NWABSD Board of Education Work Session

Thursday, November 12, 2026 4:00 PM
District Office Boardroom, 744 Third Ave., Kotzebue, AK 99752

1.	**4:00 p.m. Presentation**	**FY26 General Fund Finance Audit**	**Presenter:** Alman, Roger & Co

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

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

Year Ended June 30, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

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

Year Ended June 30, 2026

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NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

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Independent Auditor's Report

Members of the School Board
Northwest Arctic Borough School District
Kotzebue, 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 the Northwest Arctic Borough School District (the District), a component unit of the Northwest Arctic Borough, Alaska, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwest Arctic Borough School District as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Northwest Arctic 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

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.

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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 Northwest Arctic 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 the Northwest Arctic 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 the Northwest Arctic 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.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Information on page 40 and the Schedules of the District's Proportionate Share of the Net Pension and OPEB Liabilities and Assets and Contributions for the Public Employees' Retirement System and the Teachers' Retirement System, and the Notes to the Required Supplementary Information on pages 41-53 be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Northwest Arctic Borough School District's basic financial statements. The information listed in the table of contents as "Supplementary Information", which includes Major Governmental Funds: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the School Operating Fund; Other Governmental Funds: Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits); Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (where applicable) – Special Revenue Funds; Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) – Capital Project Funds; Schedule of Compliance AS 14.17.505; Schedule of Expenditures of Federal Awards and related notes to schedule, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and Schedule of State Financial Assistance and related notes to schedule 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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated Month XX, 2026 on our consideration of the Northwest Arctic 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 Northwest Arctic 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 Northwest Arctic Borough School District's internal control over financial reporting and compliance.

Anchorage, Alaska
Month XX, 2026

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BASIC FINANICAL STATEMENTS

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FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Statement of Net Position

June 30, 2026

	Governmental Activities
Assets and Deferred Outflows of Resources	
Current assets:	
Cash and cash equivalents	$ 24,218,302
Accounts receivable	6,290,620
Prepaid items	19,615
Inventory	1,985,639
Total current assets	32,514,176
Long-term assets:	
Assets to be contributed (construction in progress), not being depreciated	7,570,159
Depreciable capital assets, net of accumulated depreciation	2,305,744
Net OPEB assets	16,593,896
Total long-term assets	26,469,799
Deferred outflows of resources:	
Pension and OPEB deferrals	2,653,169
Total assets and deferred outflows of resources	$ 61,637,144
Liabilities and Deferred Inflows of Resources	
Current liabilities:	
Accounts payable	738,396
Accrued payroll liabilities	4,070,771
Unearned revenue	9,715,816
Compensated absences	1,377,448
Total current liabilities	15,902,431
Long-term liabilities:	
Net pension liabilities	22,359,807
Deferred inflows of resources:	
Pension and OPEB deferrals	2,010,156
Total liabilities and deferred inflows of resources	40,272,394
Net Position	
Net investment in capital assets	9,875,903
Restricted	1,393,973
Unrestricted	10,094,874
Total net position	21,364,750
Total liabilities, deferred inflows of resources, and net position	$ 61,637,144

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

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NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Statement of Activities

Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental activities:					
Instruction	$ 18,098,047	211,091	5,429,835	-	(12,457,121)
Special education instruction	5,680,333	-	152,130	-	(5,528,203)
Special education support services - students	1,840,174	-	1,773,747	-	(66,427)
Support services - students	2,268,188	-	411,869	-	(1,856,319)
Support services - instruction	17,174,948	-	2,793,777	24,963	(14,356,208)
School administration	3,623,057	-	486,306	-	(3,136,751)
School administration support services	1,472,261	-	115,839	-	(1,356,422)
District administration	1,533,001	-	23,007	-	(1,509,994)
District administration support services	3,543,865	-	416,710	-	(3,127,155)
Operations and maintenance of plant	19,769,363	493,098	-	3,505,162	(15,771,103)
Student activities	3,110,078	-	744,020	-	(2,366,058)
Student transportation - to and from school	35,110	-	51,794	-	16,684
Adult and continuing education instruction	1,638,224	-	1,627,046	-	(11,178)
Food services	3,430,244	20,661	2,049,875	-	(1,359,708)
Total governmental activities	$ 83,216,893	724,850	16,075,955	3,530,125	(62,885,963)

General revenues and transfers:	
Borough appropriations	$ 10,216,650
Investment income	645,268
Grants not restricted to specific programs	43,366,375
E-rate	11,539,707
Other	2,556,064
Capital assets transferred to the Borough	(64,861,446)
Total general revenues and transfers	3,462,618
Change in net position	(59,423,345)
Net position - beginning of year	80,788,095
Net position, end of year	$ 21,364,750

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

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NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Balance Sheet - Governmental Funds

June 30, 2026

		School Operating Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$	24,218,302	-	24,218,302
Accounts receivable		2,572,216	3,718,404	6,290,620
Inventory		1,917,199	68,440	1,985,639
Prepaid items		14,605	5,010	19,615
Due from other funds		3,395,319	15,314,328	18,709,647
Total assets	$	32,117,641	19,106,182	51,223,823
Liabilities and Fund Balances				
Liabilities:				
Accounts payable		535,396	203,000	738,396
Accrued payroll liabilities		4,055,349	15,422	4,070,771
Unearned revenue		537,000	9,178,816	9,715,816
Due to other funds		15,314,328	3,395,319	18,709,647
Total liabilities		20,442,073	12,792,557	33,234,630
Fund balances:				
Nonspendable		1,931,804	73,450	2,005,254
Restricted		-	1,393,973	1,393,973
Assigned		5,807,408	5,055,241	10,862,649
Unassigned		3,936,356	(209,039)	3,727,317
Total fund balances		11,675,568	6,313,625	17,989,193
Total liabilities and fund balances	$	32,117,641	19,106,182	51,223,823

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

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NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position

June 30, 2026

Total fund balances of governmental funds		$ 17,989,193
Total net assets reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation, consist of:		
Assets to be contributed (construction in progress)	$ 7,570,159	
Vehicles	2,210,346	
Teacher housing	1,410,357	
Machinery and equipment	4,648,488	
Total capital assets	15,839,350	
Accumulated depreciation	(5,963,447)	
Total capital assets, net		9,875,903
Long-term liabilities are not due in the current period, and therefore, are not reported in the funds;		
Compensated absences		(1,377,448)
Long-term liabilities reported in these statements consist of:		
Proportionate share of the collective net pension liability:		
PERS	(11,793,275)	
TRS	(10,566,532)	(22,359,807)
Proportionate share of the collective OPEB asset:		
PERS	6,901,270	
TRS	9,692,626	16,593,896
Deferred inflows and outflows of resources are the result of timing differences in the actuarial report:		
Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources.		
PERS	1,575,148	
TRS	1,078,021	2,653,169
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources.		
PERS	(775,480)	
TRS	(1,234,676)	(2,010,156)
Net position of governmental activities		$ 21,364,750

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

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NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2026

	School Operating Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Local sources:			
Earnings on investment	$ 645,268	-	645,268
E-rate revenue	11,539,707	-	11,539,707
Charges for services	-	724,850	724,850
Other	2,556,064	3,258,437	5,814,501
Intergovernmental:			
Borough appropriations	10,216,650	191,911	10,408,561
State of Alaska	43,466,973	5,956,271	49,423,244
Federal sources	3,386,184	11,903,326	15,289,510
Total revenues	71,810,846	22,034,795	93,845,641
Expenditures:			
Current:			
Instruction	16,771,201	5,675,376	22,446,577
Special education instruction	7,186,995	-	7,186,995
Special education support services - students	1,062,608	916,817	1,979,425
Support services - students	-	2,258,970	2,258,970
Support services - instruction	14,416,999	3,089,270	17,506,269
School administration	3,822,760	721,127	4,543,887
School administration support services	1,347,353	281,440	1,628,793
District administration	1,706,146	6,707	1,712,853
District administration support services	2,977,872	958,045	3,935,917
Operations and maintenance of plant	18,705,871	1,345,654	20,051,525
Student activities	1,952,811	1,190,859	3,143,670
Student transportation - to and from school	-	35,110	35,110
Adult and continuing education instruction	1,714	1,627,046	1,628,760
Food services	174,171	3,259,774	3,433,945
Construction and facilities acquisition	-	2,665,358	2,665,358
Total expenditures	70,126,501	24,031,553	94,158,054
Excess (deficiency) of revenues over expenditures	1,684,345	(1,996,758)	(312,413)
Other financing sources (uses):			
Transfers in	1,232,989	3,643,463	4,876,452
Transfers out	(1,876,324)	(3,000,128)	(4,876,452)
Net other financing sources (uses)	(643,335)	643,335	-
Net change in fund balances	1,041,010	(1,353,423)	(312,413)
Fund balances, beginning of year, as originally stated	10,634,558	7,667,048	18,301,606
Fund balances, end of year	$ 11,675,568	6,313,625	17,989,193

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

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NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Reconciliation of Changes in Fund Balances of
Governmental Funds to Statement of Activities

Year Ended June 30, 2026

Net change in fund balances - total governmental funds			$ (312,413)
The change in net position reported for governmental activities in the Statement of Activities is different because:			
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These are the amounts reported for capital outlay and depreciation.			
Capital outlay	$ 2,790,776		
Depreciation expense	(354,215)		2,436,561
Construction in progress should exclude costs of capital assets that will be transferred to another government upon completion, while governmental funds are shown as expenditures.			
Completed construction transferred to Northwest Arctic Borough			(64,861,446)
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.			
Changes in compensated absences			(96,687)
Change in the unfunded net pension and OPEB liabilities:			
PERS	2,634,676		
TRS	3,188,352		5,823,028
Changes in deferred inflows and outflows of resources are the results of timing differences in the actuarial report and adjustments to reflect employer and non-employer contributions based on the measurement date of the liabilities.			
PERS	(1,167,867)		
TRS	(1,244,521)		(2,412,388)
Change in net position of governmental activities			$ (59,423,345)

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

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying financial statements include all the activities of the Northwest Arctic Borough School District (the District). The District is a component unit of the Northwest Arctic Borough, Alaska.

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

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. The District engages only in governmental activities, which are normally supported by intergovernmental revenues. It does not engage in business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any component units.

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

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

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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 as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due.

The District reports the following major governmental funds based on the required quantitative criteria:

The *School Operating Fund* is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operations except those required to be accounted for in other funds.

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

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

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 during the reporting period. Actual results could differ from those estimates.

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

Intergovernmental Revenue

State of Alaska public school funding (foundation) and pupil transportation revenues, federal impact aid, and federal aid for the school lunch program are susceptible to accrual and are recorded in the year to which they relate. State of Alaska and Federal government cost reimbursable grants and contracts are recorded to the extent of allowable expenditures in the period which the expenditures were incurred.

Revenues from the Northwest Arctic Borough are recorded as intergovernmental revenues and are susceptible to accrual and are recorded in the year of the Borough appropriation.

Local Revenue

Interest earned is recorded in the School Operating Fund unless otherwise specified by the awarding source. Rental income from District owned property is recorded in the period to which it relates. Both interest and rental income is susceptible to accrual.

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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position / Fund Balance

1. Cash and Cash Equivalents

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

2. Receivables and Payables

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

Accounts receivable are comprised of amounts due from the federal government, State of Alaska, and other local sources.

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No receivables are deemed uncollectible and no allowance for uncollectible accounts has been established accordingly.

3. Inventory and Prepaid Items

Teaching and maintenance supplies are recorded as expenditures when purchased rather than as consumed. Accounting for inventory of heating fuel and food supplies is on the consumption method. The consumption method records the expenditures when consumed rather than when purchased. Inventories are valued at cost using the first-in, first-out (FIFO) method. Payments made to vendors for services that are applicable to future accounting periods are recorded as prepaid items. Reported inventories and prepaid items are equally offset by a fund balance classified as nonspendable, which indicates they do not constitute "available spendable resources" even though they are a component of current assets.

4. Capital Assets

Capital assets, which include equipment and improvements to property, 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 an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Land, buildings, infrastructure assets, and construction-in-progress are reported by the Northwest Arctic Borough since they hold the title to the land and buildings, and engage the architects, engineers, and contractors to construct new facilities.

5. Assets to be Contributed

Assets to be contributed represent construction in progress that, when completed, will be transferred to the Northwest Arctic Borough. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Equipment and improvements to property of the District are depreciated using the straight line method over the following estimated useful lives:

Assets:	Years
Office equipment	7-30
Computer equipment	3-7
Vehicles	7
Furniture	10-30
Other equipment	5-15

Works of art are not depreciated if the art work is removable from the building. Artwork that has become part of the building such as ceramic walls is depreciated over 70 years.

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6. Deferred Inflows and Deferred Outflows of Resources

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.

7. Unearned Revenue

Unearned revenues arise when resources are received before the School District has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when there is a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

8. 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.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, the face amount of the debt issued is reported as other financing sources and an expenditure of the fund incurring the debt. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Debt incurred for construction of school facilities is the obligation of the Borough; therefore, it is not included in the District's government-wide statement of net position.

10. Pensions and Other Post Employment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expenses, 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.

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11. Fund Balance

The governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

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

Committed fund balance can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the School Board-the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the School Board removes the specified use by taking the same type of action imposing the commitment.

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

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

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

12. 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.

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13. 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.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted by the School Board for all revenues, expenditures and interfund transfers of all Special Revenue Funds, except for the Student Activity Special Revenue Fund. Budgets are prepared and presented on the modified accrual basis of accounting.

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

Any transfers of appropriations between funds of over $50,000 require the approval of the School Board. All transfers not requiring approval are reported to the School Board. The School Operating Fund level of budgetary control is at the fund level. Annual budgets of the various Special Revenue Funds are prepared in connection with the application for the special programs' award.

Project budgets are adopted for the various Capital Project Funds based on the lives of the construction projects. Expenditure authority is limited to the actual combined revenue and transfers from other funds or to budgeted amounts, if greater than actual.

III. Cash and Investments

The District maintains a central treasury that is available for use by all the funds. Each fund's portion of the central treasury is displayed on the balance sheet as "due to/from other funds."

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At year end, the District's carrying amount is $24,218,302 in governmental funds with combined bank balances of $8,311,997. The bank balances were covered by Federal Depository Insurance up to $250,000 and the remainder has been covered by a collateralization agreement. The District had no uninsured and uncollateralized balances at June 30, 2026.

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Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the District's deposits and investment balances to the financial statements as of June 30, 2026:

Bank deposits	$	7,660,183
Investments - cash equivalents		16,558,119
Total cash and cash equivalents	$	24,218,302

IV. Accounts Receivable

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

		School Operating Fund	Other Governmental Funds	Total
Accounts receivable:				
Grants	$	-	3,718,404	3,718,404
Other		2,572,216	-	2,572,216
Total	$	2,572,216	3,718,404	6,290,620

V. Capital Assets

Capital assets accounted for by the District include the following:

		Balance July 1, 2025	Additions	Transfers and Deletions	Balance June 30, 2026
Capital assets not being depreciated:					
Assets to be contributed - CIP	$	69,881,989	2,549,616	(64,861,446)	7,570,159
Capital assets being depreciated:					
Vehicles		2,173,974	36,372	-	2,210,346
Machinery and equipment		4,443,700	204,788	-	4,648,488
Teacher housing		1,410,357	-	-	1,410,357
Total capital assets being depreciated		8,028,031	241,160	-	8,269,191
Accumulated depreciation:					
Vehicles		1,331,378	147,349	-	1,478,727
Machinery and equipment		4,049,691	171,607	-	4,221,298
Teacher housing		228,163	35,259	-	263,422
Total accumulated depreciation		5,609,232	354,215	-	5,963,447
Net depreciable capital assets		2,418,799	(113,055)	-	2,305,744
Total capital assets	$	72,300,788	2,436,561	(64,861,446)	9,875,903

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During the year the District completed and transferred capital assets to the Northwest Arctic Borough of $64,861,446.

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

Instruction	$	115,538
Special education instruction		1,584
Operations and maintenance of plant		188,658
Student activities		45,295
Food services		3,140
Total depreciation expense	$	354,215

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VI. Fund Balance

The District follows the provisions of GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance, reported in the major funds and the nonmajor funds in the aggregate on the governmental funds balance sheet is subject to the following constraints:

June 30, 2026	School Operating Fund	Other Governmental Funds	Total
Nonspendable:			
Inventory	$ 1,917,199	5,010	1,922,209
Prepaid items	14,605	68,440	83,045
Total nonspendable	1,931,804	73,450	2,005,254
Restricted:			
Special Revenue Funds:			
Student Transportation	-	16,684	16,684
Medical Assistance	-	167,975	167,975
Student Activities	-	1,155,928	1,155,928
Capital Project Funds:			
Impact Aid Capital	-	53,386	53,386
Total restricted	-	1,393,973	1,393,973
Assigned:			
Self-insurance	2,421,224	-	2,421,224
Impact Aid Capital	3,386,184	-	3,386,184
Special Revenue Funds:			
Facilities Housing	-	39,548	39,548
Title I-C Migrant Education	-	53	53
Youth Leaders Program	-	6,779	6,779
Maniilaq Counselor Program	-	11,421	11,421
Capital Project Funds:			
District Technology	-	599,365	599,365
Local Funded Maintenance	-	312,633	312,633
CIP Reserves Local Share	-	3,048,925	3,048,925
AHFC Buckland Duplex THP-23-NAB-1	-	23,993	23,993
AHFC Buckland Duplex THP-23-NAB-2	-	15,296	15,296
Alaska Technical Center Family Housing	-	17,452	17,452
Magnet School (ATC) Expansion Project	-	673,518	673,518
Selawik Renovations	-	306,258	306,258
Total assigned	5,807,408	5,055,241	10,862,649
Unassigned	3,936,356	(209,039)	3,727,317
Total fund balances	$ 11,675,568	6,313,625	17,989,193

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VII. Interfund Receivables and Payables and Transfers

Interfund receivables and payables are shown as "due to other funds" and "due from other funds" in each of the individual funds. These balances at June 30, 2026, were as follows:

Receivable Fund	Payable Fund	Amount
Other Governmental Funds	School Operating Fund	$ 15,314,328
School Operating Fund	Other Governmental Funds	3,395,319
Total		$ 18,709,647

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

Transfers

From School Operating Fund to Other Governmental Funds to cover operating costs	$	1,876,324
From Other Governmental Funds to reimburse the School Operating Fund		1,232,989
From Other Governmental Funds to Other Governmental Funds to cover operating costs		1,767,139
Total	$	4,876,452

VIII. 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.

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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

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	37,449	13,716
Inactive plan members entitled to but not yet receiving benefits	4,154	573
Inactive plan members not entitled to benefits	9,562	1,426
Active plan members	7,179	2,173
Total plan memberships	58,344	17,888

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, 2026, employer contributions were 0.00% for PERS and 0.00% for TRS.

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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, 2026, 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, 2026, employer contributions were 0.86% for PERS and 0.74% 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.

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, 2025 for PERS and TRS for the DB Pension Plan were 10.80% and 10.78%, the ARHCT Plan were 10.86% and 10.86%, the ODD Plan were 10.86% and 10.78%, and the RMP were 10.87% and 10.81%, 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.

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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 2.51%):

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	5.74%
Global Equity (ex-U.S.)	6.37%
Global Equity	5.88%
Aggregate Bonds	2.30%
Real Assets	4.54%
Private Equity	9.28%
Cash Equivalents	0.60%

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 5.20% as of June 30, 2025.

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.

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

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

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

Employer Contribution rates for the fiscal year 2026 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	22.00%	28.33%	6.33%
OPEB	0.00%	0.00%	0.00%
Total PERS contribution rates	22.00%	28.33%	6.33%
TRS:			
Pension	12.56%	31.33%	18.77%
OPEB	0.00%	0.00%	0.00%
Total TRS contribution rates	12.56%	31.33%	18.77%

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 2026, the past service rate for PERS and TRS is 19.29%.

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Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2025 (latest available) were determined by an actuarial valuation as of June 30, 2024 which was rolled forward to the measurement date June 30, 2025. 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: 6.2% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Rx/EGWP: 8.5% grading down to 4.5%. Initial trend rates are for FY2026. Ultimate trend rates reached in FY2050.

The actuarial assumptions used in the June 30, 2024 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. For the ARHCT and RMP, the per capita claims costs were updated to reflect recent experience for the June 30, 2024 actuarial valuation. Employer Group Waiver Program (EGWP) subsidies were updated to reflect higher expected subsidies due to the Inflation Reduction Act. Because of the significant increase in the EGWP subsidy for FY25 and beyond due to the Inflation Reduction Act, and uncertainty regarding future subsidy levels, the ARMB has adopted a smoothing of EGWP subsidy estimates over five years. In addition, the prescription drug and EGWP trend assumption was updated to reflect recent survey information indicating higher than initial trend rates in part due to the recent higher-than-expected inflationary environment.

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.

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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. Currently, there are 148 participating local government employers and public organizations, including the State of Alaska. This includes a total of 51 school districts participating in the 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.

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.

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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 9.76% for certain school district employees, of their base salaries.

Employer contributions for the year ended June 30, 2026, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
$	1,412,194	75,308	1,487,502

Public Employees' Retirement Plans

For the year ended June 30, 2026 the State of Alaska contributed $508,197 (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 ($9,220) to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

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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, 2026, 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	$ 11,793,275
State's proportionate share of the net pension liability	3,618,475
Total	$ 15,411,750

	OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	$ (6,452,793)
State's proportionate share of the ARHCT OPEB liability (asset)	(1,823,329)
Total	$ (8,276,122)
District's proportionate share of the ODD OPEB liability (asset)	$ (208,118)
District's proportionate share of the RMP OPEB liability (asset)	$ (240,359)
Total District's share of net pension and OPEB liabilities and (assets)	$ 4,892,005

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2024, rolled forward to the measurement date of June 30, 2025 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, 2024 valuation.

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

	June 30, 2025 Measurement	June 30, 2024 Measurement	Change
Pension	0.2377%	0.2391%	(0.0014%)
OPEB:			
ARHCT	0.2425%	0.2396%	0.0029%
ODD	0.2934%	0.2676%	0.0258%
RMP	0.3797%	0.3213%	0.0584%

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FOR DISCUSSION PURPOSES ONLY

Based on the measurement date of June 30, 2025, the District recognized pension and OPEB expense of $831,715 and ($786,335), respectively, for the year ended June 30, 2026. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
Defined Benefit:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(293,163)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	1,412,194	-
Total	$ 1,412,194	(293,163)

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(254,888)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	-	-
Total	$ -	(254,888)

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FOR DISCUSSION PURPOSES ONLY

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	(40,209)
Changes of assumptions	-	(241)
Net difference between projected and actual earnings on OPEB plan investments	-	(5,094)
Changes in proportion and differences between District contributions and proportionate share of contributions	16,493	(10,775)
District contributions subsequent to the measurement date	16,431	-
Total	$ 32,924	(56,319)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,695	(16,002)
Changes of assumptions	46,788	(116,227)
Net difference between projected and actual earnings on OPEB plan investments	-	(21,972)
Changes in proportion and differences between District contributions and proportionate share of contributions	5,670	(16,909)
District contributions subsequent to the measurement date	58,877	-
Total	$ 130,030	(171,110)

$1,412,194 and $75,308 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, 2027, 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
2026	$ 458,364	379,455	(6,188)	(37,152)
2027	(287,996)	(245,402)	(10,297)	(29,132)
2028	(271,537)	(229,855)	(9,327)	(20,917)
2028	(191,994)	(159,086)	(6,775)	462
2030	-	-	(2,858)	(2,026)
Thereafter	-	-	(4,381)	(37,152)
Total	$ (293,163)	(254,888)	(39,826)	(99,956)

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For the year ended June 30, 2026, the District recognized $114,052 and $9,579 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	$	16,122,712	11,793,275	8,124,629
Net OPEB ARHCT liability (asset)	$	(4,509,175)	(6,452,793)	(8,091,407)
Net OPEB ODD liability (asset)	$	(195,732)	(208,118)	(217,820)
Net OPEB RMP liability (asset)	$	(5,719)	(240,359)	(419,854)

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)	$	(8,277,864)	(6,452,793)	(4,290,612)
Net OPEB ODD liability (asset)	$	N/A	(208,118)	N/A
Net OPEB RMP liability (asset)	$	(443,150)	(240,359)	31,311

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): 0.86% 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.

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FOR DISCUSSION PURPOSES ONLY

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 $552,368 for the year ended June 30, 2026, which included forfeitures of $114,668 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 56 participating local government employers and public organizations, including the State of Alaska. This includes a total of 52 school districts participating in the plan. 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.

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Employee Contribution Rate. The District's active TRS members are required to contribute 8.65% of their base salaries.

Employer contributions for the year ended June 30, 2026, were:

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
$	601,145	132,209	733,354

Teachers' Retirement Plans

For the year ended June 30, 2026 the State of Alaska contributed $2,978,585 (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 ($1,694,645) 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, 2026, 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	$	10,566,532
State's proportionate share of the net pension liability		16,234,985
Total	$	26,801,517

		OPEB
District's proportionate share of the ARHCT OPEB liability	$	(8,677,257)
State's proportionate share of the ARHCT OPEB liability (asset)		(11,932,695)
Total	$	(20,609,952)
District's proportionate share of the ODD OPEB liability (asset)	$	(257,077)
District's proportionate share of the RMP OPEB liability (asset)	$	(758,292)
Total District's share of net pension and OPEB liabilities and (assets)	$	873,906

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2024, rolled forward to the measurement date of June 30, 2025 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, 2024 valuation.

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

	June 30, 2025 Measurement	June 30, 2024 Measurement	Change
Pension	0.6798%	0.5763%	0.1035%
OPEB:			
ARHCT	0.7258%	0.5979%	0.1279%
ODD	2.7530%	2.0829%	0.6701%
RMP	2.8174%	2.0819%	0.7355%

Based on the measurement date of June 30, 2025, the District recognized pension and OPEB expense of $774,237 and ($3,559,984), respectively, for the year ended June 30, 2026. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
Defined Benefit:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(379,787)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	601,145	-
Total	$ 601,145	(379,787)

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(317,532)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	-	-
Total	$ -	(317,532)

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	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	(38,335)
Changes of assumptions	-	(248)
Net difference between projected and actual earnings on OPEB plan investments	-	(4,063)
Changes in proportion and differences between District contributions and proportionate share of contributions	37,290	(41,908)
District contributions subsequent to the measurement date	12,898	-
Total	$ 50,188	(84,554)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 127,305	(35,554)
Changes of assumptions	98,575	(241,826)
Net difference between projected and actual earnings on OPEB plan investments	-	(44,261)
Changes in proportion and differences between District contributions and proportionate share of contributions	81,497	(131,162)
District contributions subsequent to the measurement date	119,311	-
Total	$ 426,688	(452,803)

$601,145 and $132,209 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, 2027, 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
2026	$ 761,955	426,352	(4,400)	(26)
2027	(435,736)	(287,670)	(9,544)	(53,148)
2028	(414,133)	(269,505)	(7,310)	(48,806)
2029	(291,873)	(186,709)	(6,943)	(25,874)
2030	-	-	(5,815)	(4,484)
Thereafter	-	-	(13,252)	(13,089)
Total	$ (379,787)	(317,532)	(47,264)	(145,427)

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For the year ended June 30, 2026, the District recognized $1,434,631 and ($1,319,757) 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	$	16,137,630	10,566,532	5,845,099
Net OPEB ARHCT liability (asset)	$	(6,436,707)	(8,677,257)	10,555,308)
Net OPEB ODD liability (asset)	$	(257,958)	(257,077)	(256,499)
Net OPEB RMP liability (asset)	$	(232,066)	(758,292)	(1,156,611)

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)	$	(10,758,526)	(8,677,257)	(6,197,592)
Net OPEB ODD liability (asset)	$	N/A	(257,077)	N/A
Net OPEB RMP liability (asset)	$	(1,204,168)	(758,292)	(156,617)

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): 0.74% 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.

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FOR DISCUSSION PURPOSES ONLY

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 $1,582,008 for the year ended June 30, 2026, which included forfeitures of $8,011 which have been applied as employer contributions.

IX. Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The School District purchases commercial policies through APRA to cover most of these risks. Insurance coverage includes general liability, property and casualty coverage, Worker's Compensation at statutory amounts, and marine coverage, as applicable.

X. Self-Insurance Payable

The District maintains a health and medical benefit program which covers all full-time employees. The District has retained a major portion of the risk for this plan and, accordingly, is liable for any employee health claims that are approved for payment.

The stop-loss coverage limit is $200,000 for individual claims. Aggregate Stop Loss Coverage is also provided when claims exceed 125%. Health and medical benefit costs were $2,555,513 and $7,417,193 for the years ended June 30, 2026 and 2025, respectively, and consisted of paid claims, stop-loss premiums, and administrative fees.

Accruals were made based upon estimates of the health claims at year end including claims incurred but not reported. Such accruals were accounted for in the School Operating Fund under the liability for accrued payroll liabilities.

Following is a schedule of changes in claims liabilities for the two years ended June 30, 2026 and 2025 for the accrued health and life benefits which is included in payroll related liabilities.

Accrued Health and Life Benefits, at June 30, 2023	$	2,687,572
Claims and administrative expenses		8,829,951
Claims and administrative expenses paid		(8,458,627)
Accrued Health and Life Benefits, at June 30, 2024		3,058,896
Claims and administrative expenses		7,417,193
Claims and administrative expenses paid		(7,695,702)
Accrued Health and Life Benefits, at June 30, 2025		2,780,387
Claims and administrative expenses		6,038,505
Claims and administrative expenses paid		(6,397,668)
Accrued Health and Life Benefits, at June 30, 2026	$	2,421,224

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XI. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and State governments. Any disallowed claims, including amounts already collected, would become a liability of the School Operating Fund.

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

The District provides services solely to those residents of the Northwest Arctic Borough, Alaska and near-by communities as within the State defined District boundaries. Changes in the local environment or economy could directly affect the District's enrollment. Significant changes in enrollment could have a material effect on the District's funding and operations.

From time to time, the District may be a participant in legal proceedings related to the conduct of its business. In the normal course of business, it also has various commitments and contingent liabilities, which are not reflected in the accompanying financial statements. As of fiscal year 2025, there are two active litigation against the District. The first litigation, filed by the Alaska Department of Environmental Conservation (ADEC), named the District as a potential responsible party for a diesel fuel spill from the mid-1950s to mid-1980s in Kotzebue. As of the issuance of these financial statements, no outcome has been determined for this litigation. The second litigation, filed by a private party, named the District as one of the parties responsible for the wrongful death of a student and other various damages. The litigation was settled in 2026.

XII. Alternative Retirement Plan

The District participates in a 457 plan through Fidelity Management Trust Company. Participants may contribute up to a maximum of $24,500. The District does not contribute a matching amount.

XIII. Short-Term Leases

The District leases housing to District employees, with varying amounts due on a monthly basis. All rental contracts are for a maximum of either ten or twelve months. Rental income earned during the year ended June 30, 2026 amounted to $704,189.

XIV. Subsequent Accounting Pronouncements

The Governmental Accounting Standards Board has passed a new accounting standard with an upcoming implementation date covering the following topic:

- GASB 105 *Subsequent Events:* Effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

GASB Statement No. 105 defines subsequent events, including the subsequent events time frame, and establishes accounting and financial reporting requirements related to subsequent events.

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REQUIRED SUPPLEMENTARY INFORMATION

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NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

School Operating Fund

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

Year Ended June 30, 2026

	Budgeted Amounts		Variance with and Original Final Budget - Positive (Negative)	Actual	Variance with Final Budget and Actual - Positive (Negative)
	Original	Final			
Revenues:					
Local sources:					
Earnings on investment	$ 770,000	770,000	-	645,268	(124,732)
E-rate revenue	11,609,460	11,609,460	-	11,539,707	(69,753)
Other	3,000,000	1,500,000	(1,500,000)	2,556,064	1,056,064
Intergovernmental:			-		
Borough appropriations	6,568,263	10,216,250	3,647,987	10,216,650	400
State of Alaska	40,630,446	44,366,829	3,736,383	43,466,973	(899,856)
Federal sources	3,941,882	3,941,882	-	3,386,184	(555,698)
Total revenues	66,520,051	72,404,421	5,884,370	71,810,846	(593,575)
Expenditures:					
Current					
Instruction	17,818,526	17,512,960	305,566	16,771,201	741,759
Special education instruction	8,032,283	7,690,489	341,794	7,186,995	503,494
Special education support services - students	1,267,167	1,322,241	(55,074)	1,062,608	259,633
Support services - instruction	15,137,283	15,290,651	(153,368)	14,416,999	873,652
School administration	3,426,193	3,520,021	(93,828)	3,822,760	(302,739)
School administration support services	1,355,275	1,352,421	2,854	1,347,353	5,068
District administration	1,641,901	2,036,643	(394,742)	1,706,146	330,497
District administration support services	3,073,588	3,244,238	(170,650)	2,977,872	266,366
Operations and maintenance of plant	19,617,535	19,733,804	(116,269)	18,705,871	1,027,933
Student activities	-	2,207,603	(2,207,603)	1,952,811	254,792
Adult and continuing education instruction	-	-	-	1,714	(1,714)
Food services	-	-	-	174,171	(174,171)
Total expenditures	71,369,751	73,911,071	(2,541,320)	70,126,501	3,784,570
Excess of revenues over expenditures	(4,849,700)	(1,506,650)	3,343,050	1,684,345	3,190,995
Other financing sources (uses):					
Transfers in	2,300,000	2,300,000	-	1,232,989	(1,067,011)
Transfers out	(675,000)	(2,815,000)	(2,140,000)	(1,876,324)	938,676
Net other financing sources (uses)	1,625,000	(515,000)	(2,140,000)	(643,335)	(128,335)
Net change in fund balance	$ (3,224,700)	(2,021,650)	1,203,050	1,041,010	3,062,660
Fund balance, beginning of year				10,634,558	
Fund balance, end of year				$ 11,675,568	

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2026

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
2017	0.3136%	$ 17,530,603	$ 2,210,896	$ 19,741,499	$ 8,097,929	216.48%	59.55%
2018	0.2451%	$ 12,667,701	$ 4,719,677	$ 17,387,378	$ 8,116,354	156.08%	63.37%
2019	0.2973%	$ 14,770,655	$ 4,274,089	$ 19,044,744	$ 8,097,929	182.40%	65.19%
2020	0.2671%	$ 14,619,390	$ 5,807,703	$ 20,427,093	$ 8,378,374	174.49%	63.42%
2021	0.2525%	$ 14,899,194	$ 6,166,568	$ 21,065,762	$ 8,433,931	176.66%	61.61%
2022	0.3051%	$ 11,190,711	$ 1,513,286	$ 12,703,997	$ 8,353,223	133.97%	76.46%
2023	0.2500%	$ 12,739,771	$ 3,525,863	$ 16,265,634	$ 8,339,086	152.77%	67.97%
2024	0.2597%	$ 13,467,387	$ 4,489,495	$ 17,956,882	$ 8,929,932	150.81%	68.23%
2025	0.2391%	$ 13,111,689	$ 4,905,296	$ 18,016,985	$ 8,485,101	154.53%	67.81%
2026	0.2377%	$ 11,793,275	$ 3,618,475	$ 15,411,750	$ 10,322,377	114.25%	71.23%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2026

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 (Asset) 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	0.2450%	$ 2,070,088	$ 772,134	$ 2,842,222	$ 8,116,354	25.51%	89.68%
2019	0.2900%	$ 3,050,588	$ 885,837	$ 3,936,425	$ 8,097,929	37.67%	88.12%
2020	0.2671%	$ 396,297	$ 157,525	$ 553,822	$ 8,378,374	4.73%	98.13%
2021	0.2524%	$ (1,143,040)	$ (473,999)	$ (1,617,039)	$ 8,433,931	-13.55%	106.15%
2022	0.3063%	$ (7,856,855)	$ (1,028,105)	$ (8,884,960)	$ 8,353,223	-94.06%	135.54%
2023	0.2482%	$ (4,882,814)	$ (1,395,663)	$ (6,278,477)	$ 8,339,086	-58.55%	128.51%
2024	0.2591%	$ (5,961,902)	$ (2,008,390)	$ (7,970,292)	$ 8,929,932	-66.76%	133.96%
2025	0.2396%	$ (5,275,500)	$ (1,960,189)	$ (7,235,689)	$ 8,485,101	-62.17%	130.59%
2026	0.2425%	$ (6,452,793)	$ (1,823,329)	$ (8,276,122)	$ 10,322,377	-62.51%	136.81%
Occupational Death and Disability (ODD):							
2018	0.4800%	$ (68,127)	$ -	$ (68,127)	$ 8,116,354	-0.84%	212.97%
2019	0.4300%	$ (84,024)	$ -	$ (84,024)	$ 8,097,929	-1.04%	270.62%
2020	0.3265%	$ (79,156)	$ -	$ (79,156)	$ 8,378,374	-0.94%	297.43%
2021	0.3178%	$ (86,622)	$ -	$ (86,622)	$ 8,433,931	-1.03%	283.80%
2022	0.3202%	$ (141,121)	$ -	$ (141,121)	$ 8,353,223	-1.69%	374.22%
2023	0.3113%	$ (136,456)	$ -	$ (136,456)	$ 8,339,086	-1.64%	348.80%
2024	0.3128%	$ (160,494)	$ -	$ (160,494)	$ 8,929,932	-1.80%	349.24%
2025	0.2676%	$ (159,759)	$ -	$ (159,759)	$ 8,485,101	-1.88%	346.81%
2026	0.2934%	$ (208,118)	$ -	$ (208,118)	$ 10,322,377	-2.02%	353.09%
Retiree Medical Plan (RMP):							
2018	0.4800%	$ 25,039	$ -	$ 25,039	$ 616,628	4.06%	93.98%
2019	0.4330%	$ 55,051	$ -	$ 55,051	$ 1,974,709	2.79%	88.71%
2020	0.4108%	$ 98,279	$ -	$ 98,279	$ 1,970,226	4.99%	83.17%
2021	0.3966%	$ 28,131	$ -	$ 28,131	$ 2,038,417	1.38%	92.23%
2022	0.3774%	$ (101,305)	$ -	$ (101,305)	$ 2,143,741	-4.73%	115.10%
2023	0.3664%	$ (127,258)	$ -	$ (127,258)	$ 2,275,014	-5.59%	120.08%
2024	0.3747%	$ (177,919)	$ -	$ (177,919)	$ 2,448,718	-7.27%	124.29%
2025	0.3213%	$ (149,749)	$ -	$ (149,749)	$ 2,448,718	-6.12%	119.87%
2026	0.3797%	$ (240,359)	$ -	$ (240,359)	$ 2,984,600	-8.05%	123.73%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (Pensions)

Public Employees' Retirement System (PERS)

June 30, 2026

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
2017	$ 864,088	$ (864,088)	$ -	$ 8,116,354	10.65%
2018	$ 999,536	$ (999,536)	$ -	$ 8,097,929	12.34%
2019	$ 1,002,277	$ (1,002,277)	$ -	$ 8,378,374	11.96%
2020	$ 945,362	$ (1,069,083)	$ (123,721)	$ 8,433,931	11.21%
2021	$ 1,065,136	$ (944,735)	$ 120,401	$ 8,353,223	12.75%
2022	$ 1,089,851	$ (1,069,083)	$ 20,768	$ 8,339,086	13.07%
2023	$ 1,324,405	$ (1,336,438)	$ (12,033)	$ 8,929,932	14.83%
2024	$ 1,288,772	$ (1,263,905)	$ 24,867	$ 8,485,101	15.19%
2025	$ 1,527,363	$ (1,530,642)	$ (3,279)	$ 10,322,377	14.80%
2026	$ 1,406,894	$ (1,412,194)	$ (5,300)	$ 9,272,136	15.17%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2026

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	$ 283,252	$ (283,252)	$ -	$ 8,097,929	3.50%
2019	$ 363,681	$ (363,681)	$ -	$ 8,378,374	4.34%
2020	$ 377,582	$ (377,582)	$ -	$ 8,433,931	4.48%
2021	$ 209,879	$ (209,879)	$ -	$ 8,353,223	2.51%
2022	$ 162,915	$ (162,915)	$ -	$ 8,339,086	1.95%
2023	$ -	$ -	$ -	$ 8,929,932	0.00%
2024	$ -	$ -	$ -	$ 8,485,101	0.00%
2025	$ -	$ -	$ -	$ 10,322,377	0.00%
2026	$ -	$ -	$ -	$ 9,272,136	0.00%
Occupational Death and Disability (ODD):					
2018	$ 7,834	$ (7,834)	$ -	$ 8,097,929	0.10%
2019	$ 13,330	$ (13,330)	$ -	$ 8,378,374	0.16%
2020	$ 13,935	$ (13,935)	$ -	$ 8,433,931	0.17%
2021	$ 17,079	$ (17,079)	$ -	$ 8,353,223	0.20%
2022	$ 17,959	$ (17,959)	$ -	$ 8,339,086	0.22%
2023	$ 19,163	$ (19,163)	$ -	$ 8,929,932	0.21%
2024	$ 18,625	$ (18,625)	$ -	$ 8,485,101	0.22%
2025	$ 18,767	$ (18,767)	$ -	$ 10,322,377	0.18%
2026	$ 16,431	$ (16,431)	$ -	$ 9,272,136	0.18%
Retiree Medical Plan (RMP):					
2018	$ 50,433	$ (50,433)	$ -	$ 1,974,709	2.55%
2019	$ 48,208	$ (48,208)	$ -	$ 1,970,226	2.45%
2020	$ 70,478	$ (70,478)	$ -	$ 2,038,417	3.46%
2021	$ 70,045	$ (70,045)	$ -	$ 2,143,741	3.27%
2022	$ 61,998	$ (61,998)	$ -	$ 2,275,014	2.73%
2023	$ 70,266	$ (70,266)	$ -	$ 2,448,718	2.87%
2024	$ 62,707	$ (62,707)	$ -	$ 2,448,718	2.56%
2025	$ 64,903	$ (64,903)	$ -	$ 2,984,600	2.17%
2026	$ 58,877	$ (58,877)	$ -	$ 2,510,764	2.34%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2026

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
2017	0.8250%	$ 18,837,867	$ 22,390,623	$ 41,228,490	$ 15,643,154	120.42%	68.40%
2018	0.6749%	$ 13,676,701	$ 23,874,798	$ 37,551,499	$ 15,774,517	86.70%	72.39%
2019	0.7536%	$ 14,427,002	$ 21,447,040	$ 35,874,042	$ 16,910,003	85.32%	74.09%
2020	0.8386%	$ 15,669,599	$ 23,236,188	$ 38,905,787	$ 18,195,563	86.12%	74.68%
2021	0.7605%	$ 15,461,024	$ 26,832,138	$ 42,293,162	$ 18,284,994	84.56%	72.81%
2022	1.0003%	$ 7,962,116	$ 6,757,667	$ 14,719,783	$ 16,411,266	48.52%	89.43%
2023	0.7340%	$ 12,234,919	$ 16,303,571	$ 28,538,490	$ 15,434,562	79.27%	78.33%
2024	0.5730%	$ 10,075,843	$ 15,928,291	$ 26,004,134	$ 15,674,379	64.28%	77.62%
2025	0.5763%	$ 10,660,947	$ 18,327,477	$ 28,988,424	$ 15,663,707	68.06%	77.07%
2026	0.6798%	$ 10,566,532	$ 16,234,985	$ 26,801,517	$ 16,268,145	64.95%	80.65%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2026

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 (Asset) 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	0.0067%	$ 1,237,722	$ 2,170,136	$ 3,407,858	$ 15,774,517	7.85%	93.75%
2019	0.0075%	$ 2,337,774	$ 3,488,700	$ 5,826,474	$ 16,910,003	13.82%	90.23%
2020	0.8370%	$ (1,279,084)	$ (1,903,589)	$ (3,182,673)	$ 18,195,563	-7.03%	105.50%
2021	0.7587%	$ (2,714,089)	$ (4,729,332)	$ (7,443,421)	$ 18,284,994	-14.84%	113.78%
2022	1.0392%	$ (12,083,061)	$ (9,409,384)	$ (21,492,445)	$ 16,411,266	-73.63%	145.41%
2023	0.7487%	$ (6,562,341)	$ (8,441,432)	$ (15,003,773)	$ 15,434,562	-42.52%	134.84%
2024	0.5893%	$ (5,955,868)	$ (8,989,404)	$ (14,945,272)	$ 15,674,379	-38.00%	140.49%
2025	0.5979%	$ (5,964,589)	$ (9,668,379)	$ (15,632,968)	$ 15,663,707	-38.08%	137.40%
2026	0.7258%	$ (8,677,257)	$ (11,932,695)	$ (20,609,952)	$ 16,268,145	-53.34%	144.35%
Occupational Death and Disability (ODD):							
2018	0.0312%	$ (101,913)	$ -	$ (101,913)	$ 15,774,517	-0.65%	1342.59%
2019	3.3210%	$ (11,435)	$ -	$ (11,435)	$ 16,910,003	-0.07%	1304.81%
2020	3.4407%	$ (138,351)	$ -	$ (138,351)	$ 18,195,563	-0.76%	1409.77%
2021	3.1667%	$ (136,327)	$ -	$ (136,327)	$ 18,284,994	-0.75%	931.08%
2022	2.7895%	$ (170,020)	$ -	$ (170,020)	$ 16,411,266	-1.04%	1254.36%
2023	2.5762%	$ (155,602)	$ -	$ (155,602)	$ 15,434,562	-1.01%	1268.28%
2024	2.5571%	$ (176,925)	$ -	$ (176,925)	$ 15,674,379	-1.13%	1410.42%
2025	2.0829%	$ (165,968)	$ -	$ (165,968)	$ 15,663,707	-1.06%	1600.56%
2026	2.7530%	$ (257,077)	$ -	$ (257,077)	$ 16,268,145	-1.58%	1826.06%
Retiree Medical Plan (RMP):							
2018	0.0312%	$ (147,817)	$ -	$ (147,817)	$ 9,588,581	-1.54%	118.16%
2019	0.0332%	$ (106,206)	$ -	$ (106,206)	$ 9,548,581	-1.11%	109.56%
2020	3.4266%	$ (131,445)	$ -	$ (131,445)	$ 9,628,765	-1.37%	110.03%
2021	3.1772%	$ (313,432)	$ -	$ (313,432)	$ 9,885,765	-3.17%	125.59%
2022	2.7766%	$ (557,541)	$ -	$ (557,541)	$ 9,342,293	-5.97%	142.54%
2023	2.5715%	$ (497,988)	$ -	$ (497,988)	$ 9,301,282	-5.35%	140.73%
2024	2.5591%	$ (566,869)	$ -	$ (566,869)	$ 9,664,785	-5.87%	140.71%
2025	2.0819%	$ (468,132)	$ -	$ (468,132)	$ 10,010,192	-4.68%	134.72%
2026	2.8174%	$ (758,292)	$ -	$ (758,292)	$ 10,539,634	-7.19%	136.41%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (Pensions)

Teachers' Retirement System (TRS)

June 30, 2026

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
2017	$ 527,326	$ (527,326)	$ -	$ 15,774,517	3.34%
2018	$ 586,779	$ (586,779)	$ -	$ 16,910,003	3.47%
2019	$ 527,002	$ (527,002)	$ -	$ 18,195,563	2.90%
2020	$ 516,444	$ (522,121)	$ (5,677)	$ 18,284,994	2.82%
2021	$ 499,135	$ (492,116)	$ 7,019	$ 16,411,266	3.04%
2022	$ 478,440	$ (471,586)	$ 6,854	$ 15,434,562	3.10%
2023	$ 595,863	$ (629,982)	$ (34,119)	$ 15,674,379	3.80%
2024	$ 605,476	$ (586,860)	$ 18,616	$ 15,663,707	3.87%
2025	$ 618,176	$ (610,883)	$ 7,293	$ 16,268,145	3.80%
2026	$ 564,904	$ (601,145)	$ (36,241)	$ 18,434,411	3.06%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2026

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	$ 290,622	$ (290,622)	$ -	$ 16,910,003	1.72%
2019	$ 252,163	$ (252,163)	$ -	$ 18,195,563	1.39%
2020	$ 291,322	$ (291,322)	$ -	$ 18,284,994	1.59%
2021	$ 268,572	$ (268,572)	$ -	$ 16,411,266	1.64%
2022	$ 183,552	$ (183,552)	$ -	$ 15,434,562	1.19%
2023	$ -	$ -	$ -	$ 15,674,379	0.00%
2024	$ -	$ -	$ -	$ 15,663,707	0.00%
2025	$ -	$ -	$ -	$ 16,268,145	0.00%
2026	$ -	$ -	$ -	$ 18,434,411	0.00%
Occupational Death and Disability (ODD):					
2018	$ -	$ -	$ -	$ 16,910,003	0.00%
2019	$ 10,740	$ (10,740)	$ -	$ 18,195,563	0.06%
2020	$ 10,403	$ (10,403)	$ -	$ 18,284,994	0.06%
2021	$ 10,098	$ (10,098)	$ -	$ 16,411,266	0.06%
2022	$ 10,127	$ (10,127)	$ -	$ 15,434,562	0.07%
2023	$ 10,511	$ (10,511)	$ -	$ 15,674,379	0.07%
2024	$ 10,952	$ (10,511)	$ 441	$ 15,663,707	0.07%
2025	$ 11,441	$ (11,441)	$ -	$ 16,268,145	0.07%
2026	$ 12,898	$ (12,898)	$ -	$ 18,434,411	0.07%
Retiree Medical Plan (RMP):					
2018	$ 108,628	$ (108,628)	$ -	$ 9,548,581	1.14%
2019	$ 105,705	$ (105,705)	$ -	$ 9,628,765	1.10%
2020	$ 141,746	$ (141,746)	$ -	$ 9,885,765	1.43%
2021	$ 117,077	$ (117,077)	$ -	$ 9,342,293	1.25%
2022	$ 105,075	$ (105,075)	$ -	$ 9,301,282	1.13%
2023	$ 114,312	$ (114,312)	$ -	$ 9,664,785	1.18%
2024	$ 112,269	$ (112,269)	$ -	$ 10,010,192	1.12%
2025	$ 97,178	$ (97,178)	$ -	$ 10,539,634	0.92%
2026	$ 119,311	$ (119,311)	$ -	$ 12,595,605	0.95%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Notes to Required Supplementary Information

June 30, 2026

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

Budgets and Budgetary Accounting

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

The Superintendent submits to the District School Board (School Board), at such time as the School Board directs, a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the School Board to obtain the comments of residents of the District. The proposed budget is revised and approved by the School Board. The School Board approved budget is submitted to the Northwest Arctic Borough Assembly (Assembly) by April 1. The Assembly may increase or decrease the budget of the District only as to total amount. The Assembly shall approve the budget of the District as amended, and appropriates by ordinance the necessary resources at least sixty days prior to the end of the current fiscal year of the District. If the Assembly fails to approve the District budget and make the necessary appropriation within the time stated, the budget as submitted to the Assembly becomes the budget and appropriation for the fiscal year of the District without further Assembly action. The School Board submits the approved budget to the State of Alaska commissioner of Education 30 days before the end of the current fiscal year of the District. The appropriated budget is prepared by fund, function and object. The District's department heads may make transfers of appropriations within a department.

Any transfers of appropriations between funds of over $50,000 require the approval of the School Board. All transfers not requiring approval are reported to the School Board. The School Operating Fund level of budgetary control is at the fund level. Annual budgets of the various Special Revenue Funds are prepared in connection with the application for the special programs' award.

2. Actual Budget Results

Differences – Original Budget to Final Budget	General Fund Positive (Negative)
Revenues and Expenditures:	
Final budgeted Borough appropriations were higher than original budgeted due to the Borough appropriating additional funds to the District after the original budget was initially approved.	$ 3,647,987
Final budgeted State of Alaska funds were higher original budget because of an increase in base student allocation (BSA) approved by the legislature.	$ 3,736,383
Final budgeted student activities expenditures were higher than original budget due to the District not having a budget for the student activities function when the FY26 budgets were initially approved.	$ (2,207,603)

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Differences – Final Budget to Actual

Revenues:

Actual amounts of local fund exceeded budgeted amounts due NANA donations, reimbursement of insurance, and an increase in Alaska Technical Center (ATC) revenues.	$	1,056,004

Expenditures:

Expenditures for the operations and maintenance of plant function did not exceed the final budget primarily due to the District expending less than originally budgeted for utilities (specifically the heating oil). In addition, there were several budgeted personnel positions that were not filled in FY26.	$	1,027,933

3. Public Employees' Retirement System

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

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

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

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

a) Changes in Methods Since the Prior Valuation – June 30, 2023 to June 30, 2024

The actuarially determined contribution rates were updated to include a half-year interest adjustment that was adopted by the Board effective beginning with the June 30, 2024 valuation to account for the monthly timing of employer contributions.

b) Changes in Assumptions Since the Prior Valuation – June 30, 2023 to June 30, 2024

The healthcare per capita claims cost assumption is updated annually as described in Section 5.2. As a result of changes to the Standard Medicare Part D plan under the Inflation Reduction Act, EGWP subsidies are expected to be higher than originally anticipated for 2025 and beyond. EGWP subsidies were updated based on estimates provided by Segal Consulting. Because of the significant increase in the EGWP subsidy for FY25 and beyond due to the Inflation Reduction Act, and uncertainty regarding future subsidy levels, the ARMB has adopted a smoothing of EGWP subsidy estimates over five years. In addition, the prescription drug and EGWP trend assumption was updated to reflect recent survey information indicating higher than initial trend rates in part due to the recent higher-than expected inflationary environment.

The future increase in the IRS 401(a)(17) maximum compensation limit was updated to align with the inflation assumption. This caused a $21,000 decrease in the pension Normal Cost and a $2,126,000 decrease in the pension Actuarial Accrued Liability.

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The amounts included in the Normal Cost for administrative expenses were changed from $8,440,000 to $8,201,000 for pension, and from $3,866,000 to $4,759,000 for healthcare (based on the most recent 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, 2023 to June 30, 2024

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, 2023 to June 30, 2024

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2023 to June 30, 2024

The healthcare per capita claims cost assumption is updated annually as described in Section 4.2. As a result of changes to the Standard Medicare Part D plan under the Inflation Reduction Act, EGWP subsidies are expected to be higher than originally anticipated for 2025 and beyond. EGWP subsidies were updated based on estimates provided by Segal Consulting. Because of the significant increase in the EGWP subsidy for FY25 and beyond due to the Inflation Reduction Act, and uncertainty regarding future subsidy levels, the ARMB has adopted a smoothing of EGWP subsidy estimates over five years. In addition, the prescription drug and EGWP trend assumption was updated to reflect recent survey information indicating higher than initial trend rates in part due to the recent higher-than expected inflationary environment. There were no other changes in actuarial assumptions since the prior valuation.

The future increase in the IRS 401(a)(17) maximum compensation limit was updated to align with the inflation assumption. This caused a $2,000 decrease in the Occupational Death & Disability Normal Cost and a $25,000 decrease in the Occupational Death & Disability Actuarial Accrued Liability.

The amounts included in the Normal Cost for administrative expenses were changed from $34,000 to $33,000 for occupational death & disability, and from $51,000 to $41,000 for retiree medical (based on the most recent two years of actual administrative expenses paid from plan assets).

c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2023 to June 30, 2024

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, 2024 which was rolled forward to June 30, 2025. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

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FOR DISCUSSION PURPOSES ONLY

4. 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, 2023 to June 30, 2024

The actuarially determined contribution rates were updated to include a half-year interest adjustment that was adopted by the Board effective beginning with the June 30, 2024 valuation to account for the monthly timing of employer contributions. There were no changes in the asset or valuation methods since the prior valuation.

b) Changes in Assumptions Since the Prior Valuation – June 30, 2023 to June 30, 2024

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, 2023 to June 30, 2024

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, 2023 to June 30, 2024

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

b) Changes in Assumptions Since the Prior Valuation – June 30, 2023 to June 30, 2024

Healthcare claim costs are updated annually. As a result of changes to the Standard Medicare Part D plan under the Inflation Reduction Act, EGWP subsidies are expected to be higher than originally anticipated for 2025 and beyond. EGWP subsidies were updated based on estimates provided by Segal Consulting. Because of the significant increase in the EGWP subsidy for FY25 and beyond due to the Inflation Reduction Act, and uncertainty regarding future subsidy levels, the ARMB has adopted a smoothing of EGWP subsidy estimates over five years. In addition, the prescription drug and EGWP trend assumption was updated to reflect recent survey information indicating higher initial trend rates in part due to the recent higher-than-expected inflationary environment. The effects of these assumption changes are reflected in the actuarial valuation.

The amounts included in the Normal Cost for 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.

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c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2023 to June 30, 2024

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, 2024 which was rolled forward to June 30, 2025. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

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SUPPLEMENTARY INFORMATION

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FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

School Operating Fund

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

Year Ended June 30, 2026

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Local sources:			
Earnings on investment	$ 770,000	645,268	(124,732)
E-rate revenue	11,609,460	11,539,707	(69,753)
Other local revenues	1,500,000	2,556,064	1,056,064
Total local sources	13,879,460	14,741,039	861,579
Intergovernmental:			
Borough appropriations	10,216,250	10,216,650	400
State of Alaska:			
Foundation	39,931,648	39,828,699	(102,949)
On-behalf TRS	2,939,737	2,978,585	38,848
On-behalf PERS	568,837	508,197	(60,640)
Other State revenues	926,607	151,492	(775,115)
Total State of Alaska	44,366,829	43,466,973	(899,856)
Federal sources - Impact Aid	3,941,882	3,386,184	(555,698)
Total revenues	72,404,421	71,810,846	(593,575)
Expenditures:			
Instruction:			
Certificated salaries	9,184,265	8,950,205	234,060
Non-certificated salaries	1,517,866	1,501,266	16,600
Employee benefits	6,075,829	6,027,302	48,527
Transportation allowance	75,000	56,610	18,390
Staff travel	155,800	10,147	145,653
Other purchased services	175,000	119,870	55,130
Supplies, materials and media	329,200	101,489	227,711
Student transportation - in lieu - of agreements	-	4,312	(4,312)
Total instruction	17,512,960	16,771,201	741,759

(continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

School Operating Fund

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

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures, continued:			
Special education instruction:			
Certificated salaries	$ 2,458,190	2,379,381	78,809
Non-certificated salaries	2,251,863	1,979,851	272,012
Employee benefits	2,945,436	2,824,489	120,947
Staff travel	32,000	720	31,280
Supplies, materials and media	3,000	2,554	446
Total special education instruction	7,690,489	7,186,995	503,494
Special education support services - students:			
Certificated salaries	352,981	349,486	3,495
Non-certificated salaries	95,120	84,489	10,631
Employee benefits	259,640	249,889	9,751
Professional and technical services	563,500	341,894	221,606
Staff travel	9,000	7,945	1,055
Student travel	11,000	420	10,580
Other purchased services	28,000	26,400	1,600
Supplies, materials and media	3,000	2,085	915
Total special education support services - students	1,322,241	1,062,608	259,633
Support services - instruction:			
Certificated salaries	342,140	360,340	(18,200)
Non-certificated salaries	685,620	676,102	9,518
Employee benefits	523,621	494,648	28,973
Professional and technical services	322,000	256,847	65,153
Staff travel	90,054	41,967	48,087
Utility services	12,899,400	12,005,744	893,656
Supplies, materials and media	381,316	581,256	(199,940)
Tuition and stipends	40,000	-	40,000
Other	6,500	95	6,405
Total support services - instruction	15,290,651	14,416,999	873,652

(continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

School Operating Fund

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

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures, continued:			
School administration:			
Certificated salaries	$ 2,202,753	2,492,584	(289,831)
Non-certificated salaries	-	34,634	(34,634)
Employee benefits	1,182,891	1,208,137	(25,246)
Professional and technical services	5,250	2,200	3,050
Staff travel	54,600	30,648	23,952
Supplies, materials and media	67,627	44,419	23,208
Other	6,900	10,138	(3,238)
Total school administration	3,520,021	3,822,760	(302,739)
School administration support services:			
Non-certificated salaries	800,225	758,438	41,787
Employee benefits	552,196	588,915	(36,719)
Total school administration support services	1,352,421	1,347,353	5,068
District administration:			
Certificated salaries	395,146	395,146	-
Non-certificated salaries	237,237	212,442	24,795
Employee benefits	521,360	498,828	22,532
Professional and technical services	323,100	277,310	45,790
Staff travel	160,102	109,768	50,334
Student travel	15,000	-	15,000
Other purchased services	40,150	28,754	11,396
Supplies, materials and media	164,200	121,258	42,942
Other	180,348	62,640	117,708
Total district administration	2,036,643	1,706,146	330,497

(continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

School Operating Fund

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

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures, continued:			
District administration support services:			
Certificated salaries	$ 284,345	355,084	(70,739)
Non-certificated salaries	1,357,722	1,168,127	189,595
Employee benefits	787,546	807,390	(19,844)
Professional and technical services	583,405	630,740	(47,335)
Staff travel	42,500	35,390	7,110
Other purchased services	3,220	3,406	(186)
Insurance and bond premiums	375,000	336,769	38,231
Supplies, materials and media	35,000	30,574	4,426
Other	25,500	26,264	(764)
Indirect recovery	(250,000)	(415,872)	165,872
Total district administration support services	3,244,238	2,977,872	266,366
Operations and maintenance of plant:			
Certificated salaries	70,000	82,320	(12,320)
Non-certificated salaries	2,290,910	2,370,765	(79,855)
Employee benefits	1,015,516	1,066,649	(51,133)
Professional and technical services	3,207,044	2,691,910	515,134
Staff travel	120,000	126,772	(6,772)
Utility services	892,402	637,593	254,809
Energy	6,086,200	5,647,316	438,884
Other purchased services	4,263,906	4,265,855	(1,949)
Insurance and bond premiums	1,005,168	1,005,168	-
Supplies, materials and media	726,948	742,561	(15,613)
Other	710	1,185	(475)
Equipment	55,000	67,777	(12,777)
Total operations and maintenance of plant	19,733,804	18,705,871	1,027,933
Student activities:			
Certificated salaries	101,240	112,675	(11,435)
Non-certificated salaries	221,165	215,852	5,313
Employee benefits	88,910	79,400	9,510
Professional and technical services	280,000	213,276	66,724
Staff travel	10,000	7,170	2,830
Student travel	1,422,775	1,258,776	163,999
Supplies, materials and media	41,000	40,555	445
Other	42,513	25,107	17,406
Total student activities	2,207,603	1,952,811	254,792

(continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

School Operating Fund

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

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures, continued:			
Adult and continuing education instruction:			
Supplies, materials and media	$ -	1,714	(1,714)
Food services:			
Non-certificated salaries	-	80,541	(80,541)
Employee benefits	-	6,647	(6,647)
Supplies, materials and media	-	86,983	(86,983)
Total food services	-	174,171	(174,171)
Total expenditures	73,911,071	70,126,501	3,784,570
Excess of revenues over expenditures	(1,506,650)	1,684,345	3,190,995
Other financing sources (uses):			
Transfers in:			
Capital Project Funds:			
CIP Reserved Local Share	2,260,956	1,193,945	(1,067,011)
DW HVAC	26,650	26,650	-
THP DPX 1	12,394	12,394	-
Transfer out:			
Special Revenue Funds:			
Food Service	(2,127,914)	(1,189,238)	938,676
Teacher Housing	(655,242)	(655,242)	-
STAR of Northwest Magnet School	(31,844)	(31,844)	-
Net other financing sources (uses)	(515,000)	(643,335)	(128,335)
Net change in fund balance	$ (2,021,650)	1,041,010	3,062,660
Fund balance, beginning of year		10,634,558	
Fund balance, end of year		$ 11,675,568	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

Combining Balance Sheet

June 30, 2026

	Special Revenue Funds										
	Student Transportation	T.V.E.P. Basic	STAR of the Northwest Magnet School	Facilities Housing	Teacher Housing	S.T.E.P Construction	Hunter Education	Food Service	Local Foods for Local Schools	Consolidated Administration	Title I-A Basic
Assets											
Accounts receivable	$ -	192,632	-	-	-	-	-	197,317	14,138	159,433	478,896
Due from other funds	16,684	-	-	39,548	47,473	110	49,681	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	67,201	-	1,239	-	-	-	-	-	-
Total assets	$ 16,684	192,632	67,201	39,548	48,712	110	49,681	197,317	14,138	159,433	478,896
Liabilities and Fund Balances (Deficits)											
Liabilities:											
Accounts payable	-	11,083	7,667	-	36,841	110	-	-	3,139	-	5,586
Accrued payroll liabilities	-	-	-	-	11,871	-	-	-	-	-	-
Due to other funds	-	181,549	59,534	-	-	-	-	196,116	2,791	159,433	473,310
Unearned revenue	-	-	-	-	-	-	49,681	1,201	8,208	-	-
Total liabilities	-	192,632	67,201	-	48,712	110	49,681	197,317	14,138	159,433	478,896
Fund balances (deficits):											
Nonspendable	-	-	67,201	-	1,239	-	-	-	-	-	-
Restricted	16,684	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	39,548	-	-	-	-	-	-	-
Unassigned (deficits)	-	-	(67,201)	-	(1,239)	-	-	-	-	-	-
Total fund balances (deficits)	16,684	-	-	39,548	-	-	-	-	-	-	-
Total liabilities and fund balances (deficits)	$ 16,684	192,632	67,201	39,548	48,712	110	49,681	197,317	14,138	159,433	478,896

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds									
	Title I-C Migrant Education	Title I-A Parent Engagement	Title I-A Professional Development	Migrant Education - Books	Youth Risk Behavior	Career Technical Education	Title I-A School Improvement 1003(a)	Early Learning Coordination	Early Intervention Infant Learning Program	Early Intervention Infant Learning Program Part C
Assets										
Accounts receivable	$ 177,312	844	17,271	559	-	17,166	283,967	154,209	7,803	2,499
Due from other funds	-	-	-	-	5,847	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total assets	$ 177,312	844	17,271	559	5,847	17,166	283,967	154,209	7,803	2,499
Liabilities and Fund Balances (Deficits)										
Liabilities:										
Accounts payable	-	-	-	-	-	38	4,123	-	69	209
Accrued payroll liabilities	-	-	-	-	-	-	-	-	988	-
Due to other funds	177,259	844	17,271	559	-	17,128	279,844	154,209	6,746	2,290
Unearned revenue	-	-	-	-	5,847	-	-	-	-	-
Total liabilities	177,259	844	17,271	559	5,847	17,166	283,967	154,209	7,803	2,499
Fund balances (deficits):										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	53	-	-	-	-	-	-	-	-	-
Unassigned (deficits)	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficits)	53	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances (deficits)	$ 177,312	844	17,271	559	5,847	17,166	283,967	154,209	7,803	2,499

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds									
	Medical Assistance	Special Education Title VI-B	Special Education Section 619	Safe Children's Act	Special Education Title VI-B Discretionary	Adult Basic Education Unit 7556	AK Literacy	Educators Rising Alaska	Youth Leaders Program	ACSA Carrs Safeway Innovation
Assets										
Accounts receivable	$ -	173,520	31	-	6,378	20,828	105,730	-	-	-
Due from other funds	169,264	-	-	895	-	-	-	1,810	629,985	120
Prepaid items	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total assets	$ 169,264	173,520	31	895	6,378	20,828	105,730	1,810	629,985	120
Liabilities and Fund Balances (Deficits)										
Liabilities:										
Accounts payable	1,289	-	-	-	-	-	1,420	-	-	-
Accrued payroll liabilities	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	173,520	31	-	6,378	20,828	104,310	-	-	-
Unearned revenue	-	-	-	895	-	-	-	1,810	623,206	120
Total liabilities	1,289	173,520	31	895	6,378	20,828	105,730	1,810	623,206	120
Fund balances (deficits):										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	167,975	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	6,779	-
Unassigned (deficits)	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficits)	167,975	-	-	-	-	-	-	-	6,779	-
Total liabilities and fund balances (deficits)	$ 169,264	173,520	31	895	6,378	20,828	105,730	1,810	629,985	120

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds									
	Literacy Connections	Native Youth in Action	Preparing Our Youth	Indian Education	Johnson O'Malley Contract	Rural Education Achievement Program	Alaska C-3 ANE	The Inupiatun Ilsaqta Project (TIIP)	Our Youth - Positive Vissions for the Future	Hewlett Foundation
Assets										
Accounts receivable	$ 213,027	63,435	29,364	240,259	-	624	120,822	94,397	108,805	-
Due from other funds	-	-	-	-	335,074	-	-	-	-	200,000
Prepaid items	-	-	-	-	-	5,010	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total assets	$ 213,027	63,435	29,364	240,259	335,074	5,634	120,822	94,397	108,805	200,000
Liabilities and Fund Balances (Deficits)										
Liabilities:										
Accounts payable	2,436	12,655	-	7,674	-	-	5,060	50,601	-	-
Accrued payroll liabilities	-	-	-	2,563	-	-	-	-	-	-
Due to other funds	210,591	50,780	29,364	230,022	-	5,634	115,762	43,796	108,805	-
Unearned revenue	-	-	-	-	335,074	-	-	-	-	200,000
Total liabilities	213,027	63,435	29,364	240,259	335,074	5,634	120,822	94,397	108,805	200,000
Fund balances (deficits):										
Nonspendable	-	-	-	-	-	5,010	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned (deficits)	-	-	-	-	-	(5,010)	-	-	-	-
Total fund balances (deficits)	-	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances (deficits)	$ 213,027	63,435	29,364	240,259	335,074	5,634	120,822	94,397	108,805	200,000

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds									
	Maniilaq ABE/GED Contract	Local Donation Payroll	Village Improvement Funds	Securing Mental Health Instructional Leadership Experience	Local Donation Professional and Technical Services	Noorvik After School	Maniilaq Health Activities	Maniilaq Counselor Program	Student Activities	Total Special Revenue Funds
Assets										
Accounts receivable	$ 19,480	-	17,440	-	-	-	-	-	-	2,918,186
Due from other funds	-	397,115	-	26,166	83,932	6,188	39,535	33,209	1,155,928	3,238,564
Prepaid items	-	-	-	-	-	-	-	-	-	5,010
Inventory	-	-	-	-	-	-	-	-	-	68,440
Total assets	$ 19,480	397,115	17,440	26,166	83,932	6,188	39,535	33,209	1,155,928	6,230,200
Liabilities and Fund Balances (Deficits)										
Liabilities:										
Accounts payable	-	-	-	-	218	-	-	-	-	150,218
Accrued payroll liabilities	-	-	-	-	-	-	-	-	-	15,422
Due to other funds	19,227	-	17,440	-	-	-	-	-	-	2,865,371
Unearned revenue	253	397,115	-	26,166	83,714	6,188	39,535	21,788	-	1,800,801
Total liabilities	19,480	397,115	17,440	26,166	83,932	6,188	39,535	21,788	-	4,831,812
Fund balances (deficits):										
Nonspendable	-	-	-	-	-	-	-	-	-	73,450
Restricted	-	-	-	-	-	-	-	-	1,155,928	1,340,587
Assigned	-	-	-	-	-	-	-	11,421	-	57,801
Unassigned (deficits)	-	-	-	-	-	-	-	-	-	(73,450)
Total fund balances (deficits)	-	-	-	-	-	-	-	11,421	1,155,928	1,398,388
Total liabilities and fund balances (deficits)	$ 19,480	397,115	17,440	26,166	83,932	6,188	39,535	33,209	1,155,928	6,230,200

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

Combining Balance Sheet, Continued

	Capital Project Funds							
	District Technology	Impact Aid Capital	CIP Reserve Local Share	Local Funded Maintenance	AHFC Buckland School Duplex THP-23-NAB-1	AHFC Buckland School Duplex THP-23-NAB-2	Deering K-12 School Improvement	Shugnak K-12 School Improvement
Assets								
Accounts receivable	$ -	-	-	-	50,000	76,817	-	-
Due from other funds	599,365	53,386	3,048,925	312,633	-	-	2,015	234,033
Prepaid items	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total assets	$ 599,365	53,386	3,048,925	312,633	50,000	76,817	2,015	234,033
Liabilities and Fund Balances (Deficits)								
Liabilities:								
Accounts payable	-	-	-	-	158	159	2,015	-
Accrued payroll liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	25,849	61,362		-
Unearned revenue	-	-	-	-	-	-	-	234,033
Total liabilities	-	-	-	-	26,007	61,521	2,015	234,033
Fund balances (deficits):								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	53,386	-	-	-	-	-	-
Assigned	599,365	-	3,048,925	312,633	23,993	15,296	-	-
Unassigned (deficits)	-	-	-	-	-	-	-	-
Total fund balances (deficits)	599,365	53,386	3,048,925	312,633	23,993	15,296	-	-
Total liabilities and fund balances (deficits)	$ 599,365	53,386	3,048,925	312,633	50,000	76,817	2,015	234,033

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

Combining Balance Sheet, Continued

	Capital Project Funds								
	Buckland HVAC	Alaska Technical Center Family Housing	Magnet School (ATC) Expansion Project	Construction Management	Selawik Renovations	DW HVAC	DW Fire Alarm	THP DPX-1	THP DPX-2
Assets									
Accounts receivable	$ 147,430	-	-	-	-	-	324,456	-	-
Due from other funds	-	17,452	673,518	-	3,412,918	3,280,646	-	239,288	196,462
Prepaid items	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total assets	$ 147,430	17,452	673,518	-	3,412,918	3,280,646	324,456	239,288	196,462
Liabilities and Fund Balances (Deficits)									
Liabilities:									
Accounts payable	877	-	-	739	6,699	10,621	5,016	583	583
Accrued payroll liabilities	-	-	-	-	-	-	-	-	-
Due to other funds	232,728	-	-	(739)	-	-	29,442	-	-
Unearned revenue	10,370	-	-	-	3,099,961	3,296,675	289,998	238,705	208,273
Total liabilities	243,975	-	-	-	3,106,660	3,307,296	324,456	239,288	208,856
Fund balances (deficits):									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Assigned	-	17,452	673,518	-	306,258	-	-	-	-
Unassigned (deficits)	(96,545)	-	-	-	-	(26,650)	-	-	(12,394)
Total fund balances (deficits)	(96,545)	17,452	673,518	-	306,258	(26,650)	-	-	(12,394)
Total liabilities and fund balances (deficits)	$ 147,430	17,452	673,518	-	3,412,918	3,280,646	324,456	239,288	196,462

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

Combining Balance Sheet, Continued

	Capital Project Funds							
	KMHS Childcare Center	AHFC Rehabilitation Addition Noatak	Buckland Boiler Replacement	SHG FA & HVAC Controls	AHFC ABL THP DPX-1	AHFC ABL THP DPX 2	Total Capital Project Funds	Total Other Governmental Funds
Assets								
Accounts receivable	$ 187,499	14,016	-	-	-	-	800,218	3,718,404
Due from other funds	-	2,653	260	1,918	146	146	12,075,764	15,314,328
Prepaid items	-	-	-	-	-	-	-	5,010
Inventory	-	-	-	-	-	-	-	68,440
Total assets	$ 187,499	16,669	260	1,918	146	146	12,875,982	19,106,182
Liabilities and Fund Balances (Deficits)								
Liabilities:								
Accounts payable	6,193	16,669	260	1,918	146	146	52,782	203,000
Accrued payroll liabilities	-	-	-	-	-	-	-	15,422
Due to other funds	181,306	-	-	-	-	-	529,948	3,395,319
Unearned revenue	-	-	-	-	-	-	7,378,015	9,178,816
Total liabilities	187,499	16,669	260	1,918	146	146	7,960,745	12,792,557
Fund balances (deficits):								
Nonspendable	-	-	-	-	-	-	-	73,450
Restricted	-	-	-	-	-	-	53,386	1,393,973
Assigned	-	-	-	-	-	-	4,997,440	5,055,241
Unassigned (deficits)	-	-	-	-	-	-	(135,589)	(209,039)
Total fund balances (deficits)	-	-	-	-	-	-	4,915,237	6,313,625
Total liabilities and fund balances (deficits)	$ 187,499	16,669	260	1,918	146	146	12,875,982	19,106,182

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Year Ended June 30, 2026

	Special Revenue Funds								
	Student Transportation	T.V.E.P Basic	STAR of the Northwest Magnet School	Facilities Housing	Teacher Housing	School Broadband Assistance	ARP Homeless	Food Service	Local Foods for Local Schools
Revenues:									
Local sources:									
Charges for services	$ -	-	-	-	704,189	-	-	20,661	-
Other	-	-	-	-	-	-	-	-	-
Intergovernmental:									
State of Alaska	51,794	2,120,831	767,517	-	-	806,923	-	-	-
Borough appropriations	-	-	-	-	-	-	-	-	-
Federal sources:									
Passed through the State of Alaska	-	-	-	-	-	-	977	1,940,005	16,369
Direct	-	-	-	-	-	-	-	-	-
Total revenues	51,794	2,120,831	767,517	-	704,189	806,923	977	1,960,666	16,369
Expenditures:									
Instruction	-	-	-	-	404,471	-	977	-	-
Special education support services - students	-	-	-	-	-	-	-	-	-
Support services - students	-	214,678	504,955	-	-	-	-	-	-
Support services - instruction	-	-	29,234	-	-	806,923	-	-	-
School administration	-	-	279	-	-	-	-	-	-
School administration support services	-	199,746	81,694	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	-	-
District administration support services	-	-	-	-	-	-	-	-	-
Operations and maintenance of plant	-	196,630	194,064	-	954,960	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-
Student transportation- to and from school	35,110	-	-	-	-	-	-	-	-
Adult and continuing education instruction	-	1,472,612	-	-	-	-	-	-	-
Food services	-	37,165	56,336	-	-	-	-	3,149,904	16,369
Construction and facilities acquisition	-	-	-	-	-	-	-	-	-
Total expenditures	35,110	2,120,831	866,562	-	1,359,431	806,923	977	3,149,904	16,369
Excess (deficiency) of revenues over expenditures	16,684	-	(99,045)	-	(655,242)	-	-	(1,189,238)	-
Other financing sources (uses):									
Transfers in	-	-	31,844	-	655,242	-	-	1,189,238	-
Transfers out	-	-	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	31,844	-	655,242	-	-	1,189,238	-
Net change in fund balances	16,684	-	(67,201)	-	-	-	-	-	-
Fund balances (deficits), beginning of year	-	-	67,201	39,548	-	-	-	-	-
Fund balances (deficits), end of year	$ 16,684	-	-	39,548	-	-	-	-	-

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

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

	Special Revenue Funds								
	Consolidated Administration	Title I-A Homeless	Title I-A Basic	Title I-C Migrant Education	Title I-A Parent Engagement	Title I-A Professional Development	Migrant Education - Books	Career Technical Education	Safety and Well Being
Revenues:									
Local sources:									
Charges for services	$ -	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Intergovernmental:									
State of Alaska	-	-	-	-	-	-	-	-	-
Borough appropriations	-	-	-	-	-	-	-	-	-
Federal sources:									
Passed through the State of Alaska	561,509	687	1,209,854	662,215	37,578	237,328	16,958	37,121	2,471
Direct	-	-	-	-	-	-	-	-	-
Total revenues	561,509	687	1,209,854	662,215	37,578	237,328	16,958	37,121	2,471
Expenditures:									
Instruction	-	659	836,313	591,026	36,043	-	10,094	35,604	-
Special education support services - students	-	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-	-
Support services - instruction	-	-	133,745	44,131	-	227,631	2,564	-	2,370
School administration	-	-	190,362	-	-	-	-	-	-
School administration support services	-	-	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	-	-
District administration support services	561,509	28	49,434	27,058	1,535	9,697	4,300	1,517	101
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-	-
Adult and continuing education instruction	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-	-	-
Total expenditures	561,509	687	1,209,854	662,215	37,578	237,328	16,958	37,121	2,471
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	53	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	53	-	-	-	-	-
Net change in fund balances	-	-	-	53	-	-	-	-	-
Fund balances (deficits), beginning of year	-	-	-	-	-	-	-	-	-
Fund balances (deficits), end of year	$ -	-	-	53	-	-	-	-	-

(Continued)

FINAL DRAFT
DISCUSSION PURPOSES ON

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

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

	Special Revenue Funds								
	Title I-A School Improvement 1003(a)	Early Education Program	Early Intervention Infant Learning Program	Early Intervention Infant Learning Program Part C	Medical Assistance	Special Education Title VI-B	Special Education Section 619	Special Education Title VI-B Discretionary	Adult Basic Education Unit 7556
Revenues:									
Local sources:									
Charges for services	$ -	-	-	-	-	-	-	-	-
Other	-	-	-	-	32,418	-	-	-	-
Intergovernmental:									
State of Alaska	-	527,488	197,991	-	-	-	-	-	77,962
Borough appropriations	-	-	-	-	-	-	-	-	-
Federal sources:									
Passed through the State of Alaska	454,246	-	-	49,987	-	640,645	1,584	22,000	38,652
Direct	-	-	-	-	-	-	-	-	-
Total revenues	454,246	527,488	197,991	49,987	32,418	640,645	1,584	22,000	116,614
Expenditures:									
Instruction	253,362	505,935	-	-	-	-	-	-	-
Special education support services - students	-	-	189,901	47,945	41,882	614,469	1,519	21,101	-
Support services - students	-	-	-	-	-	-	-	-	-
Support services - instruction	182,324	-	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-	-	5,521
School administration support services	-	-	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	-	-
District administration support services	18,560	21,553	8,090	2,042	-	26,176	65	899	4,765
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-	-
Adult and continuing education instruction	-	-	-	-	-	-	-	-	106,328
Food services	-	-	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-	-	-
Total expenditures	454,246	527,488	197,991	49,987	41,882	640,645	1,584	22,000	116,614
Excess (deficiency) of revenues over expenditures	-	-	-	-	(9,464)	-	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	(9,464)	-	-	-	-
Fund balances (deficits), beginning of year	-	-	-	-	177,439	-	-	-	-
Fund balances (deficits), end of year	$ -	-	-	-	167,975	-	-	-	-

(continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONL

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

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

	Special Revenue Funds									
	CLSD 2024 COHORT	AK Literacy	Youth Leaders Program	Literacy Connections	Native Youth in Action	Preparing Our Youth	Indian Education	Johnson O'Malley Contract	Rural Education Achievement Program	Alaska C-3 ANE
Revenues:										
Local sources:										
Charges for services	$ -	-	-	-	-	-	-	-	-	-
Other	-	-	323,790	-	-	-	-	-	-	-
Intergovernmental:										
State of Alaska	-	-	-	-	-	-	-	-	-	-
Borough appropriations	-	-	-	-	-	-	-	-	-	-
Federal sources:										
Passed through the State of Alaska	340,309	30,395	-	-	-	-	-	-	-	-
Direct	-	-	-	934,156	662,203	217,921	600,823	107,720	10,434	1,115,605
Total revenues	340,309	30,395	323,790	934,156	662,203	217,921	600,823	107,720	10,434	1,115,605
Expenditures:										
Instruction	319,404	29,153	-	415,217	619,853	188,461	432,824	92,867	-	100,597
Special education support services - students	-	-	-	-	-	-	-	-	-	-
Support services - students	-	-	323,790	-	-	-	-	-	-	-
Support services - instruction	7,000	-	-	480,770	15,293	20,556	143,450	8,146	10,008	975,125
School administration	-	-	-	-	-	-	-	-	-	-
School administration support services	-	-	-	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	6,707	-	-
District administration support services	13,905	1,242	-	38,169	27,057	8,904	24,549	-	426	39,883
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-	-	-
Adult and continuing education instruction	-	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	-	-	-	-	-	-
Total expenditures	340,309	30,395	323,790	934,156	662,203	217,921	600,823	107,720	10,434	1,115,605
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-
Fund balances (deficits), beginning of year	-	-	6,779	-	-	-	-	-	-	-
Fund balances (deficits), end of year	$ -	-	6,779	-	-	-	-	-	-	-

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

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

	Special Revenue Funds									
	The Inupiatun Ilisaqta Project	Our Youth	Maniilaq ABE/GED Contract	Local Donation Payroll	Local Donation Professional and Technical Services	Noorvik After School	Maniilaq Health Activities	Maniilaq Counselor Program	Student Activities	Total Special Revenue Funds
Revenues:										
Local sources:										
Charges for services	$ -	-	-	-	-	-	-	-	-	724,850
Other	-	-	48,106	423,659	26,974	17,420	8,688	5,361	763,630	1,650,046
Intergovernmental:										
State of Alaska	-	-	-	-	-	-	-	-	-	4,550,506
Borough appropriations	-	-	-	-	-	-	-	-	-	-
Federal sources:										
Passed through the State of Alaska	-	-	-	-	-	-	-	-	-	6,300,890
Direct	376,834	1,252,682	-	-	-	-	-	-	-	5,278,378
Total revenues	376,834	1,252,682	48,106	423,659	26,974	17,420	8,688	5,361	763,630	18,504,670
Expenditures:										
Instruction	361,437	-	-	423,659	-	17,420	-	-	-	5,675,376
Special education support services - students	-	-	-	-	-	-	-	-	-	916,817
Support services - students	-	1,201,498	-	-	-	-	8,688	5,361	-	2,258,970
Support services - instruction	-	-	-	-	-	-	-	-	-	3,089,270
School administration	-	-	-	-	-	-	-	-	-	196,162
School administration support services	-	-	-	-	-	-	-	-	-	281,440
District administration	-	-	-	-	-	-	-	-	-	6,707
District administration support services	15,397	51,184	-	-	-	-	-	-	-	958,045
Operations and maintenance of plant	-	-	-	-	-	-	-	-	-	1,345,654
Student activities	-	-	-	-	26,974	-	-	-	568,564	595,538
Student transportation - to and from school	-	-	-	-	-	-	-	-	-	35,110
Adult and continuing education instruction	-	-	48,106	-	-	-	-	-	-	1,627,046
Food services	-	-	-	-	-	-	-	-	-	3,259,774
Construction and facilities acquisition	-	-	-	-	-	-	-	-	-	-
Total expenditures	376,834	1,252,682	48,106	423,659	26,974	17,420	8,688	5,361	568,564	20,245,909
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	195,066	(1,741,239)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	1,876,377
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	1,876,377
Net change in fund balances	-	-	-	-	-	-	-	-	195,066	135,138
Fund balances (deficits), beginning of year	-	-	-	-	-	-	-	11,421	960,862	1,263,250
Fund balances (deficits), end of year	$ -	-	-	-	-	-	-	11,421	1,155,928	1,398,388

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

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

	Capital Project Funds							
	District Technology	Impact Aid	Local Funded Maintenance	CIP Reserved Local Share	AHFC Buckland School Duplex THP-23-NAB-1	AHFC Buckland School Duplex THP-23-NAB-2	Deering K-12 School Improvement	Kivalina K-12 Replacement School and Teachers Housing
Revenues:								
Local sources:								
Charges for services	$ -	-	-	-	-	-	-	-
Other	24,963	-	601,952	26,866	-	-	-	755,588
Intergovernmental:								
State of Alaska	-	-	-	-	28,007	61,207	-	-
Borough appropriations	-	-	-	-	-	15,320	-	-
Federal sources:								
Passed through the State of Alaska	-	-	-	-	-	-	-	-
Direct	-	-	-	-	-	-	-	-
Total revenues	24,963	-	601,952	26,866	28,007	76,527	-	755,588
Expenditures:								
Instruction	-	-	-	-	-	-	-	-
Special education instruction	-	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	524,965	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-	-
School administration support services	-	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	-
District administration support services	-	-	-	-	-	-	-	-
Operations and maintenance of plant	-	-	595,321	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Adult and continuing education instruction	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	138,205	137,932	74,967	44,989
Total expenditures	524,965	-	595,321	-	138,205	137,932	74,967	44,989
Excess (deficiency) of revenues over expenditures	(500,002)	-	6,631	26,866	(110,198)	(61,405)	(74,967)	710,599
Other financing sources (uses):								
Transfers in	-	-	-	957,696	110,198	61,405	74,967	-
Transfers out	-	-	-	(2,015,781)	-	-	-	(944,372)
Total other financing sources (uses)	-	-	-	(1,058,085)	110,198	61,405	74,967	(944,372)
Net change in fund balances	(500,002)	-	6,631	(1,031,219)	-	-	-	(233,773)
Fund balances (deficits), beginning of year	1,099,367	53,386	306,002	4,080,144	23,993	15,296	-	233,773
Fund balances (deficits), end of year	$ 599,365	53,386	312,633	3,048,925	23,993	15,296	-	-

(Continued)

FINAL DRAFT
OR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

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

	Capital Project Funds							
	Buckland HVAC	Alaska Technical Center Family Housing	Magnet School (ATC) Expansion Project	Construction Management	Selawik Renovations	DW HVAC	DW Fire Alarm	THP DPX-1
Revenues:								
Local sources:								
Charges for services	$ -	-	-	-	-	-	-	-
Other	11,523	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	-	-	-	-	435,164	142,749	63,779	359,807
Borough appropriations	-	-	-	-	109,047	49,012	18,532	-
Federal sources:								
Passed through the State of Alaska	324,058	-	-	-	-	-	-	-
Direct	-	-	-	-	-	-	-	-
Total revenues	335,581	-	-	-	544,211	191,761	82,311	359,807
Expenditures:								
Instruction	-	-	-	-	-	-	-	-
Special education support services - students	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-	-
School administration support services	-	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	-
District administration support services	-	-	-	-	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Adult and continuing education instruction	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Construction and facilities acquisition	335,581	-	-	25,885	543,955	178,436	79,723	440,608
Total expenditures	335,581	-	-	25,885	543,955	178,436	79,723	440,608
Excess (deficiency) of revenues over expenditures	-	-	-	(25,885)	256	13,325	2,588	(80,801)
Other financing sources (uses):								
Transfers in	-	-	-	25,885	306,002	-	-	80,801
Transfers out	-	-	-	-	-	(39,975)	-	-
Total other financing sources (uses)	-	-	-	25,885	306,002	(39,975)	-	80,801
Net change in fund balances	-	-	-	-	306,258	(26,650)	2,588	-
Fund balances (deficits), beginning of year	(96,545)	17,452	673,518	-	-	-	(2,588)	-
Fund balances (deficits), end of year	$ (96,545)	17,452	673,518	-	306,258	(26,650)	-	-

(Continued)

AL DRAFT
SSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Other Governmental Funds

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

	Capital Project Funds								
	THP DPX-2	KMHS Childcare Center	AHFC Rehabilitation Addition Noatak	Buckland Boiler Replacement	SHG FA & HVAC Controls	AHFC ABL THP DPX 1	AHFC ABL THP DPX 2	Total Capital Project Funds	Total Other Governmental Funds
Revenues:									
Local sources:									
Charges for services	$ -	-	-	-	-	-	-	-	724,850
Other	-	187,499	-	-	-	-	-	1,608,391	3,258,437
Intergovernmental:									
State of Alaska	301,036	-	14,016	-	-	-	-	1,405,765	5,956,271
Borough appropriations	-	-	-	-	-	-	-	191,911	191,911
Federal sources:									
Passed through the State of Alaska	-	-	-	-	-	-	-	324,058	6,624,948
Direct	-	-	-	-	-	-	-	-	5,278,378
Total revenues	301,036	187,499	14,016	-	-	-	-	3,530,125	22,034,795
Expenditures:									
Instruction	-	-	-	-	-	-	-	-	5,675,376
Special education support services - students	-	-	-	-	-	-	-	-	916,817
Support services - students	-	-	-	-	-	-	-	-	2,258,970
Support services - instruction	-	-	-	-	-	-	-	-	3,089,270
School administration	-	-	-	-	-	-	-	524,965	721,127
School administration support services	-	-	-	-	-	-	-	-	281,440
District administration	-	-	-	-	-	-	-	-	6,707
District administration support services	-	-	-	-	-	-	-	-	958,045
Operations and maintenance of plant	-	-	-	-	-	-	-	-	1,345,654
Student activities	-	-	-	-	-	-	-	595,321	1,190,859
Student transportation - to and from school	-	-	-	-	-	-	-	-	35,110
Adult and continuing education instruction	-	-	-	-	-	-	-	-	1,627,046
Food services	-	-	-	-	-	-	-	-	3,259,774
Construction and facilities acquisition	439,912	187,499	20,824	878	15,672	146	146	2,665,358	2,665,358
Total expenditures	439,912	187,499	20,824	878	15,672	146	146	3,785,644	24,031,553
Excess (deficiency) of revenues over expenditures	(138,876)	-	(6,808)	(878)	(15,672)	(146)	(146)	(255,519)	(1,996,758)
Other financing sources (uses):									
Transfers in	126,482	-	6,808	878	15,672	146	146	1,767,086	3,643,463
Transfers out	-	-	-	-	-	-	-	(3,000,128)	(3,000,128)
Total other financing sources (uses)	126,482	-	6,808	878	15,672	146	146	(1,233,042)	643,335
Net change in fund balances	(12,394)	-	-	-	-	-	-	(1,488,561)	(1,353,423)
Fund balances (deficits), beginning of year	-	-	-	-	-	-	-	6,403,798	7,667,048
Fund balances (deficits), end of year	$ (12,394)	-	-	-	-	-	-	4,915,237	6,313,625

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Student Transportation Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental - State of Alaska	$ 51,794	51,794	-
Expenditures:			
Student transportation - to and from school:			
Non-certificated salaries	32,356	32,356	-
Employee benefits	2,754	2,754	-
Total expenditures	35,110	35,110	-
Excess of revenues over expenditures	$ 16,684	16,684	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ 16,684	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

T.V.E.P. Basic Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental - State of Alaska	$ 2,290,800	2,120,831	(169,969)
Expenditures:			
Support services - students:			
Certificated salaries	15,000	4,010	10,990
Non-certificated salaries	118,305	57,237	61,068
Employee benefits	47,855	41,361	6,494
Supplies, materials and media	15,000	112,070	(97,070)
Total support services - students	196,160	214,678	(18,518)
School administration support services:			
Certificated salaries	61,745	58,402	3,343
Non-certificated salaries	95,886	71,400	24,486
Employee benefits	76,890	41,015	35,875
Professional and technical services	34,580	15,198	19,382
Staff travel	10,700	3,988	6,712
Supplies, materials and media	10,000	9,743	257
Total school administration support services	289,801	199,746	90,055
Operations and maintenance of plant:			
Professional and technical services	140,616	159,902	(19,286)
Energy	35,000	36,728	(1,728)
Total operations and maintenance of plant	175,616	196,630	(21,014)
Adult and continuing education instruction:			
Certificated salaries	130,300	108,239	22,061
Non-certificated salaries	191,551	136,788	54,763
Employee benefits	80,850	69,122	11,728
Professional and technical services	775,090	619,469	155,621
Staff travel	5,279	5,279	-
Student travel	124,161	119,465	4,696
Other purchased services	15,000	3,822	11,178
Supplies, materials and media	162,000	169,840	(7,840)
Tuition-students and stipends	95,000	87,491	7,509
Equipment	-	153,097	(153,097)
Total adult and continuing education instruction	1,579,231	1,472,612	106,619
Food services:			
Certificated salaries	-	2,817	(2,817)
Employee benefits	-	418	(418)
Supplies, materials and media	49,992	33,930	16,062
Total food services	49,992	37,165	12,827
Total expenditures	2,290,800	2,120,831	169,969
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

STAR of the Northwest Magnet School Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental - State of Alaska	$ 767,517	767,517	-
Expenditures:			
Support services - students:			
Certificated salaries	58,450	58,450	-
Non-certificated salaries	162,856	162,856	-
Employee benefits	67,755	67,755	-
Professional and technical services	163,078	163,078	-
Supplies, materials and media	52,816	52,816	-
Total support services - students	504,955	504,955	-
Support services - instruction:			
Student travel	29,234	29,234	-
School administration:			
Staff travel	279	279	-
School administration support services:			
Certificated salaries	58,402	58,402	-
Employee benefits	23,292	23,292	-
Total School administration support services	81,694	81,694	-
Operations and maintenance of plant:			
Professional and technical services	68,515	68,515	-
Utility services	11,570	11,570	-
Energy	113,979	113,979	-
Total operations and maintenance of plant	194,064	194,064	-
Food services:			
Professional and technical services	12,896	12,896	-
Supplies, materials and media	43,440	43,440	-
Total food services	56,336	56,336	-
Total expenditures	866,562	866,562	-
Excess (deficiency) of revenues over expenditures	(99,045)	(99,045)	-
Other financing sources:			
Transfer in - School Operating Fund	31,844	31,844	-
Net change in fund balance	$ (67,201)	(67,201)	-
Fund balance, beginning of year		67,201	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Teacher Housing Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - local sources:			
Charges for services - rental income	$ 704,189	704,189	-
Expenditures:			
Instruction:			
Employee benefits	8,971	8,971	-
Housing allowance/subsidy	395,500	395,500	-
Total instruction	404,471	404,471	-
Operations and maintenance of plant:			
Non-certificated salaries	136,255	136,255	-
Employee benefits	13,017	13,017	-
Staff travel	55,974	55,974	-
Utility services	81,685	81,685	-
Energy	379,432	379,432	-
Supplies, materials and media	288,597	288,597	-
Total operations and maintenance of plant	954,960	954,960	-
Total expenditures	1,359,431	1,359,431	-
Excess (deficiency) of revenues over expenditures	(655,242)	(655,242)	-
Other financing source:			
Transfer out -School Operating Fund	655,242	655,242	-
Net change in fund balance	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

School Broadband Assistance Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental - State of Alaska	$ 821,180	806,923	(14,257)
Expenditures:			
Support services - instruction:			
Utility services	821,180	806,923	14,257
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

ARP Homeless Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 1,300	977	(323)
Expenditures:			
Instruction:			
Staff travel	1,300	977	323
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Food Service Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	$ 1,940,005	1,940,005	-
Local sources:			
Charges for services	20,661	20,661	-
Total revenues	1,960,666	1,960,666	-
Expenditures:			
Food services:			
Non-certificated salaries	63,777	63,777	-
Employee benefits	43,796	43,796	-
Professional and technical services	2,937,639	2,937,639	-
Supplies, materials and media	104,692	104,692	-
Total expenditures	3,149,904	3,149,904	-
Excess (deficiency) of revenues over expenditures	(1,189,238)	(1,189,238)	-
Other financing sources:			
Transfer in - School Operating Fund	1,189,238	1,189,238	-
Net change in fund balance	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Local Foods for Local Schools Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources passed through the State of Alaska	$ 16,369	16,369	-
Expenditures:			
Food services:			
Supplies, materials and media	16,369	16,369	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Consolidated Administration Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 591,000	561,509	(29,491)
Expenditures:			
District administration support services:			
Certificated salaries	191,533	183,373	8,160
Non-certificated salaries	176,690	183,356	(6,666)
Employee benefits	147,922	144,053	3,869
Professional and technical services	7,923	5,039	2,884
Staff travel	26,266	11,899	14,367
Supplies, materials and media	16,344	10,673	5,671
Other	174	173	1
Indirect costs	24,148	22,943	1,205
Total expenditures	591,000	561,509	29,491
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Title I-A Homeless Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 687	687	-
Expenditures:			
Instruction:			
Supplies, materials and media	659	659	-
District administration support services:			
Indirect costs	28	28	-
Total expenditures	687	687	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Title I-A Basic Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 1,341,441	1,209,854	(131,587)
Expenditures:			
Instruction:			
Certificated salaries	362,400	229,714	132,686
Non-certificated salaries	240,900	225,873	15,027
Employee benefits	345,548	222,682	122,866
Professional and technical services	33,000	33,000	-
Student travel	-	5,730	(5,730)
Supplies, materials and media	33,442	119,314	(85,872)
Total instruction	1,015,290	836,313	178,977
Support services - Instruction:			
Certificated salaries	186,252	24,167	162,085
Non-certificated salaries	32,389	16,001	16,388
Employee benefits	52,700	7,249	45,451
Transportation allowance	-	2,666	(2,666)
Professional and technical services	-	13,947	(13,947)
Staff travel	-	69,715	(69,715)
Total support services - students	271,341	133,745	137,596
School administration:			
Certificated salaries	-	133,582	(133,582)
Non-certificated salaries	-	7,611	(7,611)
Employee benefits	-	49,169	(49,169)
Total school administration	-	190,362	(190,362)
District administration support services:			
Indirect costs	54,810	49,434	5,376
Total expenditures	1,341,441	1,209,854	131,587
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Title I-C Migrant Education Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 753,205	662,215	(90,990)
Expenditures:			
Instruction:			
Non-certificated salaries	354,840	312,278	42,562
Employee benefits	259,119	249,321	9,798
Supplies, materials and media	35,271	29,427	5,844
Total instruction	649,230	591,026	58,204
Support services - instruction:			
Certificated salaries	16,000	16,000	-
Non-certificated salaries	44,500	21,500	23,000
Employee benefits	9,900	5,833	4,067
Staff travel	2,800	798	2,002
Total support services - instruction	73,200	44,131	29,069
District administration support services:			
Indirect costs	30,775	27,058	3,717
Total expenditures	753,205	662,215	90,990
Excess of revenues over expenditures	-	-	-
Other financing sources:			
Transfer in - CIP Reserve Local Share Capital Project Fund	-	53	53
Net change in fund balance	$ -	53	53
Fund balance, beginning of year		-	
Fund balance, end of year		$ 53	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Title I-A Parent Engagement Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 56,640	37,578	(19,062)
Expenditures:			
Instruction:			
Supplies, materials and media	54,326	36,043	18,283
District administration support services:			
Indirect costs	2,314	1,535	779
Total expenditures	56,640	37,578	19,062
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Title I-A Professional Development Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 278,426	237,328	(41,098)
Expenditures:			
Support services - instruction:			
Transportation allowance	1,250	646	604
Professional and technical services	163,831	161,855	1,976
Staff travel	95,719	58,880	36,839
Supplies, materials and media	6,250	6,250	-
Total support services - instruction	267,050	227,631	39,419
District administration support services:			
Indirect costs	11,376	9,697	1,679
Total expenditures	278,426	237,328	41,098
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Migrant Education - Books Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 28,200	16,958	(11,242)
Expenditures:			
Instruction:			
Supplies, materials and media	18,416	10,094	8,322
Support services - instruction:			
Staff travel	4,316	2,564	1,752
District administration support services:			
Staff travel	4,316	3,607	709
Indirect costs	1,152	693	459
Total district administration support services	5,468	4,300	1,168
Total expenditures	28,200	16,958	11,242
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Career Technical Education Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 106,469	37,121	(69,348)
Expenditures:			
Instruction:			
Certificated salaries	15,500	11,500	4,000
Employee benefits	2,565	1,707	858
Staff travel	9,591	9,413	178
Student travel	14,371	-	14,371
Supplies, materials and media	50,500	12,984	37,516
Tuition and stipends	10,000	-	10,000
Total instruction	102,527	35,604	66,923
District administration support services:			
Indirect costs	3,942	1,517	2,425
Total expenditures	106,469	37,121	69,348
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Safety and Well Being Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 3,250	2,471	(779)
Expenditures:			
Support services - instruction:			
Staff travel	3,117	2,370	747
District administration support services:			
Indirect costs	133	101	32
Total expenditures	3,250	2,471	779
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Title I-A School Improvement 1003(a) Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 594,800	454,246	(140,554)
Expenditures:			
Instruction:			
Certificated salaries	162,491	137,702	24,789
Non-certificated salaries	61,895	35,913	25,982
Employee benefits	57,033	41,846	15,187
Transportation allowance	-	3,000	(3,000)
Professional and technical services	12,632	10,000	2,632
Supplies, materials and media	62,318	24,901	37,417
Total instruction	356,369	253,362	103,007
Support services - instruction:			
Certificated salaries	26,070	26,070	-
Non-certificated salaries	14,800	14,800	-
Employee benefits	6,831	6,831	-
Professional and technical services	17,254	17,254	-
Staff travel	149,173	107,474	41,699
Supplies, materials and media	-	9,895	(9,895)
Total support services - instruction	214,128	182,324	31,804
District administration support services:			
Indirect costs	24,303	18,560	5,743
Total expenditures	594,800	454,246	140,554
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Early Education Program Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental - State of Alaska	$ 529,791	527,488	(2,303)
Expenditures:			
Instruction:			
Certificated salaries	274,452	273,125	1,327
Non-certificated salaries	-	1,296	(1,296)
Employee benefits	132,270	132,269	1
Professional and technical services	7,530	7,529	1
Staff travel	17,000	16,941	59
Supplies, materials and media	76,893	74,775	2,118
Total instruction	508,145	505,935	2,210
District administration support services:			
Indirect costs	21,646	21,553	93
Total expenditures	529,791	527,488	2,303
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Early Intervention Infant Learning Program Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska	$ 200,198	197,991	(2,207)
Expenditures:			
Special education support services - students:			
Non-certificated salaries	107,428	105,397	2,031
Employee benefits	72,826	72,826	-
Staff travel	10,084	10,084	-
Supplies, materials and media	1,680	1,594	86
Total special education support services - students	192,018	189,901	2,117
District administration support services:			
Indirect costs	8,180	8,090	90
Total expenditures	200,198	197,991	2,207
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Early Intervention Infant Learning Program Part C Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 49,987	49,987	-
Expenditures:			
Special education support services - students:			
Non-certificated salaries	26,503	26,503	-
Employee benefits	15,785	15,785	-
Staff travel	2,000	2,000	-
Supplies, materials and media	3,657	3,657	-
Total special education support services - students	47,945	47,945	-
District administration support services:			
Indirect costs	2,042	2,042	-
Total expenditures	49,987	49,987	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Medical Assistance Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - local sources - other	$ 162,439	32,418	(130,021)
Expenditures:			
Special education support services - students:			
Certificated salaries	50,000	5,000	45,000
Non-certificated salaries	40,000	16,685	23,315
Employee benefits	30,000	6,121	23,879
Professional and technical services	20,439	11,210	9,229
Staff travel	10,000	1,170	8,830
Supplies, materials and media	10,000	666	9,334
Other	2,000	1,030	970
Total expenditures	162,439	41,882	120,557
Excess (deficiency) of revenues over expenditures	$ -	(9,464)	(9,464)
Fund balance, beginning of year		177,439	
Fund balance, end of year		$ 167,975	

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FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Special Education Title VI-B Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 971,985	640,645	(331,340)
Expenditures:			
Special education support services - students:			
Certificated salaries	143,000	121,689	21,311
Non-certificated salaries	35,000	2,500	32,500
Employee benefits	52,000	47,916	4,084
Professional and technical services	530,000	314,573	215,427
Staff travel	40,000	43,285	(3,285)
Student travel	10,000	820	9,180
Supplies, materials and media	122,170	83,686	38,484
Other	100	-	100
Total special education support services - students	932,270	614,469	317,801
District administration support services:			
Indirect costs	39,715	26,176	13,539
Total expenditures	971,985	640,645	331,340
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

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FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Special Education Section 619 Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 27,634	1,584	(26,050)
Expenditures:			
Special education support services - students:			
Certificated salaries	12,000	-	12,000
Non-certificated salaries	1,500	800	700
Employee benefits	8,000	14	7,986
Professional and technical services	2,506	-	2,506
Supplies, materials and media	2,193	705	1,488
Total special education support services - students	26,199	1,519	24,680
District administration support services:			
Indirect costs	1,435	65	1,370
Total expenditures	27,634	1,584	26,050
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Special Education Title VI-B Discretionary Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 22,000	22,000	-
Expenditures:			
Special education support services - students:			
Certificated salaries	15,000	14,984	16
Supplies, materials and media	6,101	6,117	(16)
Total special education support services - students	21,101	21,101	-
District administration support services:			
Indirect costs	899	899	-
Total expenditures	22,000	22,000	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Adult Basic Education - Unit 7556 Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
State of Alaska	$ 92,918	77,962	(14,956)
Federal sources passed through the State of Alaska	45,765	38,652	(7,113)
Total revenues	138,683	116,614	(22,069)
Expenditures:			
School administration:			
Non-certificated salaries	4,216	3,397	819
Employee benefits	2,331	2,124	207
Total school administration	6,547	5,521	1,026
District administration support services:			
Indirect costs	5,666	4,765	901
Adult and continuing education instruction:			
Non-certificated salaries	64,695	57,785	6,910
Employee benefits	45,294	36,129	9,165
Professional and technical services	7,400	5,000	2,400
Supplies, materials and media	9,081	7,414	1,667
Total adult and continuing education instruction	126,470	106,328	20,142
Total expenditures	138,683	116,614	22,069
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

CLSD 2024 COHORT Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 357,000	340,309	(16,691)
Expenditures:			
Instruction:			
Certificated salaries	118,300	117,289	1,011
Employee benefits	45,474	45,217	257
Professional and technical services	161,420	154,420	7,000
Staff travel	10,505	2,478	8,027
Total instruction	335,699	319,404	16,295
Support services - instruction:			
Professional and technical services	7,000	7,000	-
District administration support services:			
Indirect costs	14,301	13,905	396
Total expenditures	357,000	340,309	16,691
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

AK Literacy Special Revenue Fund

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

Year Ended June 30, 2025

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources passed through the State of Alaska	$ 30,395	30,395	-
Expenditures:			
Instruction:			
Supplies, materials and media	29,153	29,153	-
District administration support services:			
Indirect costs	1,242	1,242	-
Total expenditures	30,395	30,395	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Youth Leaders Program Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - local sources - other	$ 250,000	323,790	73,790
Expenditures:			
Support services - students:			
Certificated salaries	90,000	43,100	46,900
Non-certificated salaries	20,000	54,845	(34,845)
Employee benefits	-	11,735	(11,735)
Professional and technical services	10,000	10,985	(985)
Staff travel	10,000	701	9,299
Student travel	85,000	170,497	(85,497)
Supplies, materials and media	35,000	31,927	3,073
Total expenditures	250,000	323,790	(73,790)
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		6,779	
Fund balance, end of year		$ 6,779	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Literacy Connections Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources - direct	$ 1,031,733	934,156	(97,577)
Expenditures:			
Instruction:			
Supplies, materials and media	466,234	415,217	51,017
Support services - instruction:			
Certificated salaries	315,636	291,686	23,950
Non-certificated salaries	8,664	8,664	-
Employee benefits	103,709	97,098	6,611
Professional and technical services	59,997	49,803	10,194
Staff travel	33,519	33,519	-
Total support services - instruction	521,525	480,770	40,755
District administration support services:			
Indirect costs	43,974	38,169	5,805
Total expenditures	1,031,733	934,156	97,577
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Native Youth in Action Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources - direct	$ 908,261	662,203	(246,058)
Expenditures:			
Instruction:			
Certificated salaries	51,000	50,100	900
Non-certificated salaries	10,000	8,500	1,500
Employee benefits	13,000	8,701	4,299
Professional and technical services	634,976	462,088	172,888
Student travel	125,000	90,464	34,536
Total instruction	833,976	619,853	214,123
Support services - instruction:			
Professional and technical services	31,621	12,080	19,541
Staff travel	3,972	3,213	759
Total support services - instruction	35,593	15,293	20,300
District administration support services:			
Indirect costs	38,692	27,057	11,635
Total expenditures	908,261	662,203	246,058
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Preparing Our Youth Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources - direct	$ 499,617	217,921	(281,696)
Expenditures:			
Instruction:			
Certificated salaries	126,500	47,620	78,880
Non-certificated salaries	-	5,556	(5,556)
Employee benefits	48,979	7,149	41,830
Student travel	152,820	51,497	101,323
Supplies, materials and media	100,197	76,639	23,558
Total instruction	428,496	188,461	240,035
Support services - instruction:			
Professional and technical services	50,700	20,556	30,144
District administration support services:			
Indirect costs	20,421	8,904	11,517
Total expenditures	499,617	217,921	281,696
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Indian Education Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources - direct	$ 636,830	600,823	(36,007)
Expenditures:			
Instruction:			
Non-certificated salaries	204,410	200,050	4,360
Employee benefits	111,902	107,109	4,793
Staff travel	40,000	40,000	-
Supplies, materials and media	90,164	85,665	4,499
Total instruction	446,476	432,824	13,652
Support services - instruction:			
Certificated salaries	18,843	18,843	-
Non-certificated salaries	44,187	33,335	10,852
Employee benefits	12,100	11,272	828
Professional and technical services	86,970	80,000	6,970
Total support services - instruction	162,100	143,450	18,650
District administration support services:			
Indirect cost	28,254	24,549	3,705
Total expenditures	636,830	600,823	36,007
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Johnson O'Malley Contract Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources - direct	$ 395,710	107,720	(287,990)
Expenditures:			
Instruction:			
Certificated salaries	33,500	15,000	18,500
Non-certificated salaries	62,500	7,565	54,935
Employee benefits	18,500	3,480	15,020
Student travel	12,677	-	12,677
Supplies, materials and media	154,394	66,822	87,572
Total instruction	281,571	92,867	188,704
Support services - instruction:			
Non-certificated salaries	13,019	6,769	6,250
Employee benefits	2,500	577	1,923
Professional and technical services	2,800	800	2,000
Total support services - instruction	18,319	8,146	10,173
District administration:			
Non-certificated salaries	10,645	-	10,645
Professional and technical services	16,875	2,250	14,625
Staff travel	450	4,457	(4,007)
Supplies, materials and media	67,850	-	67,850
Total district administration	95,820	6,707	89,113
Total expenditures	395,710	107,720	287,990
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Rural Education Achievement Program Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources - direct	$ 17,374	10,434	(6,940)
Expenditures:			
Support services - instruction:			
Professional and technical services	7,500	3,575	3,925
Staff travel	9,164	6,433	2,731
Total support services - instruction	16,664	10,008	6,656
District administration support services:			
Indirect cost	710	426	284
Total expenditures	17,374	10,434	6,940
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Alaska C-3 ANE Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources - direct	$ 2,027,209	1,115,605	(911,604)
Expenditures:			
Instruction:			
Staff travel	40,730	7,900	32,830
Student travel	113,187	79,782	33,405
Supplies, materials and media	70,165	12,915	57,250
Total instruction	224,082	100,597	123,485
Support services - instruction:			
Certificated salaries	228,647	189,486	39,161
Non-certificated salaries	202,400	148,400	54,000
Employee benefits	154,169	58,468	95,701
Transportation allowance	82,521	34,494	48,027
Professional and technical services	1,047,798	544,277	503,521
Total support services - instruction	1,715,535	975,125	740,410
District administration support services:			
Indirect costs	87,592	39,883	47,709
Total expenditures	2,027,209	1,115,605	911,604
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

The Inupiatun Ilisaqta Project Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources - direct	$ 509,007	376,834	(132,173)
Expenditures:			
Instruction:			
Certificated salaries	20,000	10,000	10,000
Non-certificated salaries	156,500	130,347	26,153
Employee benefits	71,500	52,657	18,843
Professional and technical services	97,530	73,316	24,214
Staff travel	80,549	49,077	31,472
Supplies, materials and media	61,928	46,040	15,888
Total instruction	488,007	361,437	126,570
District administration support services:			
Indirect costs	21,000	15,397	5,603
Total expenditures	509,007	376,834	132,173
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Our Youth Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - Intergovernmental:			
Federal sources - direct	$ 2,017,083	1,252,682	(764,401)
Expenditures:			
Support services - students:			
Certificated salaries	1,066,695	670,803	395,892
Non-certificated salaries	22,133	22,133	-
Employee benefits	480,612	270,575	210,037
Transportation allowance	26,000	21,419	4,581
Professional and technical services	182,509	109,397	73,112
Staff travel	83,940	36,907	47,033
Other purchased services	1,700	1,700	-
Supplies, materials and media	68,827	68,564	263
Total support services - students	1,932,416	1,201,498	730,918
District administration support services:			
Indirect cost	84,667	51,184	33,483
Total expenditures	2,017,083	1,252,682	764,401
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Maniilaq ABE/GED Contract Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - local sources - other	$ 70,000	48,106	(21,894)
Expenditures:			
Adult and continuing education instruction:			
Staff travel	325	325	-
Student travel	37,675	22,877	14,798
Utility services	5,000	3,382	1,618
Other purchased services	2,000	716	1,284
Supplies, materials and media	10,000	19,644	(9,644)
Student transportation - in-lieu-of agreements	15,000	1,162	13,838
Total expenditures	70,000	48,106	21,894
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Local Donation Payroll Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - local sources - other	$ 423,659	423,659	-
Expenditures:			
Instruction:			
Certificated salaries	230,666	230,666	-
Non-certificated salaries	48,176	48,176	-
Employee benefits	144,817	144,817	-
Total expenditures	423,659	423,659	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Local Donation Professional and Technical Services Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - local sources - other	$ 110,687	26,974	(83,713)
Expenditures:			
Student activities:			
Certificated salaries	40,000	11,500	28,500
Non-certificated salaries	10,000	9,250	750
Employee benefits	7,800	2,497	5,303
Student travel	52,887	3,727	49,160
Total expenditures	110,687	26,974	83,713
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Noorvik After School Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - local sources - other	$ 22,000	17,420	(4,580)
Expenditures:			
Instruction:			
Non-certificated salaries	4,000	3,073	927
Employee benefits	720	195	525
Professional and technical services	378	-	378
Supplies, materials and media	16,902	14,152	2,750
Total expenditures	22,000	17,420	4,580
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Maniilaq Health Activities Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - local sources - other	$ 43,400	8,688	(34,712)
Expenditures:			
Support services - students:			
Certificated salaries	7,000	5,000	2,000
Non-certificated salaries	18,000	2,000	16,000
Employee benefits	8,000	1,688	6,312
Supplies, materials and media	10,400	-	10,400
Total expenditures	43,400	8,688	34,712
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Maniilaq Counselor Program Special Revenue Fund

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

Year Ended June 30, 2026

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues - local sources - other	$ 38,569	5,361	33,208
Expenditures:			
Support services - students:			
Certificated salaries	10,000	3,500	6,500
Employee benefits	2,500	520	1,980
Staff travel	11,920	1,341	10,579
Supplies, materials and media	14,149	-	14,149
Total expenditures	38,569	5,361	33,208
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		11,421	
Fund balance, end of year		$ 11,421	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Student Activities Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues - local sources - other	$	763,630
Expenditures:		
Student activities:		
Certificated salaries		2,500
Non-certificated salaries		2,000
Employee benefits		857
Professional and technical services		11,371
Student travel		222,142
Supplies, materials and media		329,677
Other		17
Total expenditures		568,564
Excess of revenues over expenditures		195,066
Fund balance, beginning of year		960,862
Fund balance, end of year	$	1,155,928

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Capital Project Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Year Ended June 30, 2026

	Capital Project Funds							
	District Technology	Impact Aid	Local Funded Maintenance	CIP Reserved Local Share	AHFC Buckland School Duplex THP-23-NAB-1	AHFC Buckland School Duplex THP-23-NAB-2	Deering K-12 School Improvement	Kivalina K-12 Replacement School and Teachers Housing
Revenues:								
Local sources:								
Other	$ 24,963	-	601,952	26,866	-	-	-	755,588
Intergovernmental:								
State of Alaska	-	-	-	-	28,007	61,207	-	-
Borough appropriations	-	-	-	-	-	15,320	-	-
Federal sources	-	-	-	-	-	-	-	-
Total revenues	24,963	-	601,952	26,866	28,007	76,527	-	755,588
Expenditures:								
Support services - instruction	524,965	-	-	-	-	-	-	-
Operations and maintenance of plant	-	-	595,321	-	-	-	-	-
Construction and facilities acquisition	-	-	-	-	138,205	137,932	74,967	44,989
Total expenditures	524,965	-	595,321	-	138,205	137,932	74,967	44,989
Excess (deficiency) of revenues over expenditures	(500,002)	-	6,631	26,866	(110,198)	(61,405)	(74,967)	710,599
Other financing sources (uses):								
Transfers in	-	-	-	957,696	110,198	61,405	74,967	-
Transfers out	-	-	-	(2,015,781)	-	-	-	(944,372)
Total other financing sources (uses)	-	-	-	(1,058,085)	110,198	61,405	74,967	(944,372)
Net change in fund balances	(500,002)	-	6,631	(1,031,219)	-	-	-	(233,773)
Fund balances (deficits), beginning of year	1,099,367	53,386	306,002	4,080,144	23,993	15,296	-	233,773
Fund balances (deficits), end of year	$ 599,365	53,386	312,633	3,048,925	23,993	15,296	-	-

(continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Capital Project Funds

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

	Capital Project Funds							
	Buckland HVAC	Alaska Technical Center Family Housing	Magnet School (ATC) Expansion Project	Construction Management	Selawik Renovations	DW HVAC	DW fire Alarm	THP DPX-1
Revenues:								
Local sources:								
Other	$ 11,523	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	-	-	-	-	435,164	142,749	63,779	359,807
Borough appropriations	-	-	-	-	109,047	49,012	18,532	-
Federal sources	324,058	-	-	-	-	-	-	-
Total revenues	335,581	-	-	-	544,211	191,761	82,311	359,807
Expenditures:								
Support services - instruction	-	-	-	-	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Construction and facilities acquisition	335,581	-	-	25,885	543,955	178,436	79,723	440,608
Total expenditures	335,581	-	-	25,885	543,955	178,436	79,723	440,608
Excess (deficiency) of revenues over expenditures	-	-	-	(25,885)	256	13,325	2,588	(80,801)
Other financing sources (uses):								
Transfers in	-	-	-	25,885	306,002	-	-	80,801
Transfers out	-	-	-	-	-	(39,975)	-	-
Total other financing sources (uses)	-	-	-	25,885	306,002	(39,975)	-	80,801
Net change in fund balances	-	-	-	-	306,258	(26,650)	2,588	-
Fund balances (deficits), beginning of year	(96,545)	17,452	673,518	-	-	-	(2,588)	-
Fund balances (deficits), end of year	$ (96,545)	17,452	673,518	-	306,258	(26,650)	-	-

(Continued)

FINAL DRAFT

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Capital Project Funds

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

	Capital Project Funds							
	THP DPX-2	KMHS Childcare Center	AHFC Rehabilitation Addition Noatak	Buckland Boiler Replacement	SHG FA & HVAC Controls	AHFC ABL THP DPX 1	AHFC ABL THP DPX 2	Total Capital Project Funds
Revenues:								
Local sources:								
Other	$ -	187,499	-	-	-	-	-	1,608,391
Intergovernmental:								
State of Alaska	301,036	-	14,016	-	-	-	-	1,405,765
Borough appropriations	-	-	-	-	-	-	-	191,911
Federal sources	-	-	-	-	-	-	-	324,058
Total revenues	301,036	187,499	14,016	-	-	-	-	3,530,125
Expenditures:								
Support services - instruction	-	-	-	-	-	-	-	524,965
Operations and maintenance of plant	-	-	-	-	-	-	-	595,321
Construction and facilities acquisition	439,912	187,499	20,824	878	15,672	146	146	2,665,358
Total expenditures	439,912	187,499	20,824	878	15,672	146	146	3,785,644
Excess (deficiency) of revenues over expenditures	(138,876)	-	(6,808)	(878)	(15,672)	(146)	(146)	(255,519)
Other financing sources (uses):								
Transfers in	126,482	-	6,808	878	15,672	146	146	1,767,086
Transfers out	-	-	-	-	-	-	-	(3,000,128)
Total other financing sources (uses)	126,482	-	6,808	878	15,672	146	146	(1,233,042)
Net change in fund balances	(12,394)	-	-	-	-	-	-	(1,488,561)
Fund balances (deficits), beginning of year	-	-	-	-	-	-	-	6,403,798
Fund balances (deficits), end of year	$ (12,394)	-	-	-	-	-	-	4,915,237

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Schedule of Compliance AS 14.17.505

Year Ended June 30, 2026

Total fund balance - School Operating Fund	$	11,675,568
Less exemptions per 4 AAC 09.160(a):		
Inventory		1,917,199
Prepaid items		14,605
Self insurance		2,421,224
Federal impact aid received		3,386,184
		7,739,212
Fund balance subject to 10% limitation	$	3,936,356

Unreserved fund balance as a percentage of current year expenditures:

Fund balance subject to limitation	=	$ 3,936,356	5.61%
Current year expenditures		$ 70,126,501	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2026

Awarding Agency	Award/Pass Through Number	Assistance Listing Number	Total Award	Federal Share of Expenditures
U.S. Department of Agriculture:				
Passed through the State of Alaska, Department of Education and Early Development:				
Child Nutrition Cluster:				
National School Breakfast Program		10.553	$ 444,686	444,686
National School Lunch Program		10.555	1,344,440	1,344,440
Fresh Fruit and Vegetable Program	FF26.NABD.02	10.582	96,873	96,873
Total Child Nutrition Cluster			1,885,999	1,885,999
Food Distribution Administrative Fee Reimbursement		10.560	54,006	54,006
Local Foods for School Grant	LF 26.NABD.01-03	10.185	16,369	16,369
Total U.S. Department of Agriculture			1,956,374	1,956,374
U.S Department of Education:				
Passed through the State of Alaska, Department of Education and Early Development:				
Title I Grants to Local Educational Agencies:				
Title I-A - Consolidated Administration	IP 26.NABD.01	84.010A	340,000	323,034
Title I-A Homeless	IP 26.NABD.01	84.010A	8,341	687
Title I-A Basic	IP 26.NABD.01	84.010A	1,523,168	1,209,854
Title I-A Parent Engagement	IP 26.NABD.01	84.010A	56,640	37,578
Title I-A Professional Development	IP 26.NABD.01	84.010A	278,426	237,328
School Improvement 1003(a)	SI 26.NABD.01	84.010A	594,800	454,246
Total ALN 84.010			2,801,375	2,262,727
Migrant Education State Grant Program:				
Title I-C - Consolidated Administration	IP 26.NABD.01	84.011A	223,500	212,347
Title I-C Migrant Education	IP 26.NABD.01	84.011A	753,205	662,215
Migrant Education Books	MB 26.NABD.01	84.011A	28,200	16,958
Total ALN 84.011			1,004,905	891,520
Supporting Effective Instruction State Grants:				
Title II-A - Consolidated Administration	IP 26.NABD.01	84.367A	25,000	23,753
AK Literacy	AL 26.NABD.01	84.371C	30,395	30,395
CLSD 2024 COHORT	CC 26.NABD.01	84.371C	350,000	340,309
Total ALN 84.011			380,395	370,704
Title IV-A - Consolidated Administration	IP 26.NABD.01	84.424A	2,500	2,375
Safety and Well Being	SW 26.NABD.01	84.424A	3,250	2,471
Total ALN 84.424			5,750	4,846
Special Education Cluster (IDEA):				
Title VI-B Special Education Grants to States	SE 26.NABD.01	84.027A	971,985	640,645
Section 619 Special Education Preschool Grants	SE 26.NABD.01	84.173A	27,634	1,584
Special Education Title VI-B Discretionary	DS 26.NABD.01	84.027A	22,000	22,000
Total Special Education Cluster (IDEA)			1,021,619	664,229
Carl Perkins Secondary - Career and Technical Education	EK 26.NABD.01	84.048A	122,079	37,121

(continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Schedule of Expenditures of Federal Awards, Continued

Awarding Agency	Award/Pass Through Number	Assistance Listing Number	Total Award	Federal Share of Expenditures
U.S Department of Education:				
Passed through the State of Alaska, Department of Education and Early Development, Continued:				
Early Intervention Infant Learning Program:				
Special Education - Grants for Infants and Families Part C	167-319-25010	84.181A	$ 49,987	49,987
Education for Homeless Children and Youth (EHCY)	AH 26.NABD.01	84.196A	1,300	977
Passed through the State of Alaska, Department of Labor and Workforce Development:				
Adult Education - Basic Grants to States	FY2026	84.002	45,967	38,652
Direct programs:				
Impact Aid	112801	84.041	4,121,701	3,386,184
Innovative Approaches to Literacy:				
Literacy Connections	S215G210084-25	84.215G	3,821,233	934,156
Indian Education Grant Formula Grants	S060A230098	84.060A	636,830	600,823
Special Programs for Indian Children:				
Native Youth in Action	S299A220063-25	84.299A	1,834,336	662,203
Preparing Our Youth (POY)	S299A250055	84.299A	499,800	217,921
Total ALN 84.299			2,334,136	880,124
REAP - RLIS Special Qualified Agencies	S358C230015/S358C240014	84.358C	72,785	10,434
Our Youth-Positive Vision for the Future	S184H220225-25B	84.184H	1,269,398	1,252,682
Alaska C-3 ANE	S356A240031-25A	84.356A	2,408,737	1,115,605
The Inupiatun Ilisaqta Project (TIIP)	S356A250025	84.356A	509,007	376,834
			2,917,744	1,492,439
Total U.S. Department of Education			20,632,204	12,901,358
U.S. Department of the Interior:				
Direct programs:				
Johnson O'Malley	A22AV004200	15.130	658,049	107,720
Denali Commission:				
Passed through the State of Alaska Department of Commerce, Community, and Economic Development:				
Buckland HVAC Project	20-RR-003; 1819-00	90.100	1,041,860	324,058
Total Expenditures of Federal Awards			$ 24,288,487	15,289,510

See accompanying notes to Schedule.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2026

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Northwest Arctic Borough School District under programs of the federal government for the year ended June 30, 2026. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Northwest Arctic Borough School District, it is not intended to and does not present the basic financial statements of Northwest Arctic Borough School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The Northwest Arctic Borough School District has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Passed Through Awards

No amounts were passed through to subrecipients.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Schedule of State Financial Assistance

Year Ended June 30, 2026

Awarding Agency	Grant Number	Total Grant Award	Eligible Expenditures
State of Alaska:			
Department of Education and Early Development:			
Public School Funding Program			
* Foundation	FY26	$ 39,828,699	39,828,699
* Quality Schools	FY26	102,949	102,949
Total Public School Funding Program		39,931,648	39,931,648
Disparity test	FY25	35,726	35,726
Dividend Raffle Funds	FY26	12,817	12,817
Pupil Transportation	FY26	51,794	51,794
* STAR of the Northwest Magnet School	FY25-26	767,517	767,517
Broadband Assistance Grant	BA 26.NABD.01	821,180	806,923
Early Learning Coordination	PE 26.NABD.01	529,760	527,488
Selawik Renovation	GR-25-005	7,539,338	435,164
Districtwide HVAC	GR-23-023	7,870,522	142,749
Districtwide Fire Systems	GR-26-005	5,290,272	63,779
Total Department of Education and Early Development		62,850,574	42,775,605
Department of Labor and Workforce Development:			
Alaska Technical Center:			
Technical Vocational Education Program FY2025	BBWTVPP-2026-7112	2,389,300	2,120,831
Adult Basic Education - Unit 7556	FY2026	92,716	77,962
Total Department of Labor and Workforce Development		2,482,016	2,198,793
Alaska Housing Finance Corporation:			
AHFC Buckland Duplex	THP-23-NAB-2	500,000	61,207
AHFC Buckland Duplex	THP-23-NAB1	500,000	28,007
Noatak AHFC Teacher Housing Project (THP-DPX-1)	RHP-25-NAB-1	700,000	359,807
Noatak AHFC Teacher Housing Project (THP-DPX-2)	RHP-25-NAB-2	595,750	301,036
Buckland, Kivalina, Noatak TH Renovation and New Construction	RHP-26-NAB-1	700,000	14,016
Total Alaska Housing Finance Corporation		2,995,750	764,073
Department of Health:			
Early Intervention Infant Learning Program	167-319-26010	200,198	197,991
Total State Financial Assistance		$ 68,528,538	45,936,462

See accompanying notes to Schedule.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2026

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Northwest Arctic Borough School District under programs of the State of Alaska for the year ended June 30, 2026. 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 Northwest Arctic Borough School District, it is not intended to and does not present the basic financial statements of Northwest Arctic 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 Northwest Arctic Borough School 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 Schedule of State Financial Assistance	$ 45,936,462
PERS On-Behalf	508,197
TRS On-Behalf	2,978,585
Total State Financial Assistance	$ 49,423,244

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

COMPLIANCE SECTION

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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
Northwest Arctic Borough School District
Kotzebue, 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 the Northwest Arctic Borough School District, a component unit of Northwest Arctic Borough, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Northwest Arctic Borough School District's basic financial statements, and have issued our report thereon dated Month XX, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Northwest Arctic 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 the Northwest Arctic Borough School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Northwest Arctic 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Federal Schedule of Findings and Questioned Costs as item 2026-001 that we consider to be a material weakness.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Members of the School Board
Northwest Arctic Borough School District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Northwest Arctic 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.

Northwest Arctic Borough School District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Northwest Arctic Borough School District's response to the finding identified in our audit and described in the accompanying Federal Schedule of Findings and Questioned Costs and the Corrective Action Plan. The Northwest Arctic Borough School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Anchorage, Alaska
Month XX, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

Independent Auditor's Report

Members of the School Board
Northwest Arctic Borough School District
Kotzebue, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northwest Arctic Borough School District's compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Northwest Arctic Borough School District's major federal programs for the year ended June 30, 2026. Northwest Arctic Borough School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Northwest Arctic 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 federal programs for the year ended June 30, 2026.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Northwest Arctic 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 federal program. Our audit does not provide a legal determination of Northwest Arctic Borough School District's compliance with the compliance requirements referred to above.

FINAL DRAFT

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 Northwest Arctic Borough School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Northwest Arctic 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 Northwest Arctic 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Northwest Arctic 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.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Members of the School Board
Northwest Arctic Borough School District

Report on Internal Control Over Compliance

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

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

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

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

Anchorage, Alaska
Month XX, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2026

Section I - Summary of Auditor's Results

Financial Statements

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

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

Internal control over financial reporting:
- Material weakness(es) identified? _X_ Yes ____ No
- Significant deficiency(ies) identified? ____ Yes _X_ None noted

Noncompliance material to financial statements noted? ____ Yes _X_ No

Federal Awards

Internal control over major programs:
- Material weakness(es) identified (2 CFR 200.516 (a) (1))? _____ Yes _X_ No
- Significant deficiency(ies) identified (2 CFR 200.516 (a) (1))? _____ Yes _X_ None noted

Any material noncompliance with provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516 (a) (2))? _____ Yes _X_ No

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR 200.516 (a) (3) or (4)? _____ Yes _X_ No

Identification of major programs:

ALN Number(s)	Name of Federal Program/Cluster
84.041	Impact Aid
84.299	Indian Education - Special Programs for Indian Children
84.356	Alaska Native Educational Programs

Dollar threshold used to distinguish between Type A and Type B programs: $ 1,000,000

Auditee qualified as low-risk auditee? _X_ Yes _____ No

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Section II - Financial Statement Findings

Finding 2026-001 **Internal Control Over Financial Closing and Reporting**
Material Weakness

Criteria: According with accounting principles generally accepted in the United States of America (GAAP): The general ledger and accounting records used to maintain the financial information of the entity should be reconciled in conjunction with the preparation of monthly internal financial statements.

Condition and Context: We identified a number of Capital Project Funds that were not fully reconciled or presented in accordance with U.S. GAAP. The Capital Project Funds required journal entries to adjust the accruals as well as matching requirements.

Cause: Management's lack of preparedness and properly reconciling year end account balances. There was a lack of internal controls in place to ensure year end account balances were properly stated.

Effect: This material weakness resulted in material adjustments to the District's financial statements. These material misstatements were not prevented or detected on a timely basis.

Recommendation: To improve the financial statement close process, we recommend that the District establish a more efficient and effective responsibilities matrix for its close process to provide timely and accurate completion of financial reporting as well as timely review and approval by the management of all Capital Project Funds. We also recommend the District obtain some accounting assistance to get audit ready.

Management Response: Management concurs with this finding. See Corrective Action Plan.

Section III - Federal Award Findings and Questioned Costs

The Northwest Arctic Borough School District did not have any findings related to federal awards.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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
Northwest Arctic Borough School District
Kotzebue, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Northwest Arctic 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 Northwest Arctic Borough School District's major state programs for the year ended June 30, 2026. Northwest Arctic Borough School District's major state programs are identified on the Schedule of State Financial Assistance.

In our opinion, Northwest Arctic Borough School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2026.

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 Northwest Arctic 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 Northwest Arctic Borough School District's compliance with the compliance requirements referred to above.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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 Northwest Arctic 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 Northwest Arctic 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 Northwest Arctic 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 Northwest Arctic 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 Northwest Arctic 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 Northwest Arctic 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.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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
Month XX, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2026

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	*Unmodified*			
Internal control over financial reporting:				
Material weakness identified?	X	Yes		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:	$1,378,094			
Auditee qualified as low-risk auditee?	X	Yes		No

Section II – Financial Statement Findings

Please see Finding in the Federal Schedule of Findings and Questioned Costs.

Section III – State Award Findings and Questioned Costs

Northwest Arctic Borough School District did not have any findings related to State awards.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

Ambler · Buckland · Deering · Kiana · Kivalina · Kobuk · Kotzebue · Noatak · Noorvik · Selawik · Shungnak
PO Box 51 · Kotzebue, Alaska 99752 · Phone (907) 442-1800

Corrective Action Plan

June 30, 2026

Financial Statement Finding

Finding 2026-001 **Internal Control Over Financial Close and Reporting**

Name of Contact Person: Natalie Dickey

Corrective Action Plan:

Action	Implementation	Timeline
Develop formal financial closing procedures within Business Office	Establish written SOP to include monthly, quarterly, and annual closing procedures and deadlines.	30 days for creation, review by Superintendent, immediate implementation.
Establish Financial Responsibilities Matrix	Clearly define and share departmental responsibilities and expected deadlines for budget authority personnel, part of SOP.	30 days for creation, review by Superintendent, immediate implementation.
Implement ongoing monitoring procedures	Conduct quarterly evaluations of financial closing procedures and internal controls, documenting deficiencies recognized, corrective action and follow-up.	Quarterly evaluations to begin January 2027,aligning with other district report timelines.

Overall Objective: To strengthen internal controls over financial closing and reporting to ensure accurate, complete, timely, and properly supported financial statements in accordance with applicable U.S. GAAP requirements.

Proposed Completion Date: June 30, 2027.

MISSION: To provide a learning environment that inspires and challenges students and employees to excel
VISION: To graduate all students with the knowledge, skills, and attitudes necessary for a successful future

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Letter to the Governing Board

Year Ended June 30, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT
(A Component Unit of the Northwest Arctic Borough)

Letter to the Governing Board

Year Ended June 30, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Month XX, 2026

Members of the School Board
Northwest Arctic Borough School District
Kotzebue, Alaska

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Northwest Arctic Borough School District (District) a component unit of the Northwest Arctic Borough, Alaska for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the District's basic financial statements. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and *the State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 8, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies and Transactions

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Northwest Arctic Borough School District are described in Note I to the Financial Statements. The District implemented GASB 103 and 104 during 2026. Financial reporting accounting policies related to the implementation of these standards has changed, but the change had no effect on net position. We noted no transactions entered into by the School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Significant Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

All Opinion Units:

Management's estimate of the collectability of accounts receivable is based on historical collections. We evaluated the key factors and assumptions used to develop the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

Governmental Activities Opinion Unit:

Management's estimate of the useful lives and depreciation is based upon the expected life of an asset. We evaluated the key factors and assumptions used to develop the useful lives and depreciation expense in determining that it is reasonable in relation to the financial statements as a whole.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Management's estimates of the District's proportionate share of the collective net pension and OPEB liability/asset and related deferred outflows and inflows of resources are based on information furnished by the State of Alaska and actuarial reports generated during the audit of the Public Employees' Retirement System and Teachers' Retirement System. The amortization of these deferrals is based on guidance provided by the Governmental Accounting Standards Board. We evaluated the key factors and assumptions used to develop the estimates of the District's proportionate share of the collective net pension and OPEB liability/asset and deferred outflows and inflows of resources and related amortization in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of the amounts of compensated absences used is based upon historical data. We evaluated key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

School Operating Fund Opinion Unit and Governmental Activities Opinion Unit:
Management's estimate of Health Insurance payable is based on prior expenditures and expenses and expectations for future trends. We evaluated the key factors and assumptions used to develop the ending liability in determining that it is reasonable in relation to the financial statements as a whole.

Financial Statement Disclosures
The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. See the attached list at Exhibit A for proposed audit adjustments made during the audit. These entries resulted in Finding 2026-001 which is reported in the schedule of findings and questioned costs in the financial statements. Management corrected all misstatements that were determined to be immaterial or material. Please see the attached list.

Disagreements with Management
For the purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated Month XX, 2026.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Internal Control Matters

See Compliance Reports for definition and descriptions of deficiencies, significant deficiencies, material weaknesses and any reported findings.

Accounting Assistance

As part of our engagement we drafted the basic financial statements of the District from the District's accounting records; however, management of the District was involved in the drafting process and retains responsibility for the basic financial statements.

Other Matters

We applied certain limited procedures to the budgetary comparison schedules and the schedules of proportionate share of net pension and OPEB liabilities and assets and contributions for the public employee's retirement system and the teachers' retirement system, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards, state schedule of financial assistance and related notes, and combining statements and other information described as supplementary information in the table of contents to the financial statements, including the combining and individual fund statements which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Restriction on Use

This information is intended solely for use of the School Board and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Anchorage, Alaska

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT

Proposed Audit Adjusting Journal Entries

June 30, 2026

Adjusting Journal Entry	Account Number	Account	Debit	Credit	Memo
ARC1	222-000-630	DEFERRED REVENUE	762.54		To adjust AR balance for the year.
	222-000-050	DONATIONS/CONTRIBUTIONS		762.54	
ARC3	332-000-760	DEFERRED REVENUE	73,790.02		
	332-000-220	DONATIONS/CONTRIBUTIONS		73,790.02	To adjust DR balance for the year.
ARC4	363-000-130	JOHNSON - O'MALLEY BIA	148,291.24		To adjust DR balance for the year.
	363-000-760	DEFERRED REVENUE		148,291.24	
ARC5	370-000-200	OTHER REVENUE SOURCES	200,000.00		To adjust DR balance for the year.
	370-000-760	DEFERRED REVENUE		200,000.00	
ARC6	374-000-760	DEFERRED REVENUE	423,658.94		To adjust DR balance for the year.
	374-000-220	DONATIONS/CONTRIBUTIONS		423,658.94	
ARC7	383-000-220	DONATIONS/CONTRIBUTIONS	38,026.21		To adjust DR balance for the year.
	383-000-760	DEFERRED REVENUE		38,026.21	
ARC8	387-000-220	DONATIONS/CONTRIBUTIONS	4,580.42		To adjust DR balance for the year.
	387-000-760	DEFERRED REVENUE		4,580.42	
ARC9	392-000-760	DEFERRED REVENUE	8,687.79		To adjust DR balance for the year.
	392-000-190	REVENUE, OTHER PASS THRU		8,687.79	
ARC10	399-000-760	DEFERRED REVENUE	5,361.26		To adjust DR balance for the year.
	399-000-040	Other local		5,361.26	
ARC28	257-000-630	ACCOUNTS RECEIVABLE	4,617.00		To adjust AR balance for the year.
	257-000-150	REVENUE, STATE PASS THRU		4,617.00	
ARC29	225-000-630	ACCOUNTS RECEIVABLE	93,086.45		To adjust AR and DR balances for the year.
	225-000-760	DEFERRED REVENUE	104,276.93		
	225-000-050	REVENUE FROM STATE SOURCE		104,276.93	
	225-000-050	REVENUE FROM STATE SOURCE		93,086.45	
ARC12	510-900-554	XFER TO CAP PROJECTS FUND	110,198.35		To record unrecorded AR and book transfer to cover 512's local match.
	512-000-630	ACCOUNTS RECEIVABLE	28,007.10		
	512-000-770	DUE TO OTHER FUNDS	110,198.35		
	510-000-770	DUE TO OTHER FUNDS		110,198.35	
	512-000-190	REVENUE, OTHER PASS THRU		28,007.10	
	512-000-250	TRANSFER FROM OTHER FUNDS		110,198.35	
ARC13	510-900-554	XFER TO CAP PROJECTS FUND	61,405.49		To book transfers for fund 513's local match and record/eliminate current AR balance.
	513-000-630	ACCOUNTS RECEIVABLE	61,496.73		
	513-000-760	DEFERRED REVENUE	11,206.79		
	513-000-770	DUE TO OTHER FUNDS	61,405.49		
	510-000-770	DUE TO OTHER FUNDS		61,405.49	
	513-000-011	BOROUGH-DIRECT APPROPRIAT		61,496.73	
	513-000-190	REVENUE, OTHER PASS THRU		11,206.79	
	513-000-250	TRANSFER FROM OTHER FUNDS		61,405.49	
ARC14	549-000-190	REVENUE, OTHER PASS THRU	366,719.69		To record CY AR balances and eliminate DR in Fund 549, and reverse AR entry currently on the books to match grant rec.
	549-000-630	ACCOUNTS RECEIVABLE	137,060.08		
	549-000-760	DEFERRED REVENUE	198,520.92		
	549-000-190	REVENUE, OTHER PASS THRU		335,581.00	
	549-000-630	ACCOUNTS RECEIVABLE		366,719.69	
ARC15	556-000-080	SCHOOL CONSTRUCTION GRANTS	2,203,604.74		To adjust state portion of Deferred revenue for fund 556.
	556-000-760	DEFERRED REVENUE		2,203,604.74	
ARC16	558-000-080	SCHOOL CONSTRUCTION GRANTS	644,302.84		To adjust state portion of deferred revenue for fund 558.
	558-000-760	DEFERRED REVENUE		644,302.84	
ARC17	510-900-554	XFER TO CAP PROJECTS FUND	80,800.93		To adjust state portion of deferred revenue for fund 560 and adjust the deferred revenue.
	560-000-190	REVENUE, OTHER PASS THRU	238,705.36		
	560-000-770	DUE TO OTHER FUNDS	80,800.93		
	510-000-770	DUE TO OTHER FUNDS		80,800.93	
	560-000-250	Transfer		238,705.36	
	560-000-760	DEFERRED REVENUE		80,800.93	

(Continued)

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Adjusting Journal Entry	Account Number	Account	Debit	Credit	Memo
ARC18	510-900-554	XFER TO CAP PROJECTS FUND	138,875.78		To adjusted state portion of AR for fund 561 and cover local match.
	561-000-190	REVENUE, OTHER PASS THRU	235,138.93		
	562-000-770	DUE TO OTHER FUNDS	138,875.78		
	510-000-770	DUE TO OTHER FUNDS		138,875.78	
	561-000-250	transfer		138,875.78	
	561-000-630	ACCOUNTS RECEIVABLE		26,865.94	
	561-000-713	ACCOUNTS PAYABLE PRIOR YEAR		208,272.99	
ARC19	510-900-554	XFER TO CAP PROJECTS FUND	187,499.05		To book transfer to cover fund 562 local match.
	562-000-770	DUE TO OTHER FUNDS	187,499.05		
	510-000-770	DUE TO OTHER FUNDS		187,499.05	
	562-000-250	TRANSFER FROM OTHER FUND		187,499.05	
ARC20					To adjust state portion of AR for fund 563 and the local match.
	510-900-554	XFER TO CAP PROJECTS FUND	61,297.77		
	563-000-630	ACCOUNTS RECEIVABLE	126,201.28		
	563-000-770	DUE TO OTHER FUNDS	61,297.77		
	510-000-770	DUE TO OTHER FUNDS		61,297.77	
	563-000-190	REVENUE FROM STATE		126,201.28	
	563-000-250	TRANSFER FROM OTHER FUND		61,297.77	
ARC21	510-900-554	XFER TO CAP PROJECTS FUND	146.25		To balance expenses for new CPF funds.
	567-000-770	DUE TO/FROM	146.25		
	510-000-770	DUE TO OTHER FUNDS		146.25	
	567-000-250	TRANSFER FROM OTHER FUNDS		146.25	
ARC22	510-900-554	XFER TO CAP PROJECTS FUND	146.25		To balance Expenses for new CPF.
	568-000-770	DUE TO/FROM	146.25		
	510-000-770	DUE TO OTHER FUNDS		146.25	
	568-000-250	TRANSFER FROM OTHER FUNDS		146.25	
ARC23	100-000-653	FUEL INVENTORY	44,815.48		To adjust fuel inventory in GF.
	100-610-438	HEATING FUELS		44,815.48	
ARC24	100-000-040	OTHER LOCAL REVENUE	24,962.79		To adjust F500 revenue from GF.
	500-000-770	DUE TO OTHER FUNDS	24,962.79		
	100-000-770	DUE TO OTHER FUNDS		24,962.79	
	500-000-040	Other Local Revenue		24,962.79	
ARC25	100-000-040	OTHER LOCAL REVENUE	185,847.76		To balance fund 220 and to post revenue from GF.
	100-000-550	TRANSFER TO OTHER FUNDS	1,374,834.12		
	220-000-770	DUE TO OTHER FUNDS	1,374,834.12		
	220-000-770	DUE TO OTHER FUNDS	185,847.76		
	100-000-770	DUE TO OTHER FUNDS		1,374,834.12	
	100-000-770	DUE TO OTHER FUNDS		185,847.76	
	220-000-040	Other local revenue -charges for services		185,847.76	
	220-000-250	TRANSFER FROM OTHER FUNDS		1,374,834.12	
ARC26	362-000-760	DEFERRED REVENUE	44,920.17		To move Fund 362 into Fund 363.
	363-000-770	DUE TO OTHER FUNDS	44,920.17		
	362-000-770	DUE TO OTHER FUNDS		44,920.17	
	363-000-760	DEFERRED REVENUE		44,920.17	
ARC27	512-000-190	REVENUE, OTHER PASS THRU	110,198.35		To book transfer to cover local portion for fund 510.
	512-000-250	TRANSFER TO OTHER FUNDS		110,198.35	
ARC28	100-000-653	FUEL INVENTORY	44,815.48		To adjust fuel inventory in the general fund.
	100-610-438	HEATING FUELS		44,815.48	
ARC29	512-000-190	REVENUE, OTHER PASS THRU	110,198.35		To book transfer to cover local portion for fund 510
	512-000-250	TRANSFER FROM OTHER FUNDS		110,198.35	
ARC30	100-000-250	TRANSFER FROM OTHER FUNDS	2,300,000.00		To remove $2.3 mill transfer from 510 as this would make the fund into a deficit.
	510-000-770	DUE TO OTHER FUNDS	2,300,000.00		
	100-000-770	DUE TO OTHER FUNDS		2,300,000.00	
	510-900-550	TRANSFER TO OTHER FUNDS		2,300,000.00	
ARC31	510-900-550	TRANSFER TO OTHER FUNDS	61,405.49		To adjust revenue, book transfer, and adjust AR in fund 513.
	513-000-011	BOROUGH-DIRECT APPROPRIAT	65,434.46		
	513-000-760	DEFERRED REVENUE	11,206.79		
	513-000-770	DUE TO OTHER FUNDS	61,405.49		
	510-000-770	DUE TO OTHER FUNDS		61,405.49	
	513-000-190	REVENUE, OTHER PASS THRU		61,206.79	
	513-000-250	TRANSFER FROM OTHER FUNDS		61,405.49	
	513-000-630	ACCOUNTS RECEIVABLE		15,434.46	

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Proposed Audit Adjusting Journal Entries, Continued

Adjusting Journal Entry	Account Number	Account	Debit	Credit	Memo
ARC32	510-900-550	TRANSFER TO OTHER FUNDS	74,966.74		To book transfer from 544 to cover local.
	544-000-770	DUE TO OTHER FUNDS	74,966.74		
	510-000-770	DUE TO OTHER FUNDS		74,966.74	
	544-000-250	TRANSFER FROM OTHER FUNDS		74,966.74	
ARC33	510-000-770	DUE TO OTHER FUNDS	3,915,029.40		To adjust fund 548.
	548-000-630	ACCOUNTS RECEIVABLE	2,792,777.66		
	548-000-760	DEFERRED REVENUE	933,467.79		
	548-900-550	transfer to other funds	3,915,029.40		
	510-000-250	TRANSFER FROM OTHER FUNDS		3,915,029.40	
	548-000-040	other local		3,726,245.45	
	548-000-770	DUE TO OTHER FUNDS		3,915,029.40	
ARC34	549-000-190	REVENUE, OTHER PASS THRU	42,661.71		To adjust fund 549.
	549-000-760	DEFERRED REVENUE	188,151.40		
	549-000-040	other local		11,523.06	
	549-000-630	ACCOUNTS RECEIVABLE		219,290.05	
ARC35	510-900-550	TRANSFER TO OTHER FUNDS	25,885.45		To adjust fund 555.
	555-000-770	DUE TO OTHER FUNDS	25,885.45		
	510-000-770	DUE TO OTHER FUNDS		25,885.45	
	555-000-250	TRANSFER FROM OTHER FUNDS		25,885.45	
ARC36	510-000-770	DUE TO OTHER FUNDS	13,324.75		To adjust fund 558.
	558-000-080	SCHOOL CONSTRUCTION GRANTS	142,749.36		
	558-000-190	REVENUE, OTHER PASS THRU	1,824,881.64		
	558-900-550	transfer	13,324.75		
	510-000-250	TRANSFER FROM OTHER FUNDS		13,324.75	
	558-000-010	borough direct		49,012.00	
	558-000-760	DEFERRED REVENUE		1,918,619.00	
	558-000-770	DUE TO OTHER FUNDS		13,324.75	
ARC37	559-000-011	BOROUGH-DIRECT APPROPRIAT	29,320.94		To adjust fund 559.
	559-000-630	ACCOUNTS RECEIVABLE	324,455.55		
	559-000-050	STATE REVENUE		63,778.94	
	559-000-760	DEFERRED REVENUE		289,997.55	
ARC38	510-900-550	TRANSFER TO OTHER FUNDS	138,875.78		To adjust fund 561.
	561-000-190	REVENUE, OTHER PASS THRU	301,036.07		
	561-000-770	DUE TO OTHER FUNDS	112,009.84		
	510-000-040	other local		26,865.94	
	510-000-770	DUE TO OTHER FUNDS		112,009.84	
	561-000-050	REVENUE FROM STATE SOURCE		274,170.13	
	561-000-250	transfer		138,875.78	
ARC39	510-000-770	DUE TO OTHER FUNDS	54,489.90		To adjust fund 563.
	563-000-190	REVENUE, OTHER PASS THRU	112,185.09		
	563-000-250	TRANSFER FROM OTHER FUNDS	54,489.90		
	510-900-550	TRANSFER TO OTHER FUNDS		54,489.90	
	563-000-630	ACCOUNTS RECEIVABLE		112,185.09	
	563-000-770	DUE TO OTHER FUNDS		54,489.90	
ARC40	510-900-550	TRANSFER TO OTHER FUNDS	877.50		To adjust fund 565.
	565-000-770	DUE TO OTHER FUNDS	877.50		
	510-000-770	DUE TO OTHER FUNDS		877.50	
	565-000-250	TRANSFERS FROM OTHER FUNDS		877.50	
ARC41	510-900-550	TRANSFER TO OTHER FUNDS	15,672.04		To adjust fund 566.
	566-000-770	DUE TO OTHER FUNDS	15,672.04		
	510-000-770	DUE TO OTHER FUNDS		15,672.04	
	566-000-250	TRANSFERS FROM OTHER FUNDS		15,672.04	
ARC42	510-900-550	TRANSFER TO OTHER FUNDS	146.25		To adjust fund 567.
	567-000-190	REVENUE, OTHER PASS THRU	146.25		
	567-000-770	DUE TO/FROM	146.25		
	510-000-770	DUE TO OTHER FUNDS		146.25	
	567-000-250	TRANSFER FROM OTHER FUNDS		146.25	
	567-000-630	ACCOUNTS RECEIVABLE		146.25	
ARC43	510-900-550	TRANSFER TO OTHER FUNDS	146.25		To adjust fund 568.
	568-000-190	REVENUE, OTHER PASS THRU	146.25		
	568-000-770	DUE TO/FROM	146.25		
	510-000-770	DUE TO OTHER FUNDS		146.25	
	568-000-250	TRANSFER FROM OTHER FUNDS		146.25	
	568-000-630	ACCOUNTS RECEIVABLE		146.25	
ARC44	100-100-315	CERT-TEACHER	113,790.56		To adjust accrued payroll for the uncomitted payroll.
	100-000-720	ACCRUED PAYROLL		113,790.56	

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Adjusting Journal Entry	Account Number	Account	Debit	Credit	Memo
ARC45	100-000-727	ACCRUED HEALTH/LIFE	134,288.51		To adjust health and life liability.
	100-100-361	INSURANCE-HEALTH & LIFE		49,116.03	
	100-120-361	INSURANCE-HEALTH & LIFE		5,430.80	
	100-160-361	INSURANCE-HEALTH & LIFE		1,487.52	
	100-200-361	INSURANCE-HEALTH & LIFE		31,129.31	
	100-220-361	INSURANCE-HEALTH & LIFE		2,380.03	
	100-355-361	INSURANCE-HEALTH & LIFE		595.01	
	100-356-361	INSURANCE-HEALTH & LIFE		595.01	
	100-360-361	INSURANCE-HEALTH & LIFE		2,975.03	
	100-400-361	INSURANCE-HEALTH & LIFE		8,746.60	
	100-450-361	INSURANCE-HEALTH & LIFE		7,376.05	
	100-510-361	INSURANCE-HEALTH & LIFE		1,590.12	
	100-511-361	INSURANCE-HEALTH & LIFE		5,488.61	
	100-550-361	INSURANCE-HEALTH & LIFE		4,974.91	
	100-553-361	INSURANCE-HEALTH & LIFE		2,862.78	
	100-620-361	INSURANCE-HEALTH & LIFE		9,540.70	
ARC46	100-000-550	TRANSFER TO OTHER FUNDS	1,192,833.00		Additional transfers needed form GF to food service to cover deficit. (Client book).
	255-000-770	DUE TO OTHER FUNDS	1,192,833.00		
	100-000-770	DUE TO OTHER FUNDS		1,192,833.00	
	255-000-250	TRANSFER FROM OTHER FUNDS		1,192,833.00	
ARC47	100-000-550	TRANSFER TO OTHER FUNDS	1,502,149.00		To adjust fund 227. (Client book).
	227-000-770	DUE TO OTHER FUNDS	1,502,149.00		
	100-000-770	DUE TO OTHER FUNDS		1,502,149.00	
	227-000-250	TRANSFER FROM OTHER FUNDS		1,502,149.00	
ARC48	225-000-050	REVENUE FROM STATE SOURCE	93,086.45		To write off bad AR for fund 225.(Client book).
	225-000-630	ACCOUNTS RECEIVABLE		93,086.45	
ARC49	100-000-550	TRANSFER TO OTHER FUNDS	31,844.00		To cover deficit in fund 225. (Client book).
	225-000-770	DUE TO OTHER FUNDS	31,844.00		
	100-000-770	DUE TO OTHER FUNDS		31,844.00	
	225-000-250	TRANSFER FROM OTHER FUNDS		31,844.00	
ARC50	100-000-040	OTHER LOCAL REVENUE	71,452.00		Reclass - Shortfall of General Fund SOA revenues to reclass entry out of local revenue into SOA revenue.
	100-000-090	OTHER STATE REVENUE		71,452.00	

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