXX

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Members of the School Board
Petersburg School District
Petersburg, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Petersburg School District (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The 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, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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



Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Anchorage, Alaska

XXXX, 2025

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

Members of the School Board
Petersburg School District
Petersburg, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide* 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 types of the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

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

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

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

Report on Internal Control Over Compliance

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



requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Anchorage, Alaska
xxxx, 2025

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

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?

☐ yes

☒ no

Significant deficiency(ies) identified?

☐ yes

☒ (none reported)

Noncompliance material to financial statements noted?

☐ yes

☒ no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

☐ yes

☒ no

Significant deficiency(ies) identified?

☐ yes

☒ (none reported)

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 2CFR 200.516(a)

☐ yes

☒ no

Identification of major federal programs:

<i>Assistance Listing Numbers</i>	<i>Name of Federal Program or Cluster</i>
-----------------------------------	---

10.553/10.555/10.559/10.582	Child Nutrition Cluster
-----------------------------	-------------------------

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

\$ 750,000

Auditee qualified as low-risk auditee?

☒ yes

☐ no

State Financial Assistance

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

Unmodified

Internal control over major state programs:

Material weakness(es) identified?

☐ yes

☒ no

Significant deficiency(ies) identified?

☐ yes

☒ (none reported)

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

\$ 750,000

Auditee qualified as low-risk auditee?

☒ yes

☐ no

Petersburg School District
(A Component Unit of Petersburg Borough, Alaska)
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2025

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

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

Section III - Federal Award Findings and Questioned Costs

There were no findings or questioned costs for federal awards (as defined in 2 CFR 200.516(a) that are required to be reported.

Section IV - State Award Findings and Questioned Costs

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