

NORTH SLOPE BOROUGH SCHOOL DISTRICT
(A Component Unit of the North Slope Borough, Alaska)

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

Year Ended June 30, 2025

NORTH SLOPE BOROUGH SCHOOL DISTRICT
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Supplementary Information and Compliance Reports

Year Ended June 30, 2025

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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Independent Auditor's Report

Members of the School Board
North Slope Borough School District
Utqiagvik, 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 North Slope Borough School District (the District), a component unit of the North Slope 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 North Slope Borough School District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 North Slope Borough School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about North Slope Borough School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Information on pages 41-42, and the Schedules of the District's Proportionate Share of Net Pension and OPEB Liabilities and Assets and Contributions for the Public Employees' Retirement System and Teachers' Retirement System and notes to the Required Supplementary Information on pages 43-53, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquires 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 the 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 Government 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 the missing information.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 10, 2025, our consideration of North Slope Borough School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Slope Borough School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering North Slope Borough School District's internal control over financial reporting and compliance.

Altman, Rogers & Co.

Anchorage, Alaska
September 10, 2025

BASIC FINANCIAL STATEMENTS

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Statement of Net Position

June 30, 2025

<u>Assets and Deferred Outflows of Resources</u>	<u>Governmental Activities</u>
Current:	
Cash and cash equivalents	\$ 33,831,400
Accounts receivable	967,920
Grants receivable	1,043,229
Inventory	683,501
Prepaid items	3,843,130
Total current assets	<u>40,369,180</u>
Long-term:	
Capital assets	10,796,591
Accumulated depreciation and amortization	<u>(9,435,049)</u>
Total non-current assets	<u>1,361,542</u>
Net OPEB assets	16,310,748
Deferred outflows of resources:	
Pension and OPEB deferrals	<u>4,710,387</u>
Total assets and deferred outflows of resources	<u>\$ 62,751,857</u>
 <u>Liabilities and Deferred Inflows of Resources</u>	
Current liabilities:	
Accounts payable	892,775
Accrued payroll liabilities	1,497,943
Self-insurance liability	3,764,178
Compensated absences	1,375,049
Unearned revenue	279,857
Current portion of lease liabilities	9,235
Total current liabilities	<u>7,819,037</u>
Long-term liabilities:	
Lease liabilities	21,438
Net pension liability	<u>32,251,821</u>
Total long-term liabilities	<u>32,273,259</u>
Deferred inflows of resources:	
Pension and OPEB deferrals	<u>784,954</u>
Total liabilities and deferred inflows of resources	<u>40,877,250</u>
 <u>Net Position</u>	
Net investment in capital assets	1,330,869
Unrestricted	<u>20,543,738</u>
Total net position	<u>\$ 21,874,607</u>

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for	Operating	Revenue
		Services	Grants and	and Changes
			Contributions	in Net Position
				Total
				Governmental
				Activities
Governmental activities:				
Instruction	\$ 30,316,539	-	3,894,030	(26,422,509)
Special education instruction	4,160,564	-	329,499	(3,831,065)
Special education support services - students	1,113,811	-	42,157	(1,071,654)
Support services - students	4,038,080	-	1,036,005	(3,002,075)
Support services - instruction	18,006,796	-	3,287,519	(14,719,277)
School administration	3,967,163	-	396,160	(3,571,003)
School administration support services	1,708,937	-	79,770	(1,629,167)
District administration	2,174,560	-	65,182	(2,109,378)
District administration support services	3,962,919	-	343,697	(3,619,222)
Operations and maintenance of plant	21,972,087	1,915,595	451,861	(19,604,631)
Student activities	3,941,811	-	639,330	(3,302,481)
Student transportation - to and from school	2,718,068	-	2,329,703	(388,365)
Community services	191,413	-	60,000	(131,413)
Food services	5,540,416	7,250	929,045	(4,604,121)
Total governmental activities	\$ 103,813,164	1,922,845	13,883,958	(88,006,361)
General revenues:				
Borough appropriation				\$ 48,937,324
State grants and entitlements not restricted to specific programs				20,646,050
Federal grants and entitlements not restricted to specific programs				3,348,750
Unrestricted investment earnings				2,321,672
E-rate				9,000,000
Other				259,936
Total general revenues				84,513,732
Change in net position				(3,492,629)
Net position - beginning of year, as originally stated				25,531,339
Change in accounting principle				(164,103)
Net position - beginning of year, as restated				25,367,236
Net position - ending				\$ 21,874,607

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2025

	General (School) Operating Fund	Food Service Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 33,831,400	-	-	33,831,400
Accounts receivable	887,565	80,355	-	967,920
Grants receivable	-	-	1,043,229	1,043,229
Inventory	-	683,501	-	683,501
Prepaid items	1,814,501	-	2,028,629	3,843,130
Due from other funds	1,025,419	4,967,297	9,529,885	15,522,601
Total assets	<u>\$ 37,558,885</u>	<u>5,731,153</u>	<u>12,601,743</u>	<u>55,891,781</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	594,131	306	298,338	892,775
Accrued payroll liabilities	1,497,943	-	-	1,497,943
Self-insurance liability	3,764,178	-	-	3,764,178
Unearned revenue	-	-	279,857	279,857
Due to other funds	14,497,182	-	1,025,419	15,522,601
Total liabilities	<u>20,353,434</u>	<u>306</u>	<u>1,603,614</u>	<u>21,957,354</u>
Fund balances:				
Nonspendable:				
Inventory	-	683,501	-	683,501
Prepaid items	1,814,501	-	2,028,629	3,843,130
Committed:				
Instruction	3,348,750	-	-	3,348,750
Pupil transportation	-	-	2,224,492	2,224,492
Student activities	-	-	1,030,652	1,030,652
Food services	-	4,240,529	-	4,240,529
Operations and maintenance	-	-	4,094,892	4,094,892
Assigned:				
Community education	-	-	778,779	778,779
Instruction	1,751,715	-	-	1,751,715
Instructional support	2,562,012	-	-	2,562,012
Operations and maintenance	106,504	-	840,685	947,189
Food services	-	806,817	-	806,817
Unassigned	7,621,969	-	-	7,621,969
Total fund balances	<u>17,205,451</u>	<u>5,730,847</u>	<u>10,998,129</u>	<u>33,934,427</u>
Total liabilities and fund balances	<u>\$ 37,558,885</u>	<u>5,731,153</u>	<u>12,601,743</u>	<u>55,891,781</u>

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

June 30, 2025

Total fund balance - governmental funds		\$	33,934,427
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets in governmental activities are not financial resources and are not reported in the funds, net of accumulated depreciation and amortization of \$9,435,049			
			1,361,542
Long-term liabilities are not due in the current period, and therefore, are not reported in the funds;			
	Lease liabilities	\$ (30,673)	
	Accrued leave	(1,375,049)	(1,405,722)
Proportionate share of the collective net pension liability:			
	PERS	(20,205,658)	
	TRS	(12,046,163)	(32,251,821)
Proportionate share of the collective net OPEB assets:			
	PERS	8,650,628	
	TRS	7,660,120	16,310,748
Certain changes in the net pension and OPEB amounts are deferred to future periods rather than recognized immediately.			
Deferred outflows of resources:			
	PERS	2,934,131	
	TRS	1,776,256	4,710,387
Deferred inflows of resources:			
	PERS	(273,901)	
	TRS	(511,053)	(784,954)
Net position of governmental activities		\$	<u>21,874,607</u>

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

Year Ended June 30, 2025

	General (School) Operating Fund	Food Service Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Intergovernmental:				
Borough appropriation	\$ 43,182,541	-	-	43,182,541
Borough in-kind contribution	5,754,783	-	-	5,754,783
Earnings on investments	2,321,672	-	-	2,321,672
Charges for services	-	7,250	1,915,595	1,922,845
E-rate	9,000,000	-	-	9,000,000
Other	259,936	213,563	510,183	983,682
Intergovernmental:				
State of Alaska	24,114,533	-	3,425,254	27,539,787
Federal sources	3,348,750	715,631	4,340,177	8,404,558
Total revenues	<u>87,982,215</u>	<u>936,444</u>	<u>10,191,209</u>	<u>99,109,868</u>
Expenditures:				
Current:				
Instruction	27,933,171	-	1,514,150	29,447,321
Special education instruction	4,011,967	-	-	4,011,967
Special education support services - students	588,055	-	511,317	1,099,372
Support services - students	3,471,740	-	47,358	3,519,098
Support services - instruction	14,728,032	-	3,188,491	17,916,523
School administration	3,868,669	-	19,197	3,887,866
School administration support services	1,590,601	-	-	1,590,601
District administration	2,115,377	-	-	2,115,377
District administration support services	3,553,948	861	191,720	3,746,529
Operations and maintenance of plant	18,052,741	-	3,458,352	21,511,093
Student activities	3,233,333	-	664,035	3,897,368
Student transportation - to and from school	-	-	2,683,224	2,683,224
Community services	-	-	191,413	191,413
Food services	-	5,453,042	-	5,453,042
Debt service:				
Redemption of principal on long-term debt	-	-	8,881	8,881
Interest on long-term debt	-	-	1,919	1,919
Total expenditures	<u>83,147,634</u>	<u>5,453,903</u>	<u>12,480,057</u>	<u>101,081,594</u>
Excess (deficiency) of revenues over expenditures	<u>4,834,581</u>	<u>(4,517,459)</u>	<u>(2,288,848)</u>	<u>(1,971,726)</u>
Other financing sources (uses):				
Transfers in	-	3,575,000	6,715,000	10,290,000
Transfers out	(10,290,000)	-	-	(10,290,000)
Net other financing sources (uses)	<u>(10,290,000)</u>	<u>3,575,000</u>	<u>6,715,000</u>	<u>-</u>
Net change in fund balances	<u>(5,455,419)</u>	<u>(942,459)</u>	<u>4,426,152</u>	<u>(1,971,726)</u>
Fund balances, beginning of year, as originally stated	21,662,607	6,673,306	6,571,977	34,907,890
Change in accounting principle	998,263	-	-	998,263
Fund balances, beginning of year, as restated	<u>22,660,870</u>	<u>6,673,306</u>	<u>6,571,977</u>	<u>35,906,153</u>
Fund balances, end of year	<u>\$ 17,205,451</u>	<u>5,730,847</u>	<u>10,998,129</u>	<u>33,934,427</u>

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

Year Ended June 30, 2025

Net change in fund balances - total governmental funds	\$ (1,971,726)
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Amounts reported for *governmental activities* in the Statement of
Activities are different because:

Some expenses reported in the Statement of Activities do not require
the use of current financial resources and, therefore, are not reported as
expenditures in governmental funds:

Change in compensated absences	(212,684)
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Change in the unfunded net pension and OPEB liabilities and assets:

PERS	(1,107,996)
TRS	73,258
	<u>(1,034,738)</u>

Changes in deferred inflows and outflows of resources are the result of timing differences
in the actuarial report:

PERS	(127,495)
TRS	(308,807)
	<u>(436,302)</u>

Long-term 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. Similarly, principal payments
of long-term debt in the governmental funds are not reported as
expenses in the Statement of Activities. Changes in long-term liabilities:

Principal payments on long-term debt	<u>8,881</u>
--------------------------------------	--------------

The cost of capital assets purchased or constructed is reported as an
expenditure in governmental funds. The Statement of Net Position includes
purchased and constructed capital assets among the assets
of the School District as a whole. The cost of those assets is allocated over
estimated useful lives (as depreciation and amortization expense) to the various functions
reported as governmental activities in the Statement of Activities. Completed
building and improvement projects are transferred to the North Slope Borough.

Capital outlay	574,589
Depreciation and amortization expense	(420,649)
	<u>153,940</u>

Change in net position of governmental activities	\$ <u><u>(3,492,629)</u></u>
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The notes to the financial statements are an integral part of this statement.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of North Slope Borough School District (the District) have been prepared in conformity with U.S. generally accepted accounting principles. 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.

Pursuant to Alaska Statutes, Title 29.43.030, the North Slope 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 North Slope Borough School District. Members of the School Board are elected by the public. The School Board has control over hiring and firing 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. Based on these criteria, financial interdependency, budget approval, responsibility for debt, and financial accountability, North Slope Borough School District is a component unit of the Borough. The Borough provides utility services to the facilities for the teachers and several schools in the District. The Borough is responsible for assessing and collecting property taxes and remitting the amount approved by the Borough Assembly to the School District.

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 activities of the District. Governmental activities are supported by intergovernmental revenues and other non-exchange transactions. The District does not have any business-type activities or component units.

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

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

The District reports the following major governmental funds:

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

The *Food Service Special Revenue Fund* accounts for the District’s food service programs.

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

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

Intergovernmental Revenue

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

Local Revenue

Interest earned is recorded in the General (School) Operating Fund unless otherwise specified by the funding source. Rental income from District owned property is recorded in the period to which it relates. Both interest and rental income are susceptible to accrual. Proceeds from the sale of lunches and other miscellaneous revenues are recognized in the year received.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Estimates

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

Indirect Costs

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

D. Assets, Liabilities and Net Position/Fund Balance

1. Cash and Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash consists of demand deposits associated with the central treasury and does not include cash deposits that are a component of the investment portfolio.

2. Fair Value of Financial Instruments

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

3. Short-term Interfund Receivables and Payables

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

4. Inventory

Inventories, consist of food supplies stated at cost, which approximates fair value, using the first-in first-out (FIFO) method. Inventories are recorded as expenditures when consumed under the consumption method. Reported inventories are equally offset by a portion of fund balance classified as nonspendable in the fund financial statements, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

5. Prepaid Items

Payments made to vendors for services that are applicable to future accounting periods are recorded as prepaid items. Prepaid items do not reflect current available resources and, thus, an equivalent portion of fund balance is classified as nonspendable in the fund financial statements. Accounting for prepaid items is on the consumption method. The consumption method records the expenditure when consumed rather than when purchased.

6. Capital Assets

Capital assets are reported in the governmental activities column of the government-wide financial statements.

Capital assets are tangible assets consisting of artwork, equipment and vehicles and are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and a useful life of more than one year. School facilities are maintained, managed, and replaced, when applicable, by the Borough. Accordingly, the Borough recognizes these capital assets and related debt.

Artwork is not depreciated. Equipment and vehicle depreciation is computed on the straight-line method over the estimated useful life of the assets, generally 3 to 7 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.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

7. Leases

The District is a lessee for non-cancellable leases of buildings and recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The lease liabilities are recognized with an initial, individual value of \$5,000 or more or immaterial component leases that aggregate to a total value of \$5,000 or more. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If a lease contains a purchase option that the District has determined is reasonably certain of being exercised, the lease asset is amortized over the estimated useful life of the underlying asset. Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- a. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District's estimated incremental borrowing rate is used as the discount rate for leases.
- b. The lease term includes the non-cancellable period of the lease; the term of the lease contract, including options to extend, must be more than 12 months. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a re-measurement of its leases and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

8. Unearned Revenue

Revenue that is received in advance of the period for which it is intended for use and does not meet the requirements for revenue recognition is recognized as unearned revenue.

9. Compensated Absences

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

10. Pensions/Other Post Employment Benefits (OPEB)

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

11. Net Position

Government-wide net position is divided into three components:

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

12. Fund Balance

In the Fund Financial Statements, fund balance includes five classifications as follows:

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

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

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

Assigned Fund Balance – Amounts intended to be used by the District for specific purposes: intent can be expressed by the School Board or by the District Superintendent, having been designated such authority. Such constraint is binding unless modified or eliminated by the Board or Superintendent. In governmental funds other than the General (School) Operating Fund, assigned fund balance represents the amount that is not restricted or committed.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Unassigned Fund Balance – The residual classification for the General (School) Operating Fund and includes all amounts not contained in the other classifications. Positive unassigned amounts will be reported only in the General (School) Operating Fund. If another governmental fund, other than the School Operating Fund, has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund.

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

Compliance with the provisions of the Fund Balance Classification Policy are reviewed as part of the annual budget adoption process. The Superintendent reports to the Board as close to the end of the year as possible the anticipated year-end fund balance or deficit. The Board takes appropriate action to commit or assign, or otherwise allocate prior year fund balances as a part of the budget planning process.

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

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 General (School) Operating Fund and Special Revenue Funds. Encumbrances outstanding at year end are reported in committed fund balances since they do not constitute expenditures or liabilities. The amount of encumbrances, if significant, are disclosed in the notes to the basic financial statements as commitments.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

Annual budgets of the various Special Revenue Funds are prepared in connection with the application for the programs' funding and are reviewed and approved by the School Board. Expenditure authority for Special Revenue Fund programs is limited to the actual combined revenues and transfers from other funds. Unexpended balances of grants from the State and federal governments for the Special Revenue Funds lapse at June 30, except for Indian Education which lapses on September 30. Expenditures are reimbursed by the various entities on a cost basis.

III. DETAIL NOTES ON ALL FUNDS

A. Deposits and Investments

The District maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is reported in the balance sheet or Statement of Net Position as "cash and cash equivalents" or amounts "due to/from other funds."

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The District's bank accounts are insured by the Federal Depository Insurance Corporation (FDIC) to a maximum of \$250,000 per financial institution. Any amount in excess of \$250,000 is collateralized with securities held by the District's agent in the District's name. The District held no investments at June 30, 2025.

All deposits are carried at fair market value plus accrued interest. Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits will not be returned to the District. The District limits its custodial credit risk in its deposit and investment policy by requiring all deposits to be fully insured or collateralized.

The District's investment policy as of June 30, 2025 allows for short-term investment in the following:

- United States government obligations.
- Direct obligations of an agency or instrumentality of the United States of America, and obligations on which the timely payment of principal and interest is fully guaranteed by any such agency or instrumentality.
- Repurchase agreements secured by obligations of the United States government, or an agency or instrumentality of the United States government.
- Negotiable certificates of deposit issued by a bank receiving the highest short-term credit rating from two Nationally Recognized Statistical Rating Organizations.
- Shares of a money market mutual fund or other collective investments fund registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933.
- The maximum maturity of any single security shall not exceed five years. The weighted average maturity of the portfolio shall not exceed 2.5 years. The average weighted quality of the portfolio must be at least AA/AA2.

The short-term investment policy allows for the following concentration limits:

	Instrument maximum	Issuer maximum
U.S. Government obligations	100%	100%
Repurchase agreements	100%	100%
U.S. Agency obligations	100%	50%
Bank certificates of deposit	50%	10%
Money Market funds	100%	100%

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

B. Receivables

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

	General (School) Operating Fund	Food Service Special Revenue Fund	Nonmajor Governmental Funds	Total
Grants receivable	\$ -	-	1,043,229	1,043,229
Accounts receivable	887,565	80,355	-	967,920
Total	\$ 887,565	80,355	1,043,229	2,011,149

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

IV. CAPITAL ASSETS

The Borough owns and accounts for all school buildings and land, which are provided to the District without charge. Furniture and equipment are accounted for by the District.

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

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Governmental activities:				
Capital assets not being depreciated – artwork	\$ 134,956	-	-	134,956
Capital assets, being depreciated and amortized:				
Equipment	11,752,541	574,589	(1,738,239)	10,588,891
Right-to-use assets	72,744	-	-	72,744
Total capital assets being depreciated and amortized	11,825,285	574,589	(1,738,239)	10,661,635
Less accumulated depreciation and amortization:				
Equipment	(10,725,360)	(411,557)	1,738,239	(9,398,678)
Right-to-use assets	(27,279)	(9,092)	-	(36,371)
Total accumulated depreciation and amortization	(10,752,639)	(420,649)	1,738,234	(9,435,049)
Net capital assets being depreciated and amortized	1,072,646	153,940	-	1,226,586
Net governmental capital assets	\$ 1,207,602	153,940	-	1,361,542

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Instruction	\$	70,675
Support services – instruction		120,432
Operations and maintenance of plant		51,072
Student activities		4,668
Student transportation		34,844
Food services		138,958
Total depreciation and amortization expense	\$	<u>420,649</u>

V. OTHER INFORMATION

A. Risk Management

The District faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability, i.e., errors and omissions, (d) environmental damage, (e) workers compensation, and (f) medical/dental/vision costs for employees. The District mitigates significant risk of loss through the acquisition of commercial insurance policies. The District currently participates in the Alaska Municipal League/Joint Insurance Association (AML/JIA), a member driven risk pool, which covers property and contents, torts, general and auto liability, school leaders errors and omissions, workers compensation, and earthquake and flood. The District maintains other commercial insurance policies relating to faithful performance blanket bonds covering all employees and travel accidents. Coverage limits and the deductibles for the commercial policies have stayed relatively constant for several years. No losses in excess of insurance coverage have been realized over the past three years.

Additional risk of loss exists for employee health benefits. The District established an Employee Health Care Benefit Plan to provide health insurance for employees and their dependents. The District pays premiums into the Plan based on estimated claims and adjusted for actual claims paid during the year. Stop-loss insurance limits the District's liability for individual claims to \$225,000 and \$1,000,000 in aggregate. Health and medical insurance expense was \$10,760,229 for the year ended June 30, 2025 and consisted of paid claims incurred, stop-loss premiums, and administrative fees.

As of June 30, 2025, an estimated liability for claims payable incurred but unreported claims of approximately \$3,764,178 was recorded in the General (School) Operating Fund. This estimate was calculated based on run-out claims and claims history. Changes in the balances of claim liabilities for years ending June 30, 2025 and 2024 is as follows:

		2025	2024
Unpaid claims, beginning of year	\$	4,222,728	4,806,754
Incurred claims (including IBNR's)		11,342,384	9,196,507
Less: claim payments		11,800,934	9,780,553
Unpaid claims (including IBNR's), end of year	\$	<u>3,764,178</u>	<u>4,222,728</u>

The District has elected the reimbursable method of payment for Employment Security Compensation (ESC). Under this arrangement, the actual costs of ESC are reimbursed to the State of Alaska.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

B. Employee Retirement Systems and Plans

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

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

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

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

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

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Plan Memberships

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

	PERS	TRS
Retired plan members or beneficiaries		
currently receiving benefits	36,198	13,236
Inactive plan members entitled to but		
not yet receiving benefits	4,516	751
Inactive plan members not entitled to benefits	9,790	1,504
Active plan members	7,963	2,555
Total plan memberships	58,467	18,046

Other Postemployment Benefit Plans (OPEB)

Alaska Retiree Healthcare Trust Plan (ARHCT)

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

Occupational Death and Disability Plan (ODD)

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

Retiree Medical Plan (RMP)

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

Health Reimbursement Arrangement Plan (HRA)

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Investments

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

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

Rate of Return

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

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

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

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

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	22.00%	26.76%	4.76%
OPEB	0.00%	0.00%	0.00%
Total PERS contribution rates	22.00%	26.76%	4.76%
TRS:			
Pension	12.56%	28.59%	16.03%
OPEB	0.00%	0.00%	0.00%
Total TRS contribution rates	12.56%	28.59%	16.03%

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	<u>2,113,822</u>	<u>114,753</u>	<u>2,228,575</u>

Public Employees' Retirement Plans

For the year ended June 30, 2025 the State of Alaska contributed \$590,893 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2025 to a total of \$1,333,282 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Defined Benefit:	Pension
District's proportionate share of the net pension liability	\$ 20,205,658
State's proportionate share of the net pension liability	7,555,218
Total	<u>\$ 27,760,876</u>
	OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (8,131,873)
State's proportionate share of the ARHCT OPEB liability (asset)	(3,021,911)
Total	<u>\$ (11,153,784)</u>
District's proportionate share of the ODD OPEB liability (asset)	<u>\$ (267,774)</u>
District's proportionate share of the RMP OPEB liability (asset)	<u>\$ (250,981)</u>
Total District's share of net pension and OPEB liabilities and assets	<u>\$ (11,555,030)</u>

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

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

	June 30, 2024 Measurement	June 30, 2023 Measurement	Change
Pension	0.36841%	0.37961%	(0.0112)%
OPEB:			
ARHCT	0.36927%	0.37890%	(0.00963)%
ODD	0.44853%	0.47916%	(0.030663)%
RMP	0.53841%	0.57337%	(0.03496)%

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2024, the District recognized pension and OPEB expense of \$4,031,039 and \$813,275, respectively, for the year ended June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	194,510	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	2,113,822	-
Total	\$ 2,308,332	-
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,405	-
Changes of assumptions	218,329	-
Net difference between projected and actual earnings on OPEB plan investments	123,833	-
Changes in proportion and differences between District contributions and proportionate share of contributions	37,761	-
District contributions subsequent to the measurement date	-	-
Total	\$ 384,328	-

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(62,729)
Changes of assumptions	-	(663)
Net difference between projected and actual earnings on OPEB plan investments	855	-
Changes in proportion and differences between District contributions and proportionate share of contributions	25,845	(4,335)
District contributions subsequent to the measurement date	25,739	-
Total	<u>\$ 52,439</u>	<u>(67,727)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,317	(27,892)
Changes of assumptions	84,929	(168,721)
Net difference between projected and actual earnings on OPEB plan investments	3,542	-
Changes in proportion and differences between District contributions and proportionate share of contributions	5,230	(9,561)
District contributions subsequent to the measurement date	89,014	-
Total	<u>\$ 189,032</u>	<u>(206,174)</u>

\$2,113,822 and \$114,753 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended June 30, 2026, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,		Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2025	\$	(541,549)	(196,624)	(13,916)	(36,304)
2026		1,008,184	820,195	(3,972)	(597)
2027		(148,820)	(131,460)	(8,826)	(38,395)
2028		(123,305)	(107,783)	(7,688)	(26,504)
2029		-	-	(4,409)	(14,338)
Thereafter		-	-	(2,216)	9,982
Total	\$	<u>194,510</u>	<u>384,328</u>	<u>(41,027)</u>	<u>(106,156)</u>

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2025, the District recognized (\$431,326) and \$351,538 of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

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

		1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$	26,915,838	20,205,658	14,527,237
Net OPEB ARHCT liability (asset)	\$	(5,148,977)	(8,131,873)	(10,642,044)
Net OPEB ODD liability (asset)	\$	(251,515)	(267,774)	(280,517)
Net OPEB RMP liability (asset)	\$	43,477	(250,981)	(476,042)

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

		1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	\$	(10,928,620)	(8,131,873)	(4,809,529)
Net OPEB ODD liability (asset)	\$	N/A	(267,774)	N/A
Net OPEB RMP liability (asset)	\$	(505,747)	(250,981)	90,862

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

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

Plan members are 100% vested with their contributions.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Members become vested in employers' contributions as follows:

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

The District contributed \$876,092 for the year ended June 30, 2025, which included forfeitures of \$78,717 which have been applied as employer contributions.

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

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

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

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

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 863,505	134,803	998,308

Teachers' Retirement Plans

For the year ended June 30, 2025 the State of Alaska contributed \$2,877,590 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2024 to a total of \$3,345,871 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

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

Defined Benefit:

	Pension
District's proportionate share of the net pension liability	\$ 12,046,163
State's proportionate share of the net pension liability	20,709,745
Total	\$ 32,755,908
	OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (6,742,122)
State's proportionate share of the ARHCT OPEB liability (asset)	(10,923,989)
Total	\$ (17,666,111)
District's proportionate share of the ODD OPEB liability (asset)	\$ (239,804)
District's proportionate share of the RMP OPEB liability (asset)	\$ (678,194)
Total District's share of net pension and OPEB liabilities and assets	\$ 4,386,043

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

	June 30, 2024 Measurement	June 30, 2023 Measurement	Change
Pension	0.65120%	0.71082%	(0.05962)%
OPEB:			
ARHCT	0.67578%	0.73074%	(0.05496)%
ODD	3.00958%	2.25138%	0.75820%
RMP	3.01607%	2.25340%	0.76267%

Based on the measurement date of June 30, 2024, the District recognized pension and OPEB expense of \$3,612,136 and \$1,048,661, respectively, for the year ended June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	200,843	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	863,505	-
Total	\$ 1,064,348	-
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(1,653)
Changes of assumptions	79,610	-
Net difference between projected and actual earnings on OPEB plan investments	85,420	-
Changes in proportion and differences between District contributions and proportionate share of contributions	51,892	-
District contributions subsequent to the measurement date	2,456	-
Total	\$ 219,378	(1,653)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(37,895)
Changes of assumptions	-	(341)
Net difference between projected and actual earnings on OPEB plan investments	1,018	-
Changes in proportion and differences between District contributions and proportionate share of contributions	40,526	(45,944)
District contributions subsequent to the measurement date	13,962	-
Total	\$ <u>55,506</u>	<u>(84,180)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 94,677	(46,190)
Changes of assumptions	126,532	(263,164)
Net difference between projected and actual earnings on OPEB plan investments	9,652	-
Changes in proportion and differences between District contributions and proportionate share of contributions	87,778	(115,866)
District contributions subsequent to the measurement date	118,385	-
Total	\$ <u>437,024</u>	<u>(425,220)</u>

\$863,505 and \$134,803 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended June 30, 2026, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,		Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2025	\$	(553,772)	(184,457)	(8,879)	(46,924)
2026		1,009,557	570,826	(2,240)	20,214
2027		(137,819)	(94,007)	(7,937)	(36,717)
2028		(117,123)	(77,093)	(5,723)	(32,402)
2029		-	-	(5,358)	(7,833)
Thereafter		-	-	(12,499)	2,919)
Total	\$	<u>200,843</u>	<u>215,269</u>	<u>(42,636)</u>	<u>(106,581)</u>

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2025, the District recognized (\$1,330,892) and \$685,362 of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

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

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 17,475,751	12,046,163	7,449,679
Net OPEB ARHCT liability (asset)	\$ (4,646,670)	(6,742,122)	(8,495,657)
Net OPEB ODD liability (asset)	\$ (240,586)	(239,804)	(239,322)
Net OPEB RMP liability (asset)	\$ (179,004)	(678,194)	(1,055,143)

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

	1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	\$ (8,687,105)	(6,742,122)	(4,418,385)
Net OPEB ODD liability (asset)	\$ N/A	(239,804)	N/A
Net OPEB RMP liability (asset)	\$ (1,100,685)	(678,194)	(106,196)

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

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

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The District contributed \$1,676,861 for the year ended June 30, 2025, which included forfeitures of \$200,618 which have been applied as employer contributions.

VI. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables are shown as “due from other funds” and “due to other funds” in each of the individual funds. The balances at June 30, 2025 are as follows:

Receivable Fund	Payable Fund	Amount
General (School) Operating Fund	Other Governmental Funds	\$ 1,025,419
Food Service Special Revenue Fund	General (School) Operating Fund	4,967,297
Other Governmental Funds	General (School) Operating Fund	9,529,885
		<u>\$ 15,522,601</u>

Transfers Out	Transfers In		Total
	Food Service Special Revenue Fund	Other Governmental Funds	
General (School) Operating Fund	\$ 3,575,000	6,715,000	<u>10,290,000</u>

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

VII. Related Party Transactions

The Borough provides utility services to the facilities for the teachers and several schools in the District. During fiscal year 2025, approximately \$5,754,783 of property insurance and heating fuel was recorded as in-kind contribution for the operations of the General (School) Operating Fund.

The Borough is responsible for assessing and collecting property taxes and remitting the amount approved by the Borough Assembly to the School District. Property taxes collected and remitted in fiscal year 2025 were \$43,182,541. For fiscal year 2025, the Borough contributed in-kind support of \$5,754,783.

VIII. Long-term Obligations

Changes in lon-term obligations for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due within One Year
Lease liabilities	\$ 39,554	-	8,881	30,673	9,235

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Leases

The District has entered into leases for acquisition and use of buildings and available space. The District was required to make principal and interest payments for these leases in the amount of \$10,800 for the year ended June 30, 2025. The District uses an interest rate of 3.99% for its lease calculations. The buildings are amortized over the lease term. The value of the lease liability at June 30, 2025 was \$30,673. The value of the right-to use assets at June 30, 2025 was \$72,744 and the accumulated amortization at June 30, 2025 was \$36,371.

The future principal and interest lease payments as of June 30, 2025, were as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 9,235	1,565	10,800
2027	9,603	1,197	10,800
2028	9,987	813	10,800
2029	1,848	414	2,262
Total	\$ 30,673	3,989	34,662

IX. Implementation of New Accounting Standard GASB Statement No. 101

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

		Governmental Activities	Governmental Funds	
Net position, as of				
June 30, 2024		25,531,339	34,907,890	
Change in accounting principle:		(164,103)	998,263	
Net position, as restated		25,367,236	35,906,153	
	Balance	Change	Balance	Due within
	July 1, 2024		June 30, 2025	one year
Compensated absences	\$ 1,162,365	212,684	1,375,049	1,375,049

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

X. Contingencies and Commitments

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 (School) Operating Fund.

The District receives a substantial portion of its revenue from state and federal grants. Significant changes in these revenue sources could have a material effect (positive or negative) on the operations of the District. The District provides services solely to those residents of the North Slope Borough as defined by the State of Alaska district boundaries. Significant changes in the local environment or economy could directly affect the District's enrollment. Significant changes in enrollment could have a material effect (positive or negative) on the District's funding and operations.

The District, from time to time, may be a participant in legal proceedings related to the conduct of its business. In the opinion of management, any current legal proceedings, commitments or contingent liabilities will not materially affect the financial position of the District.

Encumbrances

Outstanding encumbrances are reported as assigned fund balance. Significant encumbrances at June 30, 2025 are as follows:

Educational supplies and services	\$ <u>4,420,231</u>
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XI. Subsequent Accounting Pronouncements

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

General (School) Operating Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Local sources:				
Intergovernmental:				
Borough appropriation	\$ 38,766,371	43,182,541	43,182,541	-
Borough in-kind contribution	4,692,000	4,692,000	5,754,783	1,062,783
Earnings on investments	2,000,000	2,300,000	2,321,672	21,672
E-rate	10,800,000	10,800,000	9,000,000	(1,800,000)
Other	160,096	180,096	259,936	79,840
Intergovernmental:				
State of Alaska	25,916,733	24,209,655	24,114,533	(95,122)
Federal sources	3,303,000	3,303,000	3,348,750	45,750
Total revenues	<u>85,638,200</u>	<u>88,667,292</u>	<u>87,982,215</u>	<u>(685,077)</u>
Expenditures:				
Current:				
Instruction	27,516,240	27,894,833	27,933,171	(38,338)
Special education instruction	5,222,370	4,160,444	4,011,967	148,477
Special education support services - students	467,260	455,902	588,055	(132,153)
Support services - students	3,639,850	3,566,449	3,471,740	94,709
Support services - instruction	16,220,080	15,937,773	14,728,032	1,209,741
School administration	4,181,710	4,243,210	3,868,669	374,541
School administration support services	1,653,040	1,557,117	1,590,601	(33,484)
District administration	2,074,700	2,074,700	2,115,377	(40,677)
District administration support services	3,840,510	3,782,565	3,553,948	228,617
Operations and maintenance of plant	17,647,840	18,005,858	18,052,741	(46,883)
Student activities	2,144,400	3,294,400	3,233,333	61,067
Total expenditures	<u>84,608,000</u>	<u>84,973,251</u>	<u>83,147,634</u>	<u>1,825,617</u>
Excess of revenues over expenditures	<u>1,030,200</u>	<u>3,694,041</u>	<u>4,834,581</u>	<u>1,140,540</u>
Other financing (uses):				
Transfers out	<u>(4,540,000)</u>	<u>(10,290,000)</u>	<u>(10,290,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (3,509,800)</u>	<u>(6,595,959)</u>	<u>(5,455,419)</u>	<u>1,140,540</u>
Fund balance, beginning of year, as originally stated			\$ 21,662,607	
Change in accounting principle			<u>998,263</u>	
Fund balance, beginning of year, as restated			<u>22,660,870</u>	
Fund balance, end of year			<u>\$ 17,205,451</u>	

See accompanying notes to required supplementary information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

Food Service Special Revenue Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Local sources:				
Charges for services	\$ -	10,000	7,250	(2,750)
Other	580,000	500,000	213,563	(286,437)
Intergovernmental:				
Federal sources	1,260,000	752,194	715,631	(36,563)
Total revenues	<u>1,840,000</u>	<u>1,262,194</u>	<u>936,444</u>	<u>(325,750)</u>
Expenditures:				
Current:				
District administration support services	-	2,796	861	1,935
Food services	4,665,000	5,471,748	5,453,042	18,706
Total expenditures	<u>4,665,000</u>	<u>5,474,544</u>	<u>5,453,903</u>	<u>20,641</u>
Excess (deficiency) of revenues over expenditures	(2,825,000)	(4,212,350)	(4,517,459)	(305,109)
Other financing sources (uses):				
Transfers in	<u>2,825,000</u>	<u>3,575,000</u>	<u>3,575,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(637,350)</u>	<u>(942,459)</u>	<u>(305,109)</u>
Fund balance, beginning of year			<u>6,673,306</u>	
Fund balance, end of year			<u>\$ 5,730,847</u>	

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2025

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.4200%	\$ 20,492,879	\$ 5,488,680	\$ 25,981,559	\$ 6,511,486	314.72%	63.96%
2017	0.4900%	\$ 27,181,923	\$ 3,427,838	\$ 30,609,761	\$ 6,342,422	428.57%	59.55%
2018	0.4400%	\$ 22,715,059	\$ 8,463,298	\$ 31,178,357	\$ 5,991,957	379.09%	63.37%
2019	0.4900%	\$ 24,364,821	\$ 7,053,609	\$ 31,418,430	\$ 5,880,048	414.36%	65.19%
2020	0.4700%	\$ 25,558,317	\$ 10,149,508	\$ 35,707,825	\$ 5,001,401	511.02%	63.42%
2021	0.4100%	\$ 24,333,264	\$ 10,070,566	\$ 34,403,830	\$ 4,008,868	606.99%	61.61%
2022	0.4917%	\$ 18,038,082	\$ 2,444,261	\$ 20,482,343	\$ 3,630,989	496.78%	76.46%
2023	0.4302%	\$ 21,924,230	\$ 6,067,474	\$ 27,991,704	\$ 12,100,318	181.19%	67.97%
2024	0.3796%	\$ 19,683,442	\$ 6,561,147	\$ 26,244,589	\$ 13,055,489	150.77%	68.23%
2025	0.3684%	\$ 20,205,658	\$ 7,555,218	\$ 27,760,876	\$ 13,588,513	148.70%	67.81%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2025

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.4400%	\$ 3,712,280	\$ 217,422	\$ 3,929,702	\$ 5,991,957	61.95%	89.68%
2019	0.4900%	\$ 5,031,481	\$ 1,459,957	\$ 6,491,438	\$ 5,880,048	85.57%	88.12%
2020	0.4700%	\$ 692,764	\$ 275,453	\$ 968,217	\$ 5,001,401	13.85%	98.13%
2021	0.4100%	\$ (1,866,327)	\$ (774,023)	\$ (2,640,350)	\$ 4,008,868	-46.55%	106.15%
2022	0.4938%	\$ (12,667,318)	\$ (1,661,541)	\$ (14,328,859)	\$ 3,630,989	-348.87%	135.54%
2023	0.4272%	\$ (8,406,060)	\$ (2,402,304)	\$ (10,808,364)	\$ 12,100,318	-69.47%	128.51%
2024	0.3789%	\$ (8,718,321)	\$ (2,933,812)	\$ (11,652,133)	\$ 13,055,489	-66.78%	133.96%
2025	0.3693%	\$ (8,131,873)	\$ (3,021,911)	\$ (11,153,784)	\$ 13,588,513	-59.84%	130.59%
Occupational Death and Disability (ODD):							
2018	0.7000%	\$ (99,788)	\$ -	\$ (99,788)	\$ 5,991,957	-1.67%	212.97%
2019	0.7420%	\$ (14,078)	\$ -	\$ (14,078)	\$ 5,880,048	-0.24%	270.62%
2020	0.5700%	\$ (139,047)	\$ -	\$ (139,047)	\$ 5,001,401	-2.78%	297.43%
2021	0.5300%	\$ (143,699)	\$ -	\$ (143,699)	\$ 4,008,868	-3.58%	283.80%
2022	0.5099%	\$ (224,715)	\$ -	\$ (224,715)	\$ 3,630,989	-6.19%	374.22%
2023	0.4705%	\$ (206,266)	\$ -	\$ (206,266)	\$ 12,100,318	-1.70%	348.80%
2024	0.4792%	\$ (245,830)	\$ -	\$ (245,830)	\$ 13,055,489	-1.88%	349.24%
2025	0.4485%	\$ (267,774)	\$ -	\$ (267,774)	\$ 13,588,513	-1.97%	346.81%
Retiree Medical Plan (RMP):							
2018	0.7000%	\$ 36,676	\$ -	\$ 36,676	\$ 7,318,628	0.50%	93.98%
2019	0.7200%	\$ 92,240	\$ -	\$ 92,240	\$ 8,204,413	1.12%	88.71%
2020	0.7200%	\$ 172,797	\$ -	\$ 172,797	\$ 9,164,709	1.89%	83.17%
2021	0.6600%	\$ 46,466	\$ -	\$ 46,466	\$ 8,900,878	0.52%	92.23%
2022	0.6003%	\$ (161,120)	\$ -	\$ (161,120)	\$ 8,756,936	-1.84%	115.10%
2023	0.5556%	\$ (192,961)	\$ -	\$ (192,961)	\$ 3,367,318	-5.73%	120.08%
2024	0.5734%	\$ (272,257)	\$ -	\$ (272,257)	\$ 3,649,214	-7.46%	124.29%
2025	0.5384%	\$ (250,981)	\$ -	\$ (250,981)	\$ 4,087,985	-6.14%	119.87%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (Pensions)

Public Employees' Retirement System (PERS)

June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 1,181,138	\$ (1,181,138)	\$ -	\$ 6,342,422	18.62%
2017	\$ 1,490,393	\$ (1,490,393)	\$ -	\$ 5,991,957	24.87%
2018	\$ 1,785,699	\$ (1,785,699)	\$ -	\$ 5,880,048	30.37%
2019	\$ 1,655,804	\$ (1,655,804)	\$ -	\$ 5,001,401	33.11%
2020	\$ 1,401,057	\$ (1,401,057)	\$ -	\$ 4,008,868	34.95%
2021	\$ 1,593,057	\$ (1,593,057)	\$ -	\$ 3,630,989	43.87%
2022	\$ 1,590,257	\$ (1,584,293)	\$ 5,964	\$ 12,100,318	13.14%
2023	\$ 1,944,647	\$ (1,934,547)	\$ 10,100	\$ 13,055,489	14.90%
2024	\$ 1,964,838	\$ (1,955,721)	\$ 9,118	\$ 13,588,513	14.46%
2025	\$ 2,068,907	\$ (2,113,822)	\$ (44,915)	\$ 14,112,111	14.66%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 509,336	\$ (509,336)	\$ -	\$ 5,880,048	8.66%
2019	\$ 595,625	\$ (595,625)	\$ -	\$ 5,001,401	11.91%
2020	\$ 559,721	\$ (559,721)	\$ -	\$ 4,008,868	13.96%
2021	\$ 269,749	\$ (269,749)	\$ -	\$ 3,630,989	7.43%
2022	\$ 216,043	\$ (216,043)	\$ -	\$ 12,100,318	1.79%
2023	\$ -	\$ -	\$ -	\$ 13,055,489	0.00%
2024	\$ -	\$ -	\$ -	\$ 13,588,513	0.00%
2025	\$ -	\$ -	\$ -	\$ 14,112,111	0.00%
Occupational Death and Disability (ODD):					
2018	\$ 13,127	\$ (13,127)	\$ -	\$ 5,880,048	0.22%
2019	\$ 23,809	\$ (23,809)	\$ -	\$ 5,001,401	0.48%
2020	\$ 23,137	\$ (23,137)	\$ -	\$ 4,008,868	0.58%
2021	\$ 27,228	\$ (27,228)	\$ -	\$ 3,630,989	0.75%
2022	\$ 27,159	\$ (27,159)	\$ -	\$ 12,100,318	0.22%
2023	\$ 28,894	\$ (28,894)	\$ -	\$ 13,055,489	0.22%
2024	\$ 30,780	\$ (30,780)	\$ -	\$ 13,588,513	0.23%
2025	\$ 25,739	\$ (25,739)	\$ -	\$ 14,112,111	0.18%
Retiree Medical Plan (RMP):					
2018	\$ 84,602	\$ (84,602)	\$ -	\$ 8,204,413	1.03%
2019	\$ 86,183	\$ (86,183)	\$ -	\$ 9,164,709	0.94%
2020	\$ 117,538	\$ (117,538)	\$ -	\$ 8,900,878	1.32%
2021	\$ 111,131	\$ (111,131)	\$ -	\$ 8,756,936	1.27%
2022	\$ 93,765	\$ (93,765)	\$ -	\$ 3,367,318	2.78%
2023	\$ 105,940	\$ (105,940)	\$ -	\$ 3,649,214	2.90%
2024	\$ 103,615	\$ (103,615)	\$ -	\$ 4,087,985	2.53%
2025	\$ 89,014	\$ (89,014)	\$ -	\$ 3,982,238	2.24%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2025

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0100%	\$ 13,168,117	\$ 21,049,386	\$ 34,217,503	\$ 7,355,691	179.02%	73.82%
2017	0.9100%	\$ 20,675,894	\$ 24,574,393	\$ 45,250,287	\$ 6,963,281	296.93%	68.40%
2018	0.6600%	\$ 13,296,924	\$ 23,209,005	\$ 36,505,929	\$ 6,191,797	214.75%	72.39%
2019	0.7700%	\$ 14,783,598	\$ 21,977,229	\$ 36,760,827	\$ 4,982,771	296.69%	74.09%
2020	0.9300%	\$ 17,315,932	\$ 25,681,701	\$ 42,997,633	\$ 4,177,653	414.49%	74.68%
2021	0.7100%	\$ 14,404,217	\$ 25,005,246	\$ 39,409,463	\$ 4,086,959	352.44%	72.81%
2022	1.1318%	\$ 9,008,750	\$ 7,645,854	\$ 16,654,604	\$ 4,104,919	219.46%	89.43%
2023	0.8252%	\$ 13,755,970	\$ 18,331,997	\$ 32,087,967	\$ 17,334,889	79.35%	78.33%
2024	0.7182%	\$ 12,499,355	\$ 19,752,398	\$ 32,251,753	\$ 15,922,914	78.50%	77.62%
2025	0.6512%	\$ 12,046,163	\$ 20,709,745	\$ 32,755,908	\$ 18,360,720	65.61%	77.07%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2025

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.6500%	\$ 1,203,383	\$ 2,110,057	\$ 3,313,440	\$ 6,191,797	19.44%	93.75%
2019	0.7700%	\$ 2,396,367	\$ 3,574,845	\$ 5,971,212	\$ 4,982,771	48.09%	90.23%
2020	0.9300%	\$ (1,412,949)	\$ (2,103,108)	\$ (3,516,057)	\$ 4,177,653	-33.82%	105.50%
2021	0.7100%	\$ (2,527,255)	\$ (4,407,007)	\$ (6,934,262)	\$ 4,086,959	-61.84%	113.78%
2022	1.1762%	\$ (13,674,903)	\$ (10,650,918)	\$ (24,325,821)	\$ 4,104,919	-333.13%	145.41%
2023	0.8425%	\$ (7,384,443)	\$ (9,490,377)	\$ (16,874,820)	\$ 17,334,889	-42.60%	134.84%
2024	0.7307%	\$ (7,385,130)	\$ (11,151,528)	\$ (18,536,658)	\$ 15,922,914	-46.38%	140.49%
2025	0.6758%	\$ (6,742,122)	\$ (10,923,989)	\$ (17,666,111)	\$ 18,360,720	-36.72%	137.40%
Occupational Death and Disability (ODD):							
2018	3.0300%	\$ (99,168)	\$ -	\$ (99,168)	\$ 6,191,797	-1.60%	1342.59%
2019	3.3500%	\$ (117,383)	\$ -	\$ (117,383)	\$ 4,982,771	-2.36%	1304.81%
2020	3.3700%	\$ (135,459)	\$ -	\$ (135,459)	\$ 4,177,653	-3.24%	1409.77%
2021	3.0500%	\$ (131,466)	\$ -	\$ (131,466)	\$ 4,086,959	-3.22%	931.08%
2022	3.2058%	\$ (195,391)	\$ -	\$ (195,391)	\$ 4,104,919	-4.76%	1254.36%
2023	2.8684%	\$ (173,251)	\$ -	\$ (173,251)	\$ 17,334,889	-1.00%	1268.28%
2024	2.2514%	\$ (155,773)	\$ -	\$ (155,773)	\$ 15,922,914	-0.98%	1410.42%
2025	3.0096%	\$ (239,804)	\$ -	\$ (239,804)	\$ 18,360,720	-1.31%	1600.56%
Retiree Medical Plan (RMP):							
2018	3.0300%	\$ (143,836)	\$ -	\$ (143,836)	\$ 10,181,445	-1.41%	118.16%
2019	3.3500%	\$ (107,071)	\$ -	\$ (107,071)	\$ 12,034,621	-0.89%	109.56%
2020	3.3500%	\$ (128,347)	\$ -	\$ (128,347)	\$ 13,037,843	-0.98%	110.03%
2021	3.0600%	\$ (302,270)	\$ -	\$ (302,270)	\$ 13,343,586	-2.27%	125.59%
2022	3.2405%	\$ (650,701)	\$ -	\$ (650,701)	\$ 13,702,849	-4.75%	142.54%
2023	2.8636%	\$ (554,567)	\$ -	\$ (554,567)	\$ 11,115,239	-4.99%	140.73%
2024	2.2534%	\$ (499,151)	\$ -	\$ (499,151)	\$ 9,465,788	-5.27%	140.71%
2025	3.0161%	\$ (678,194)	\$ -	\$ (678,194)	\$ 12,795,391	-5.30%	134.72%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (Pensions)

Teachers' Retirement System (TRS)

June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 538,092	\$ (538,092)	\$ -	\$ 6,963,281	7.73%
2017	\$ 588,274	\$ (588,274)	\$ -	\$ 6,191,797	9.50%
2018	\$ 585,302	\$ (585,302)	\$ -	\$ 4,982,771	11.75%
2019	\$ 538,013	\$ (538,013)	\$ -	\$ 4,177,653	12.88%
2020	\$ 483,629	\$ (483,629)	\$ -	\$ 4,086,959	11.83%
2021	\$ 499,986	\$ (499,986)	\$ -	\$ 4,104,919	12.18%
2022	\$ 450,055	\$ (437,709)	\$ 12,346	\$ 17,334,889	2.60%
2023	\$ 667,583	\$ (693,363)	\$ (25,780)	\$ 15,922,914	4.19%
2024	\$ 599,933	\$ (555,714)	\$ 44,219	\$ 18,360,720	3.27%
2025	\$ 670,231	\$ (863,505)	\$ (193,274)	\$ 21,299,117	3.15%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 509,336	\$ (509,336)	\$ -	\$ 4,982,771	10.22%
2019	\$ 595,625	\$ (595,625)	\$ -	\$ 4,177,653	14.26%
2020	\$ 428,033	\$ (428,033)	\$ -	\$ 4,086,959	10.47%
2021	\$ 286,399	\$ (286,399)	\$ -	\$ 4,104,919	6.98%
2022	\$ 215,190	\$ (215,190)	\$ -	\$ 17,334,889	1.24%
2023	\$ 67	\$ (67)	\$ -	\$ 15,922,914	0.00%
2024	\$ -	\$ -	\$ -	\$ 18,360,720	0.00%
2025	\$ 2,456	\$ (2,456)	\$ -	\$ 21,299,117	0.01%
Occupational Death and Disability (ODD):					
2018	\$ 13,127	\$ (13,127)	\$ -	\$ 4,982,771	0.26%
2019	\$ 23,809	\$ (23,809)	\$ -	\$ 4,177,653	0.57%
2020	\$ 10,674	\$ (10,674)	\$ -	\$ 4,086,959	0.26%
2021	\$ 10,963	\$ (10,963)	\$ -	\$ 4,104,919	0.27%
2022	\$ 11,276	\$ (11,276)	\$ -	\$ 17,334,889	0.07%
2023	\$ 9,902	\$ (9,902)	\$ -	\$ 15,922,914	0.06%
2024	\$ 12,739	\$ (12,739)	\$ -	\$ 18,360,720	0.07%
2025	\$ 13,962	\$ (13,962)	\$ -	\$ 21,299,117	0.07%
Retiree Medical Plan (RMP):					
2018	\$ 84,602	\$ (84,602)	\$ -	\$ 12,034,621	0.70%
2019	\$ 86,183	\$ (86,183)	\$ -	\$ 13,037,843	0.66%
2020	\$ 145,626	\$ (145,626)	\$ -	\$ 13,343,586	1.09%
2021	\$ 127,711	\$ (127,711)	\$ -	\$ 13,702,849	0.93%
2022	\$ 117,013	\$ (117,013)	\$ -	\$ 11,115,239	1.05%
2023	\$ 107,683	\$ (107,683)	\$ -	\$ 9,465,788	1.14%
2024	\$ 130,552	\$ (130,552)	\$ -	\$ 12,795,391	1.02%
2025	\$ 118,385	\$ (118,385)	\$ -	\$ 13,350,801	0.89%

See accompanying notes to Required Supplementary Information.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to the Required Supplementary Information

Year Ended June 30, 2025

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

Budgets and Budgetary Accounting

The annual budget for the General (School) Operating Fund and the Food Service Special Revenue Fund are adopted by the School Board for all operating revenues, expenditures, and interfund transfers. The budget, which is prepared and presented on a modified accrual basis of accounting, serves as a formal plan for expenditures and as a proposed means for financing them. No funds may be expended until the budget has been formally approved by the School Board.

The adopted General (School) Operating Fund budget are submitted to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations. The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs. The original and final revised and approved budget is presented in these financial statements. Expenditure authority for the General (School) Operating Fund and the Food Service Special Revenue Fund are limited to the total approved budget. There are no specific line item or category limitations.

Excess of expenditures over appropriations in the General (School) Operating Fund are funded through available fund balance.

Excess of Expenditures over Appropriations

The following functional expenditures in excess of functional budgets in the General (School) Operating Fund for the year ended June 30, 2025 were:

Instruction	\$	38,338
Special education support services - students		132,153
School administration support services		33,484
District administration		40,677
Operations and maintenance of plant		46,883
Total expenditures in excess of appropriations	\$	<u>291,535</u>

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

2. Public Employees' Retirement System

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

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to the Required Supplementary Information, Continued

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

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

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

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

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

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

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

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

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan

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

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

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

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

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

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

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

Schedule of District Contributions (Pension) and (OPEB)

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

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

3. Teachers' Retirement System

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

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

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

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

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

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

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

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

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

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

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plans

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

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

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

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

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

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

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

Schedule of District Contributions (Pension) and (OPEB)

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

SUPPLEMENTARY INFORMATION

NORTH SLOPE BOROUGH SCHOOL DISTRICT

General (School) Operating Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Borough appropriation	\$ 43,182,541	43,182,541	-
Borough in-kind contribution	4,692,000	5,754,783	1,062,783
Local sources:			
Earnings on investments	2,300,000	2,321,672	21,672
E-rate revenue	10,800,000	9,000,000	(1,800,000)
Other	180,096	259,936	79,840
Total local sources	<u>61,154,637</u>	<u>60,518,932</u>	<u>(635,705)</u>
Intergovernmental:			
State of Alaska:			
Foundation program	16,391,275	16,691,829	300,554
TRS on-behalf	3,586,700	2,877,590	(709,110)
PERS on-behalf	788,700	590,893	(197,807)
Other state	122,980	131,135	8,155
Quality Schools	100,000	87,887	(12,113)
HB268 Foundation Funding	3,220,000	3,735,199	515,199
Total State of Alaska	<u>24,209,655</u>	<u>24,114,533</u>	<u>(95,122)</u>
Federal sources:			
Direct sources - Impact Aid	3,303,000	3,348,750	45,750
Total revenues	<u>88,667,292</u>	<u>87,982,215</u>	<u>(685,077)</u>
Expenditures:			
Instruction:			
Certificated salaries	14,455,836	14,357,398	98,438
Non-certificated salaries	1,624,131	1,528,518	95,613
Employee benefits	9,488,373	9,541,306	(52,933)
Professional and technical services	369,700	364,800	4,900
Staff travel	49,700	38,209	11,491
Student travel	86,700	115,607	(28,907)
Utility services	2,100	2,678	(578)
Other purchased services	627,765	397,611	230,154
Supplies, materials and media	1,189,228	1,517,063	(327,835)
Tuition and stipends	1,300	1,275	25
Equipment	-	68,706	(68,706)
Total instruction	<u>27,894,833</u>	<u>27,933,171</u>	<u>(38,338)</u>
Special education instruction:			
Certificated salaries	1,657,595	1,687,867	(30,272)
Non-certificated salaries	747,901	664,708	83,193
Employee benefits	1,724,948	1,644,848	80,100
Staff travel	9,000	10,760	(1,760)
Student travel	2,000	-	2,000
Supplies, materials and media	19,000	3,497	15,503
Other	-	287	(287)
Total special education instruction	<u>4,160,444</u>	<u>4,011,967</u>	<u>148,477</u>
Special education support services - students:			
Certificated salaries	151,030	136,618	14,412
Non-certificated salaries	73,475	73,005	470
Employee benefits	138,033	140,870	(2,837)
Professional and technical services	35,000	192,860	(157,860)
Staff travel	15,000	10,634	4,366
Utility services	1,464	873	591
Other purchased services	4,350	2,444	1,906
Supplies, materials and media	37,550	30,751	6,799
Total special education support services - students	<u>455,902</u>	<u>588,055</u>	<u>(132,153)</u>

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

General (School) Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Support services - students:			
Certificated salaries	\$ 1,090,776	914,441	176,335
Non-certificated salaries	937,195	1,025,908	(88,713)
Employee benefits	1,448,978	1,477,499	(28,521)
Staff travel	10,000	7,238	2,762
Supplies, materials and media	79,500	46,654	32,846
Total support services - students	<u>3,566,449</u>	<u>3,471,740</u>	<u>94,709</u>
Support services - instruction:			
Certificated salaries	853,018	815,612	37,406
Non-certificated salaries	934,317	1,108,151	(173,834)
Employee benefits	1,175,256	1,216,630	(41,374)
Professional and technical services	122,000	174,202	(52,202)
Staff travel	169,147	127,050	42,097
Utility services	11,498,510	10,278,340	1,220,170
Other purchased services	693,060	707,458	(14,398)
Supplies, materials and media	434,938	213,176	221,762
Other	5,000	4,150	850
Equipment	52,527	83,263	(30,736)
Total support services - instruction	<u>15,937,773</u>	<u>14,728,032</u>	<u>1,209,741</u>
School administration:			
Certificated salaries	2,510,484	2,502,167	8,317
Employee benefits	1,373,426	1,097,971	275,455
Professional and Technical Services	5,000	2,800	2,200
Staff travel	36,000	11,745	24,255
Utility services	116,800	92,859	23,941
Other purchased services	133,800	88,103	45,697
Supplies, materials and media	64,700	70,525	(5,825)
Other	3,000	2,499	501
Total school administration	<u>4,243,210</u>	<u>3,868,669</u>	<u>374,541</u>
School administration support services:			
Non-certificated salaries	838,483	858,353	(19,870)
Employee benefits	718,634	732,248	(13,614)
Total school administration support services	<u>1,557,117</u>	<u>1,590,601</u>	<u>(33,484)</u>
District administration:			
Certificated salaries	175,000	175,000	-
Non-certificated salaries	640,910	600,619	40,291
Employee benefits	570,590	506,685	63,905
Professional and technical services	332,984	421,741	(88,757)
Student travel	177,000	217,503	(40,503)
Staff travel	20,000	33,095	(13,095)
Utility services	10,319	6,338	3,981
Other purchased services	54,197	62,534	(8,337)
Supplies, materials and media	65,700	63,471	2,229
Other	28,000	28,391	(391)
Total district administration	<u>2,074,700</u>	<u>2,115,377</u>	<u>(40,677)</u>

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

General (School) Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
District administration support services:			
Certificated salaries	82,500	41,250	41,250
Non-certificated salaries	\$ 1,881,598	1,678,933	202,665
Employee benefits	1,071,467	955,982	115,485
Professional and technical services	257,000	225,191	31,809
Staff travel	115,000	93,229	21,771
Utility services	15,200	8,311	6,889
Other purchased services	66,500	150,098	(83,598)
Insurance and bond premiums	393,300	438,884	(45,584)
Supplies, materials and media	47,000	154,087	(107,087)
Other	3,000	564	2,436
Indirect costs	(150,000)	(192,581)	42,581
Total district administration support services	3,782,565	3,553,948	228,617
Operations and maintenance of plant:			
Certificated salaries	65,500	41,250	24,250
Non-certificated salaries	5,140,978	4,973,366	167,612
Employee benefits	3,735,433	3,234,173	501,260
Staff travel	120,500	73,497	47,003
Utility services	419,900	450,932	(31,032)
Energy	3,398,500	2,958,431	440,069
Other purchased services	368,000	585,006	(217,006)
Insurance	3,813,018	4,650,001	(836,983)
Supplies, materials and media	894,029	1,080,475	(186,446)
Equipment	50,000	5,610	44,390
Total operations and maintenance of plant	18,005,858	18,052,741	(46,883)
Student activities:			
Certificated salaries	330,832	327,027	3,805
Non-certificated salaries	322,383	322,134	249
Employee benefits	194,225	245,653	(51,428)
Professional and technical services	104,440	126,393	(21,953)
Staff travel	12,000	1,413	10,587
Student travel	2,275,020	2,153,171	121,849
Other purchased services	6,000	7,656	(1,656)
Supplies, materials and media	34,500	37,471	(2,971)
Other	15,000	12,415	2,585
Total student activities	3,294,400	3,233,333	61,067
Total expenditures	84,973,251	83,147,634	1,825,617
Excess of revenues over expenditures	3,694,041	4,834,581	1,140,540

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

General (School) Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Other financing (uses):			
Transfers out:			
Special Revenue Funds:			
Student Transportation	(150,000)	(150,000)	-
Community Education	(200,000)	(200,000)	-
Food Service	(3,575,000)	(3,575,000)	-
Major Maintenance	(3,365,000)	(3,365,000)	-
Teacher Housing	(3,000,000)	(3,000,000)	-
Net other financing (uses)	<u>(10,290,000)</u>	<u>(10,290,000)</u>	<u>-</u>
Net change in fund balance	\$ <u>(6,595,959)</u>	<u>(5,455,419)</u>	<u>1,140,540</u>
Fund balance, beginning of year, as originally stated		\$ 21,662,607	
Change in accounting principle		<u>998,263</u>	
Fund balance, beginning of year, as restated		<u>22,660,870</u>	
Fund balance, end of year		\$ <u>17,205,451</u>	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Food Service Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Charges for services	\$ 10,000	7,250	(2,750)
Other	500,000	213,563	(286,437)
Total local revenue	510,000	220,813	(289,187)
Intergovernmental:			
Federal sources passed through the State of Alaska:			
Type A reimbursement	600,000	598,987	(1,013)
USDA commodities	100,000	84,481	(15,519)
Fresh fruits and vegetables	52,194	32,163	(20,031)
Total Federal sources passed through the State of Alaska	752,194	715,631	(36,563)
Total revenues	1,262,194	936,444	(325,750)
Expenditures:			
District administration support services			
Indirect costs	2,796	861	1,935
Food services:			
Certificated salaries	41,250	41,250	-
Non-certificated salaries	1,122,200	1,122,146	54
Employee benefits	796,400	796,388	12
Professional and technical services	20,000	20,000	-
Staff travel	20,000	20,049	(49)
Utility services	2,300	2,278	22
Other purchased services	18,600	18,553	47
Supplies, materials and media	3,399,398	3,380,793	18,605
Equipment	51,600	51,585	15
Total food services	5,471,748	5,453,042	18,706
Total expenditures	5,474,544	5,453,903	20,641
Excess (deficiency) of revenues over expenditures	(4,212,350)	(4,517,459)	(305,109)
Other financing sources:			
Transfers in - General (School) Operating Fund	3,575,000	3,575,000	-
Net change in fund balance	\$ (637,350)	(942,459)	(305,109)
Fund balance, beginning of year		6,673,306	
Fund balance, end of year		\$ 5,730,847	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2025

		Special Revenue Funds					
		Broadband Assistance	Student Transportation	Community Education	Title I-C Migrant Education	Title I-A School Improvement	Title II-A Supporting Effective Instruction
<u>Assets</u>							
Grants receivable		-	-	-	6,321	148,788	8,577
Prepaid items		-	-	-	-	-	-
Due from other funds		131,400	2,232,101	778,779	-	-	-
Total assets	\$	<u>131,400</u>	<u>2,232,101</u>	<u>778,779</u>	<u>6,321</u>	<u>148,788</u>	<u>8,577</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable		131,400	7,609	-	-	-	-
Unearned revenue		-	-	-	-	-	-
Due to other funds		-	-	-	6,321	148,788	8,577
Total liabilities		<u>131,400</u>	<u>7,609</u>	<u>-</u>	<u>6,321</u>	<u>148,788</u>	<u>8,577</u>
Fund balances:							
Nonspendable:							
Prepaid items		-	-	-	-	-	-
Committed:							
Operations and maintenance		-	-	-	-	-	-
Pupil transportation		-	2,224,492	-	-	-	-
Student activities		-	-	-	-	-	-
Assigned:							
Community education		-	-	778,779	-	-	-
Operations and maintenance		-	-	-	-	-	-
Total fund balances		<u>-</u>	<u>2,224,492</u>	<u>778,779</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$	<u>131,400</u>	<u>2,232,101</u>	<u>778,779</u>	<u>6,321</u>	<u>148,788</u>	<u>8,577</u>

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds					
	Title IV-A Student Support and Academic Enrichment	AK PBIS Initiative	Cyber Security	Carl Perkins	Johnson O'Malley	RUS USDA AK 740-016 Distance Learning and Telemedicine
<u>Assets</u>						
Grants receivable	56,275	6,269	40,520	37,363	-	739,116
Prepaid items	-	-	-	-	-	-
Due from other funds	-	-	-	-	139,857	-
Total assets	\$ 56,275	6,269	40,520	37,363	139,857	739,116
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Account payable	-	-	-	17,810	-	-
Unearned revenue	-	-	-	-	139,857	-
Due to other funds	56,275	6,269	40,520	19,553	-	739,116
Total liabilities	56,275	6,269	40,520	37,363	139,857	739,116
Fund balances:						
Nonspendable:						
Prepaid items	-	-	-	-	-	-
Committed:						
Operations and maintenance	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Assigned:						
Community education	-	-	-	-	-	-
Operations and maintenance	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-
Total liabilities and fund balances	\$ 56,275	6,269	40,520	37,363	139,857	739,116

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds			
	Major Maintenance	Teacher Housing	Student Activity	Total
<u>Assets</u>				
Grants receivable	-	-	-	1,043,229
Prepaid items	-	2,028,629	-	2,028,629
Due from other funds	2,988,219	2,228,877	1,030,652	9,529,885
Total assets	\$ 2,988,219	4,257,506	1,030,652	12,601,743
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Account payable	96,085	45,434	-	298,338
Unearned revenue	140,000	-	-	279,857
Due to other funds	-	-	-	1,025,419
Total liabilities	236,085	45,434	-	1,603,614
Fund balances:				
Nonspendable:				
Prepaid items	-	2,028,629	-	2,028,629
Committed:				
Operations and maintenance	2,752,134	1,342,758	-	4,094,892
Pupil transportation	-	-	-	2,224,492
Student activities	-	-	1,030,652	1,030,652
Assigned:				
Community education	-	-	-	778,779
Operations and maintenance	-	840,685	-	840,685
Total fund balances	2,752,134	4,212,072	1,030,652	10,998,129
Total liabilities and fund balances	\$ 2,988,219	4,257,506	1,030,652	12,601,743

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2025

	Special Revenue Funds						
	Broadband Assistance	Student Transportation	Community Education	Suicide Prevention	Student Risk Assessment	Alaska Reads	Title III-A English Language Acquisition
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	-	-	-	-
Other	-	-	60,000	-	-	-	-
Intergovernmental:							
State of Alaska	977,040	2,329,703	-	19,363	5,847	50,000	-
Federal sources	-	-	-	-	-	-	16,450
Total revenues	\$ 977,040	2,329,703	60,000	19,363	5,847	50,000	16,450
Expenditures:							
Current:							
Instruction	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-
Support services - students	-	-	-	18,326	-	-	-
Support services - instruction	977,040	-	-	-	-	47,322	15,569
School administration	-	-	-	-	-	-	-
District administration support services	-	-	-	1,037	-	2,678	881
Operations and maintenance of plant	-	-	-	-	-	-	-
Student activities	-	-	-	-	5,847	-	-
Student transportation - to and from school	-	2,683,224	-	-	-	-	-
Community services	-	-	191,413	-	-	-	-
Debt service:							
Redemption of principal on long-term debt	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-
Total expenditures	977,040	2,683,224	191,413	19,363	5,847	50,000	16,450
Excess (deficiency) of revenues over expenditures	-	(353,521)	(131,413)	-	-	-	-
Other financing sources -							
Transfers in	-	150,000	200,000	-	-	-	-
Net change in fund balances	-	(203,521)	68,587	-	-	-	-
Fund balances, beginning of year	-	2,428,013	710,192	-	-	-	-
Fund balances, end of year	\$ -	2,224,492	778,779	-	-	-	-

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds					
	Title I-A Basic	Title I-C Migrant Education	Title I-A School Improvement	Title II-A Supporting Effective Instruction	Title IV-A Student Support and Academic Enrichment	Title VI-B Special Education
Revenues:						
Local sources:						
Charges for services	\$ -	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
State of Alaska	-	-	-	-	-	-
Federal sources	902,015	51,559	220,760	201,818	155,183	526,858
Total revenues	\$ 902,015	51,559	220,760	201,818	155,183	526,858
Expenditures:						
Current:						
Instruction	711,880	23,895	11,462	-	60,452	-
Special education support services - students	-	-	-	-	-	498,635
Support services - students	6,946	-	2,970	-	19,116	-
Support services - instruction	134,870	24,902	194,502	171,810	67,302	-
School administration	-	-	-	19,197	-	-
District administration support services	48,319	2,762	11,826	10,811	8,313	28,223
Operations and maintenance of plant	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Debt service:						
Redemption of principal on long-term debt	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-
Total expenditures	902,015	51,559	220,760	201,818	155,183	526,858
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Other financing sources -						
Transfers in	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ -	-	-	-	-	-

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds						
	Alternative School Kiita	Cyber Security	Carl Perkins	Section 619 Preschool Disabled	Johnson O'Malley	Indian Education	Traditional Language Initiative
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Intergovernmental:							
State of Alaska	18,105	25,196	-	-	-	-	-
Federal sources	-	100,781	78,783	13,400	271,714	511,317	478,904
Total revenues	\$ 18,105	125,977	78,783	13,400	271,714	511,317	478,904
Expenditures:							
Current:							
Instruction	8,359	-	75,031	-	257,159	338,897	-
Special education support services - students	-	-	-	12,682	-	-	-
Support services - students	-	-	-	-	-	-	-
Support services - instruction	8,776	125,977	-	-	-	37,882	453,250
School administration	-	-	-	-	-	-	-
District administration support services	970	-	3,752	718	14,555	27,390	25,654
Operations and maintenance of plant	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	107,148	-
Student transportation - to and from school	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Debt service:							
Redemption of principal on long-term debt	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-
Total expenditures	18,105	125,977	78,783	13,400	271,714	511,317	478,904
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-
Other financing sources -							
Transfers in	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-
Fund balances, end of year	\$ -	-	-	-	-	-	-

(continued)

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds				
	RUS USDA AK 740-016 Distance Learning & Telemedicine	Major Maintenance	Teacher Housing	Student Activity	Total
Revenues:					
Local sources:					
Charges for services	\$ -	-	1,915,595	-	1,915,595
Other	-	-	-	450,183	510,183
Intergovernmental:					
State of Alaska	-	-	-	-	3,425,254
Federal sources	739,116	-	-	-	4,340,177
Total revenues	\$ 739,116	-	1,915,595	450,183	10,191,209
Expenditures:					
Current:					
Instruction	-	-	-	-	1,514,150
Special education support services - students	-	-	-	-	511,317
Support services - students	-	-	-	-	47,358
Support services - instruction	888,616	-	-	-	3,188,491
School administration	-	-	-	-	19,197
District administration support services	-	-	-	-	191,720
Operations and maintenance of plant	-	247,866	3,210,486	-	3,458,352
Student activities	-	-	-	551,040	664,035
Student transportation - to and from school	-	-	-	-	2,683,224
Community services	-	-	-	-	191,413
Debt service:					
Redemption of principal on long-term debt	-	-	8,881	-	8,881
Interest on long-term debt	-	-	1,919	-	1,919
Total expenditures	888,616	247,866	3,221,286	551,040	12,480,057
Excess (deficiency) of revenues over expenditures	(149,500)	(247,866)	(1,305,691)	(100,857)	(2,288,848)
Other financing sources -					
Transfers in	-	3,000,000	3,365,000	-	6,715,000
Net change in fund balances	(149,500)	2,752,134	2,059,309	(100,857)	4,426,152
Fund balances, beginning of year	149,500	-	2,152,763	1,131,509	6,571,977
Fund balances, end of year	\$ -	2,752,134	4,212,072	1,030,652	10,998,129

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Broadband Assistance Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska	\$ 1,108,440	977,040	(131,400)
Expenditures:			
Support services - instruction:			
Utility services	1,108,440	977,040	131,400
Excess (deficiency) of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Student Transportation Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska	\$ 2,330,000	2,329,703	(297)
Expenditures:			
Student transportation - to and from school:			
Certificated salaries	41,800	41,250	550
Non-certificated salaries	1,375,000	1,446,943	(71,943)
Employee benefits	800,000	787,218	12,782
Professional and technical services	1,000	838	162
Staff travel	54,000	55,717	(1,717)
Utility services	9,000	7,175	1,825
Energy	31,000	21,744	9,256
Other purchased services	47,000	46,658	342
Supplies, materials and media	258,000	275,561	(17,561)
Other	200	120	80
Total expenditures	2,617,000	2,683,224	(66,224)
Excess (deficiency) of revenues over expenditures	(287,000)	(353,521)	(66,521)
Other financing sources:			
Transfers in - General (School) Operating Fund	150,000	150,000	-
Net change in fund balance	\$ (137,000)	(203,521)	(66,521)
Fund balance, beginning of year		2,428,013	
Fund balance, end of year		\$ 2,224,492	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Community Education Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Other	\$ 60,000	60,000	-
Expenditures:			
Community services:			
Non-certificated salaries	266,000	164,240	101,760
Employee benefits	22,000	17,568	4,432
Supplies, materials and media	22,800	9,605	13,195
Total expenditures	310,800	191,413	119,387
Excess (deficiency) of revenues over expenditures	(250,800)	(131,413)	(119,387)
Other financing sources:			
Transfers in - General (School) Operating Fund	200,000	200,000	-
Net change in fund balance	\$ (50,800)	68,587	119,387
Fund balance, beginning of year		710,192	
Fund balance, end of year		\$ 778,779	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Suicide Prevention Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska	\$ 26,500	19,363	(7,137)
Expenditures:			
Support services - students:			
Staff travel	1,000	-	1,000
Supplies, materials and media	24,080	18,326	5,754
Total support services - students	25,080	18,326	6,754
District administration support services:			
Indirect costs	1,420	1,037	383
Total expenditures	26,500	19,363	7,137
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Student Risk Assessment Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska	\$ 5,847	5,847	-
Expenditures:			
Student activities:			
Student travel	5,847	5,847	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Alaska Reads Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska	\$ 50,000	50,000	-
Expenditures:			
Support services - instruction:			
Other purchased services	47,322	47,322	-
District administration support services:			
Indirect costs	2,678	2,678	-
Total expenditures	50,000	50,000	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title III-A English Language Acquisition Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 16,770	16,450	(320)
Expenditures:			
Support services - instruction:			
Certificated salaries	9,804	10,785	(981)
Employee benefits	4,804	4,784	20
Supplies, materials and media	1,264	-	1,264
Total support services - instruction	15,872	15,569	303
District administration support services:			
Indirect costs	898	881	17
Total expenditures	16,770	16,450	320
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title I-A Basic Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 902,015	902,015	-
Expenditures:			
Instruction:			
Certificated salaries	455,433	481,049	(25,616)
Non-certificated salaries	4,000	-	4,000
Employee benefits	186,106	195,381	(9,275)
Supplies, materials and media	41,250	35,450	5,800
Total instruction	686,789	711,880	(25,091)
Support services - students:			
Supplies, materials and media	7,946	6,946	1,000
Support services - instruction:			
Certificated salaries	51,900	43,250	8,650
Employee benefits	25,431	20,791	4,640
Professional and technical services	31,630	31,630	-
Staff travel	42,000	32,252	9,748
Supplies, materials and media	8,000	6,947	1,053
Total support services - instruction	158,961	134,870	24,091
District administration support services:			
Indirect costs	48,319	48,319	-
Total expenditures	902,015	902,015	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title I-C Migrant Education Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 92,722	51,559	(41,163)
Expenditures:			
Instruction:			
Supplies, materials and media	25,000	23,895	1,105
Support services - instruction:			
Certificated salaries	6,855	6,854	1
Non-certificated salaries	19,000	7,500	11,500
Employee benefits	4,342	4,359	(17)
Supplies, materials and media	32,558	6,189	26,369
Total support services - instruction	62,755	24,902	37,853
District administration support services:			
Indirect costs	4,967	2,762	2,205
Total expenditures	92,722	51,559	41,163
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title I-A School Improvement Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 280,759	220,760	(59,999)
Expenditures:			
Instruction:			
Non-certificated salaries	16,300	4,313	11,987
Employee benefits	1,684	423	1,261
Supplies, materials and media	7,500	6,726	774
Total instruction	25,484	11,462	14,022
Support services - students:			
Student travel	2,700	2,970	(270)
Support services - instruction:			
Professional and technical services	82,479	77,373	5,106
Staff travel	52,250	30,341	21,909
Other purchased services	6,288	5,962	326
Supplies, materials and media	96,518	80,826	15,692
Total support services - instruction	237,535	194,502	43,033
District administration support services:			
Indirect costs	15,040	11,826	3,214
Total expenditures	280,759	220,760	59,999
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title II-A Supporting Effective Instruction Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 224,963	201,818	(23,145)
Expenditures:			
Support services - instruction:			
Certificated salaries	73,619	80,981	(7,362)
Employee benefits	41,601	45,762	(4,161)
Professional and technical services	26,517	24,487	2,030
Staff travel	21,000	20,580	420
Other purchased services	5,000	-	5,000
Total support services - instruction	167,737	171,810	(4,073)
School administration:			
Staff travel	45,175	19,197	25,978
District administration support services:			
Indirect costs	12,051	10,811	1,240
Total expenditures	224,963	201,818	23,145
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title IV-A Student Support and Academic Enrichment Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 179,812	155,183	(24,629)
Expenditures:			
Instruction:			
Non-certificated salaries	26,750	28,075	(1,325)
Employee benefits	13,070	14,377	(1,307)
Other purchased services	17,837	18,000	(163)
Supplies, materials and media	3,900	-	3,900
Total instruction	61,557	60,452	1,105
Support services - students:			
Supplies, materials and media	19,141	19,116	25
Support services - instruction:			
Professional and technical services	54,482	43,281	11,201
Staff travel	35,000	24,021	10,979
Total support services - instruction	89,482	67,302	22,180
District administration support services:			
Indirect costs	9,632	8,313	1,319
Total expenditures	179,812	155,183	24,629
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

AK PBIS Initiative Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 85,655	71,519	(14,136)
Expenditures:			
Instruction:			
Supplies, materials and media	36,826	27,015	9,811
Support services - instruction:			
Staff travel	38,000	34,432	3,568
Other purchased services	6,241	6,241	-
Total support services - instruction	44,241	40,673	3,568
District administration support services:			
Indirect costs	4,588	3,831	757
Total expenditures	85,655	71,519	14,136
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Title VI-B Special Education Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 526,858	526,858	-
Expenditures:			
Special education support services - students:			
Professional and technical services	498,635	498,635	-
District administration support services:			
Indirect costs	28,223	28,223	-
Total expenditures	526,858	526,858	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Alternative School Kiita Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska	\$ 20,800	18,105	(2,695)
Expenditures:			
Instruction:			
Other purchased services	2,100	2,100	-
Supplies, materials and media	6,436	6,259	177
Total instruction	8,536	8,359	177
Support services - instruction:			
Professional and technical services	1,150	1,150	-
Staff travel	10,000	7,626	2,374
Total support services - instruction	11,150	8,776	2,374
District administration support services:			
Indirect costs	1,114	970	144
Total expenditures	20,800	18,105	2,695
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Cyber Security Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Intergovernmental:			
State of Alaska	\$ 25,196	25,196	-
Federal sources passed through the State of Alaska	100,781	100,781	-
Total revenues	<u>125,977</u>	<u>125,977</u>	<u>-</u>
Support services - instruction -			
Other purchased services	<u>125,977</u>	<u>125,977</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Carl Perkins Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 92,963	78,783	(14,180)
Expenditures:			
Instruction:			
Professional and technical services	10,500	10,775	(275)
Staff travel	24,000	14,599	9,401
Student travel	42,586	38,207	4,379
Other purchased services	11,450	11,450	-
Total instruction	88,536	75,031	13,505
District administration support services:			
Indirect costs	4,427	3,752	675
Total expenditures	92,963	78,783	14,180
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Section 619 Preschool Disabled Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	\$ 13,400	13,400	-
Expenditures:			
Special education support services - students:			
Professional and technical services	12,682	12,682	-
District administration support services:			
Indirect costs	718	718	-
Total expenditures	13,400	13,400	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Johnson O'Malley Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Direct federal sources	\$ 410,201	271,714	(138,487)
Expenditures:			
Instruction:			
Non-certificated salaries	9,000	4,420	4,580
Employee benefits	1,981	906	1,075
Professional and technical services	65,523	6,400	59,123
Staff travel	16,000	16,008	(8)
Student travel	221,400	161,740	59,660
Supplies, materials and media	75,403	67,685	7,718
Total instruction	389,307	257,159	132,148
District administration support services:			
Indirect costs	20,894	14,555	6,339
Total expenditures	410,201	271,714	138,487
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Indian Education Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Direct federal sources	\$ 511,317	511,317	-
Expenditures:			
Instruction:			
Certificated salaries	231,821	243,900	(12,079)
Employee benefits	97,474	91,254	6,220
Student travel	-	604	(604)
Supplies, materials and media	5,000	3,139	1,861
Total instruction	334,295	338,897	(4,602)
Support services- instruction:			
Supplies, materials and media	42,632	37,882	4,750
District administration support services:			
Indirect costs	27,390	27,390	-
Student activities:			
Certificated salaries	15,000	15,011	(11)
Employee benefits	-	2,424	(2,424)
Student travel	81,000	81,000	-
Supplies, materials and media	11,000	8,713	2,287
Total student activities	107,000	107,148	(148)
Total expenditures	511,317	511,317	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Traditional Language Initiative Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Direct federal sources	\$ 580,000	478,904	(101,096)
Expenditures:			
Support services- instruction:			
Professional and technical services	48,931	-	48,931
Supplies, materials and media	500,000	453,250	46,750
Total support services - instruction	548,931	453,250	95,681
District administration support services:			
Indirect costs	31,069	25,654	5,415
Total expenditures	580,000	478,904	101,096
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

RUS USDA AK 740-016 Distance Learning and Telemedicine Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Direct federal sources	\$ 987,952	739,116	(248,836)
Expenditures:			
Support services- instruction:			
Other purchased services	791,000	542,500	248,500
Supplies, materials and media	228,744	228,744	-
Equipment	117,708	117,372	336
Total expenditures	1,137,452	888,616	248,836
Excess (deficiency) of revenues over expenditures	\$ (149,500)	(149,500)	-
Fund balance, beginning of year		149,500	
Fund balance, end of year		\$ -	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Major Maintenance Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources	\$ -	-	-
Operations and maintenance of plant:			
Equipment	3,000,000	247,866	2,752,134
Excess (deficiency) of revenues over expenditures	(3,000,000)	(247,866)	(2,752,134)
Transfers in - General (School) Operating Fund	3,000,000	3,000,000	-
Net change in fund balance	\$ -	2,752,134	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ 2,752,134	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Teacher Housing Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Charges for services	\$ 1,915,600	1,915,595	(5)
Expenditures:			
Operations and maintenance of plant:			
Non-certificated salaries	528,800	478,093	50,707
Employee benefits	242,300	242,231	69
Utility services	433,600	433,708	(108)
Energy	541,300	541,240	60
Other purchased services	1,320,600	1,301,166	19,434
Supplies, materials and media	2,214,000	214,048	1,999,952
Total operations and maintenance of plant	5,280,600	3,210,486	2,070,114
Debt service:			
Principal	-	1,919	(1,919)
Interest	-	8,881	(8,881)
Total debt service	-	10,800	(10,800)
Total expenditures	5,280,600	3,221,286	2,059,314
Excess (deficiency) of revenues over expenditures	(3,365,000)	(1,305,691)	2,059,309
Transfers in - General (School) Operating Fund	3,365,000	3,365,000	-
Net change in fund balance	\$ -	2,059,309	2,059,309
Fund balance, beginning of year		2,152,763	
Fund balance, end of year		\$ 4,212,072	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Student Activity Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Other	\$ 552,000	450,183	(101,817)
Expenditures:			
Student activities:			
Supplies, materials and media	552,000	551,040	960
Excess (deficiency) of revenues over expenditures	\$ -	(100,857)	(100,857)
Fund balance, beginning of year		1,131,509	
Fund balance, end of year		\$ 1,030,652	

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Schedule of Compliance - AS 14.17.505

June 30, 2025

Total fund balance - School Operating Fund	\$	17,205,451
less exemptions per 4 AAC 09.160(a)		
Prepaid items		1,814,501
Encumbrances		4,420,231
Federal impact aid received		<u>3,348,750</u>
Fund Balance Subject to 10% Limitation	\$	<u>7,621,969</u>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	\$	<u>7,621,969</u>	=	<u>9.17%</u>
Current year expenditures		83,147,634		

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Schedule of State Financial Assistance

Year Ended June 30, 2025

<u>Grant Title</u>	<u>Grant Number</u>	<u>Grant Award</u>	<u>Eligible Expenditures</u>
State of Alaska, Department of Education and Early Development:			
Foundation	None	\$ 16,691,829	16,691,829
Disparity test	None	1,081	1,081
* HB268 One time Foundation Funding	None	3,735,199	3,735,199
Quality Schools	None	87,887	87,887
* Broadband Assistance 2024 Settlement	None	120,000	120,000
PFD Dividend Raffle	None	10,054	10,054
* Broadband Assistance	BA 25.NSSD.01	1,108,440	977,040
Student Transportation	None	2,105,683	2,105,683
* HB268 One time Student Transportation Funding	None	224,020	224,020
Suicide Prevention	SP 25.NSSD.01	26,500	19,363
Student Risk Assessment	2025-YRBS	5,847	5,847
Alaska Reads	DR.25. NSSD 01	50,000	50,000
Alternative School Kiita	BH 25 NSSD 01	20,800	18,105
Total Department of Education and Early Development		<u>24,187,340</u>	<u>24,046,108</u>
State of Alaska, Department of Military and Veterans Affairs:			
State and Local Cybersecurity Program	23SLCGP-GY23	<u>25,196</u>	<u>25,196</u>
Total state financial assistance		\$ <u><u>24,212,536</u></u>	<u><u>24,071,304</u></u>

See accompanying notes to the Schedule.

NORTH SLOPE BOROUGH SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2025

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Subrecipients

No state funds were passed through to subrecipients.

Note 4. Major Programs

* denotes a major program for compliance audit purposes.

Note 5. Reconciliation of State Expenditures to the Financial Statements

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

Total State Financial Assistance	\$	24,071,304
PERS On-Behalf		590,893
TRS On-Behalf		<u>2,877,590</u>
Total State Revenue	\$	<u><u>27,539,787</u></u>

COMPLIANCE REPORTS

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

Independent Auditor's Report

Members of the School Board
North Slope Borough School District
Utqiagvik, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Slope Borough School District, a component unit of the North Slope Borough, Alaska, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise North Slope Borough School District's basic financial statements, and have issued our report thereon dated September 10, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Altman, Rogers & Co.

Anchorage, Alaska
September 10, 2025

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

Independent Auditor's Report

Members of the School Board
North Slope Borough School District
Utqiagvik, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on North Slope Borough School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and State of Alaska Audit Guide requirements will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about North Slope Borough School 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 North Slope Borough School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of North Slope Borough School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of North Slope Borough School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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. Accordingly, this report is not suitable for any other purpose.



Anchorage, Alaska
September 10, 2025

NORTH SLOPE BOROUGH SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness identified?

_____ Yes X No

Significant deficiency identified?

_____ Yes X None reported

Noncompliance material to the financial statements noted?

_____ Yes X No

State Financial Assistance

Internal control over major programs:

Material weakness identified?

_____ Yes X No

Significant deficiency identified?

_____ Yes X None reported

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

Unmodified

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II – Financial Statement Findings

North Slope Borough School District did not have any findings that related to the financial statements.

Section III – State Award Findings and Questioned Costs

North Slope Borough School District did not have any findings related to State awards.