



**SOUTHEAST ISLAND SCHOOL DISTRICT  
BOARD OF EDUCATION**  
Work Session  
Wednesday, November 20, 2024

**VISION STATEMENT**

Students are equipped to realize their dreams and aspirations.

**MISSION STATEMENT**

Together we will foster student skills to achieve their goals and thrive in an ever-changing world.

**AGENDA**

MEETING: 4:30 PM  
LOCATION: Hollis School and via Audio/Video Conference  
101 School Loop Road  
Hollis, Alaska 99950  
VIRTUAL URL: <https://us02web.zoom.us/j/88687326569?pwd=DXmWL9TECTSMK2PvcP7Re1M1sLmbcn.1>

1. REVIEW OF FY 2024 AUDITED FINANCIAL STATEMENTS 2
2. QUESTION AND ANSWER SESSION (5:20 PM)

SOUTHEAST ISLAND SCHOOL DISTRICT

Letter to the Governing Board

Year Ended June 30, 2024

SOUTHEAST ISLAND SCHOOL DISTRICT

Letter to the Governing Board

Year Ended June 30, 2024

October 14, 2024

Members of the School Board  
Southeast Island School District  
Thorne Bay, Alaska

We have audited the financial statements of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the Southeast Island School District for the year ended June 30, 2024, 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*, the *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 June 5, 2024. 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 the Southeast Island School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the 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.

Accounting 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 estimate of 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 on 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 taken as a whole.

Management's estimates of the District's proportionate share of the collective net pension/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/OPEB liability 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.

#### Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of contingencies in Note III to the financial statements. The Federal and State awarded money is subject to compliance in accordance with the grant agreement. Expenditures may be disallowed by granting agencies at any time which would have an impact on the financial statements.

#### 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. We did not identify any misstatements.

#### Disagreements with Management

For 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 October 14, 2024.

#### 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 Controls

See the June 30, 2024 financial statements, compliance section for definitions of deficiencies, significant deficiencies, material weaknesses and any related findings.

#### Major Issues Discussed with Management Prior to Retention

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.

#### Accounting Assistance

During the audit we provided technical accounting assistance associated with Governmental Accounting Standards Board (GASB) guidance for certain reporting items, including the summarization and recording of capital assets in the government-wide financial statements. As part of our engagement, we assisted management in the drafting of 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

##### *Supplementary Information*

We applied certain limited procedures to the schedule of revenues, expenditures, and changes in fund balance – original and final budget and actual – School Operating Fund and the schedules of proportionate share of net pension/OPEB liability and contributions for the public employees' retirement system and 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 schedules of revenues, expenditures and changes in fund balance – budget to actual for Major Funds, the combining and individual non-major fund financial statements, the schedule of compliance AS 14.17.505, the schedule of results of operations of capital projects, the schedule of expenditures of federal awards and the schedule of state financial assistance, 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 State 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.

Members of the School Board  
Southeast Island School District  
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Restriction on Use

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

Sincerely,

*Altman, Rogers & Co.*

Anchorage, Alaska  
October 14, 2024

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Year Ended June 30, 2024

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Year Ended June 30, 2024

SOUTHEAST ISLAND SCHOOL DISTRICT

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## **Independent Auditor's Report**

Members of the School Board  
Southeast Island School District  
Thorne Bay, Alaska

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Southeast Island School District (District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, as of June 30, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Schedule of Revenues, Expenditures and changes in Fund Balance Original and Final Budget to Actual – School Operating Fund, the Schedule of the District’s Proportionate Share of Net Pension and OPEB Liabilities and Assets, and the District’s Schedule of Contributions for the Public Employees’ Retirement System and Teachers’ Retirement System and notes to the required supplementary information on pages 42-54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The information listed in the table of contents as “Additional Supplementary Information”, which includes Major Governmental Funds: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual; Other Governmental Funds: Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances; Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (where applicable), Schedule of Results of Operations of Capital Projects; Schedule of Compliance- AS 14.17.505; Schedule of Expenditures of Federal Awards and notes, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of State Financial Assistance and notes, as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audit*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Members of the School Board  
Southeast Island School District

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2024, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.



Anchorage, Alaska  
October 14, 2024

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Statement of Net Position

June 30, 2024

<u>Assets and Deferred Outflows of Resources</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current:			
Cash and cash equivalents	\$ 54,622	43,229	97,851
Accounts receivable	1,734,048	-	1,734,048
Inventory	114,768	-	114,768
Internal balances	43,229	(43,229)	-
Prepaid expenses	61,072	-	61,072
Notes receivable - due within one year	295,546	-	295,546
Total current	<u>2,303,285</u>	<u>-</u>	<u>2,303,285</u>
Non-current:			
Capital assets	44,751,204	-	44,751,204
Accumulated depreciation	(20,945,168)	-	(20,945,168)
Net OPEB assets	1,709,517	-	1,709,517
Total non-current	<u>25,515,553</u>	<u>-</u>	<u>25,515,553</u>
Deferred outflows of resources-			
Pension/OPEB deferrals	<u>431,242</u>	<u>-</u>	<u>431,242</u>
Total assets and deferred outflows of resources	<u>28,250,080</u>	<u>-</u>	<u>28,250,080</u>
<u>Liabilities and Deferred Inflows of Resources</u>			
Current liabilities:			
Accounts payable	304,580	-	304,580
Unearned revenue	127,445	-	127,445
Total current liabilities	<u>432,025</u>	<u>-</u>	<u>432,025</u>
Long-term liabilities:			
Due within one year - accrued leave	22,907	-	22,907
Due in more than one year - net pension liabilities	3,108,681	-	3,108,681
Total long term liabilities	<u>3,131,588</u>	<u>-</u>	<u>3,131,588</u>
Deferred inflows of resources -			
Pension/OPEB deferrals	<u>123,643</u>	<u>-</u>	<u>123,643</u>
Total liabilities and deferred inflows of resources	<u>3,687,256</u>	<u>-</u>	<u>3,687,256</u>
<u>Net Position</u>			
Net investment in capital assets	23,806,036	-	23,806,036
Unrestricted (deficit)	756,788	-	756,788
Total net position	<u>\$ 24,562,824</u>	<u>-</u>	<u>24,562,824</u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position (Deficit)		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Governmental Activities
<b>Governmental Activities:</b>							
Instruction	\$ 2,785,562	-	1,017,565	-	(1,767,997)	-	(1,767,997)
Special education instruction	665,238	-	94,195	-	(571,043)	-	(571,043)
Special education support services - students	59,761	-	145,050	-	85,289	-	85,289
Support services - students	557,109	-	428,472	-	(128,637)	-	(128,637)
Support services - instruction	1,473,751	-	170,661	-	(1,303,090)	-	(1,303,090)
School administration	320,184	-	170,034	-	(150,150)	-	(150,150)
School administration support services	111,924	-	1,305	-	(110,619)	-	(110,619)
District administration	475,461	-	18,646	-	(456,815)	-	(456,815)
District administration support services	405,410	-	83,202	-	(322,208)	-	(322,208)
Operations and maintenance of plant	2,080,277	92,193	6,967	2,555,009	573,892	-	573,892
Student activities	160,939	-	2,501	-	(158,438)	-	(158,438)
Student transportation - to and from school	186,181	-	195,249	-	9,068	-	9,068
Food services	319,943	982	137,910	-	(181,051)	-	(181,051)
Total governmental activities	\$ 9,601,740	93,175	2,471,757	2,555,009	(4,481,799)	-	(4,481,799)
<b>Business-type Activities -</b>							
Thorne Bay Restaurant	6,492	-	-	-	-	(6,492)	(6,492)
Total	\$ 9,608,232	93,175	2,471,757	2,555,009	(4,481,799)	(6,492)	(4,488,291)
<b>General revenues:</b>							
E-Rate					\$ 1,047,938	-	1,047,938
Grants not restricted to specific programs					4,840,651	-	4,840,651
Capital contributions					26,831	(26,831)	-
Transfers					(131,730)	131,730	-
Gain on sale of capital assets					-	21,648	21,648
Other					225,097	-	225,097
Total general revenues					6,008,787	126,547	6,135,334
Change in net position					1,526,988	120,055	1,647,043
Net position - beginning					23,035,836	(120,055)	22,915,781
Net position - ending					\$ 24,562,824	-	24,562,824

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Balance Sheet - Governmental Funds

June 30, 2024

	School Operating Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 54,622	-	-	54,622
Accounts receivable	295,546	1,089,544	644,504	2,029,594
Due from other funds	946,279	-	994,554	1,940,833
Inventory	103,210	-	11,558	114,768
Prepaid expenses	61,072	-	-	61,072
Total assets	<u>\$ 1,460,729</u>	<u>1,089,544</u>	<u>1,650,616</u>	<u>4,200,889</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	3,773	258,360	42,447	304,580
Unearned revenue	-	16,570	110,875	127,445
Due to other funds	994,554	321,804	581,246	1,897,604
Total liabilities	<u>998,327</u>	<u>596,734</u>	<u>734,568</u>	<u>2,329,629</u>
Deferred Inflows of Resources:				
Unavailable revenues	295,546	-	-	295,546
Fund Balances:				
Nonspendable	164,282	-	11,558	175,840
Committed	-	492,810	904,490	1,397,300
Unassigned	2,574	-	-	2,574
Total fund balances	<u>166,856</u>	<u>492,810</u>	<u>916,048</u>	<u>1,575,714</u>
Total liabilities and fund equity	<u>\$ 1,460,729</u>	<u>1,089,544</u>	<u>1,650,616</u>	<u>4,200,889</u>

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet  
to Statement of Net Position

June 30, 2024

Fund balances - total governmental funds		\$	1,575,714
Total net position reported for governmental activities in the State of Net Position is different because:			
Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.			23,806,036
Other long-term assets are not available to pay current year expenditures and therefore, are deferred inflows in the funds:			
Promissory notes receivable			295,546
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Accrued leave			(22,907)
Proportionate share of the collective net pension liabilities:			
PERS	(1,711,174)		
TRS	(1,397,507)		
			(3,108,681)
Proportionate share of the collective net OPEB assets:			
PERS	805,763		
TRS	903,754		
			1,709,517
Deferred inflows and outflows of resources are the results of timing differences in the actuarial report. Pension and OPEB related assets in the current fiscal year are presented as deferred outflows of resources:			
PERS	216,169		
TRS	215,073		
			431,242
Pension and OPEB related liabilities in the current fiscal year are presented as deferred inflows of resources:			
PERS	(76,391)		
TRS	(47,252)		
			(123,643)
Total net position of governmental activities			<u>24,562,824</u>

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

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

Year Ended June 30, 2024

	School Operating Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Local sources:				
Charges for services	\$ -	-	93,205	93,205
E-rate	1,047,938	-	-	1,047,938
Other	53,635	185,032	3,584	242,251
Intergovernmental:				
State of Alaska	4,807,944	2,541,439	624,869	7,974,252
Federal sources	277,911	-	1,690,700	1,968,611
Total revenues	<u>6,187,428</u>	<u>2,726,471</u>	<u>2,412,358</u>	<u>11,326,257</u>
<b>Expenditures:</b>				
Current:				
Instruction	1,875,857	-	925,507	2,801,364
Special education instruction	580,778	-	68,700	649,478
Special education support services - students	59,761	-	-	59,761
Support services - students	-	-	557,109	557,109
Support services - instruction	1,287,325	-	185,717	1,473,042
School administration	165,602	-	161,772	327,374
School administration support services	96,804	-	-	96,804
District administration	460,479	-	3,800	464,279
District administration support services	298,088	-	80,941	379,029
Operation and maintenance of plant	1,358,012	92,695	57,045	1,507,752
Student activities	147,882	-	1,890	149,772
Student transportation - to and from school	-	-	139,916	139,916
Food services	-	-	318,375	318,375
Construction and facilities acquisition	-	2,701,807	-	2,701,807
Total expenditures	<u>6,330,588</u>	<u>2,794,502</u>	<u>2,500,772</u>	<u>11,625,862</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(143,160)</u>	<u>(68,031)</u>	<u>(88,414)</u>	<u>(299,605)</u>
<b>Other financing sources (uses):</b>				
Proceeds from promissory note	8,398	-	-	8,398
Transfers in	207,082	-	179,483	386,565
Transfers out	(311,213)	-	(207,082)	(518,295)
Total other financing sources (uses)	<u>(95,733)</u>	<u>-</u>	<u>(27,599)</u>	<u>(123,332)</u>
Net change in fund balance	(238,893)	(68,031)	(116,013)	(422,937)
Fund balances, beginning of year	405,749	560,841	1,032,061	1,998,651
Fund balances, end of year	<u>\$ 166,856</u>	<u>492,810</u>	<u>916,048</u>	<u>1,575,714</u>

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

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

Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$	(422,937)
The change in net position reported for governmental activities in the State of Activities is different because:		
<p style="margin-left: 40px;">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.</p>		
<p style="margin-left: 40px;">Change in unfunded net position and OPEB liability and asset:</p>		
PERS	(189,351)	
TRS	58,664	(130,687)
<p style="margin-left: 40px;">Changes in deferred inflow and outflow of resources are the results of timing differences in the actuarial report and adjustments to reflect employer and non-employer contributions based on the measurement date of the liabilities:</p>		
PERS	(48,979)	
TRS	(26,117)	(75,096)
<p style="margin-left: 40px;">Proceeds received from long-term accounts receivables that were previously recorded as deferred inflows in the governmental funds and recognized as general revenues in prior periods in the Statement of activities.</p>		
		(8,397)
<p style="margin-left: 40px;">Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the costs of those assets are allocated over their estimated useful lives. This is the amount by which capital outlay exceeded depreciation in the current period:</p>		
Capital outlays	2,789,804	
Loss on disposal	(4,484)	
Capital contribution from the enterprise fund	26,831	
Depreciation expense	(650,855)	2,161,296
<p style="margin-left: 40px;">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. The net changes in long-term liability balance is the increase in accrued leave.</p>		
		2,809
Change in net position of governmental activities	\$	1,526,988

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Thorne Bay Restaurant Enterprise Fund

Statement of Net Position

June 30, 2024

<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ <u>43,229</u>
Total assets	\$ <u><u>43,229</u></u>
 <u>Liabilities and Net Position (Deficit)</u> 	
Current liabilities:	
Due to other funds	<u>43,229</u>
Total liabilities and net position	\$ <u><u>43,229</u></u>

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Thorne Bay Restaurant Enterprise Fund

## Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2024

Revenues	\$ <u>-</u>
Expenditures:	
Operations and maintenance of plant:	
Depreciation	<u>3,189</u>
Student activities:	
Utility services	36
Energy	886
Other purchased services	2,343
Other expenses	<u>38</u>
Total student activities	<u>3,303</u>
Total expenditures	<u>6,492</u>
Non-operating revenues (expenses) -	
Gain on sale of property, plant and equipment	21,648
Transfers in from school operating fund	131,730
Capital contribution	<u>(26,831)</u>
Non-operating revenues (expenses), net	<u>126,547</u>
Change in net position	120,055
Beginning net position (deficit)	<u>(120,055)</u>
Ending net position (deficit), end of year	\$ <u><u>-</u></u>

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Thorne Bay Restaurant Enterprise Fund

## Statement of Cash Flows

Year Ended June 30, 2024

Cash flows from (for) operating activities - payments to suppliers	<u>(3,303)</u>
Cash flows from capital activities	
Sale of property, plant and equipment	29,900
Capital contributions	<u>(26,831)</u>
Net cash flows from (for) capital activities	<u>3,069</u>
Cash flows from financing activities - change in interfund activity	<u>234</u>
Net increase (decrease) in cash and cash equivalents	(3,069)
Beginning cash and cash equivalents	<u>43,229</u>
Ending cash and cash equivalents	\$ <u><u>40,160</u></u>
Reconciliation of income (loss) from operations to net cash from (for) operating activities:	
Change in net position (deficit)	\$ (6,492)
Adjustments to reconcile income (loss) from operations to cash flows from operating activities:	
Depreciation	<u>3,189</u>
Net cash flows from (for) operating activities	\$ <u><u>(3,303)</u></u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Statement of Fiduciary Net Position

Custodial Fund - Student Activities

June 30, 2024

Assets

Cash and cash equivalents	\$ <u>208,436</u>
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Net Position

Net position - assets held for others	\$ <u>208,436</u>
---------------------------------------	-------------------

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Custodial Fund - Student Activities

Schedule of Changes in Assets and Liabilities

Year Ended June 30, 2024

Additions:		
Contributions	\$	<u>28,550</u>
Deductions:		
Program expenses		<u>5,816</u>
Change in net position		<u>22,734</u>
Net position, beginning of year		<u>185,702</u>
Net position, end of year	\$	<u><u>208,436</u></u>

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

# SOUTHEAST ISLAND SCHOOL DISTRICT

## Notes to Basic Financial Statements

June 30, 2024

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The financial statements of the Southeast Island School District (hereafter referred to as the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

On July 1, 1976 the Legislature of the State of Alaska established Southeast Island School District (hereafter referred to as the District). At that time assets were turned over to the District by the State of Alaska through direct transfer and use permits. The District has 8 attendance centers. The District is operated under the exclusive oversight management and control of a locally elected five-member School Board. The School Board, pursuant to Alaska Statute Title 29.43.030, has the responsibility of establishing, maintaining, and operating a system of public schools for any community within its boundaries that is not provided for by any other public school district. Therefore, the District constitutes an independent local government reporting entity and has no oversight over any other component unit.

#### B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

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

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

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

The District reports the following major governmental funds:

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

The *Capital Projects Fund* accounts for all revenue received and expenditures made for the structural repairs for the Thorne Bay K-12 school, the wood fire boiler, school vehicles, teacher housing, and other major repairs and renovations. Revenue is derived primarily from the state.

Additionally, the District reports a Fiduciary Fund and a Proprietary Fund is used to account for Thorne Bay Restaurant on a for-profit basis.

The *Thorne Bay Enterprise Fund* accounts for a student run café in the Thorne Bay School. The café is currently not in operation by the District and is leased out a third party.

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

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

# SOUTHEAST ISLAND SCHOOL DISTRICT

## Notes to Basic Financial Statements, Continued

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

### Intergovernmental Revenue

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

### Local Revenue

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

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

### Use of Estimates

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

### Indirect Costs

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

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

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

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

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

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

# SOUTHEAST ISLAND SCHOOL DISTRICT

## Notes to Basic Financial Statements, Continued

### **3. Inventories 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 expenditure when consumed rather than when purchased. Inventories are valued at the lesser of cost or market using the first-in, first-out (FIFO) method. Reported inventories are equally offset by a portion of fund balance classified as nonspendable in the Fund Financial Statements, which indicates they do not constitute "available spendable resources" even though they are a component of net current assets.

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

### **4. Capital Assets**

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

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

### **5. Unearned Revenue**

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

### **6. Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Unused vacation leave is accrued utilizing current salary cost as earned by the employee and recorded as a liability in the government-wide financial statement of net position. No accrued leave liability is recorded in the fund financial statements.

# SOUTHEAST ISLAND SCHOOL DISTRICT

## Notes to Basic Financial Statements, Continued

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

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

### **8. Net Position**

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

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

### **9. Fund Balance**

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

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

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

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

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

# SOUTHEAST ISLAND SCHOOL DISTRICT

## Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

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

#### Custodial Credit Risk

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

Any amount in excess of the Federal Depository Insurance (FDIC) with a maximum of \$250,000 is collateralized with securities held by the District's agent in the District's name. All deposits are carried at fair market value plus accrued interest. The School District has a deposit and investment policy.

At June 30, 2024, the District's bank balances were fully insured or collateralized. As of June 30, 2023, the District's bank balances totaled \$2,711,368. Deposits in each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The District's collateralized agreement covers \$2,535,979.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

**B. Receivables**

Receivables as of June 30, 2024 are as follows:

	School Operating Fund	Capital Projects Funds	Other Governmental Funds	Total
Grants	\$ -	1,089,544	663,588	1,753,132
Notes receivable	295,546	-	-	295,546
Total	\$ 295,546	1,089,544	663,588	2,048,678

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

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Assets not being depreciated:				
Land	\$ 941,798	-	-	941,798
Construction in progress	8,548,853	2,718,436	(642,982)	10,624,307
Total assets not being depreciated	9,490,651	2,718,436	(642,982)	11,566,105
Assets being depreciated:				
Buildings	28,399,712	467,122	-	28,866,834
Machinery and equipment	3,045,108	210,191	-	3,255,299
Vehicles	1,009,581	64,869	(11,984)	1,062,966
Total assets being depreciated	32,454,401	742,182	(11,984)	33,185,099
Less accumulated depreciation	(20,300,312)	(650,855)	5,999	(20,945,168)
Total assets being depreciated, net	12,154,089	91,237	(5,485)	12,239,431
Total Government Capital Assets Net of Accumulated Depreciation	\$ 21,644,740	2,809,763	(648,467)	23,806,036
<b>Business-type activities:</b>				
Assets being depreciated - buildings	\$ 63,784	-	(63,784)	-
Accumulated depreciation	(25,512)	(3,189)	28,701	-
Total Business-type Capital Assets Net of Accumulated Depreciation	\$ 38,272	(3,189)	(35,083)	-

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

Instruction	\$ 30,532
District administration support services	899
Operation and maintenance of plant	569,157
Student activities	2,434
Student transportation – to and from school	46,265
Food services	<u>1,568</u>
Total depreciation expense per function – governmental	<u>\$ 650,855</u>

**D. Interfund Receivables and Payables**

Interfund receivables and payables are shown as “Due To Other Funds” and “Due From Other Funds” in each of the individual funds. These balances at June 30, 2024, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School Operating Fund	Other Governmental Funds	581,246
School Operating Fund	Capital Projects Fund	321,804
School Operating Fund	Thorne Bay Enterprise Fund	43,229
Other Governmental Funds	School Operating Fund	<u>994,554</u>
		<u>\$ 1,940,833</u>

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

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
Other Governmental Funds	School Operating Fund	\$ 179,483
Other Governmental Funds	School Operating Fund	207,082
School Operating Fund	Thorne Bay Enterprise Fund	<u>131,730</u>
Total		<u>\$ 518,295</u>

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

**E. Long-term Obligations**

Accrued leave of governmental activities are also accounted for by the School District. Leave is generally liquidated by the General Fund. Changes in these obligations for the year ended June 30, 2024 are as follows:

	Balance July 1, 2023	Net Change	Balance June 30, 2024	Due within One Year
Accrued Leave	\$ 25,716	(2,809)	22,907	22,907

**Fund Balances**

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

	School Operating Fund	Capital Projects Fund	Nonmajor Funds	Totals
Nonspendable –				
Inventory	\$ 103,210	-	11,558	114,768
Prepaid expense	61,072	-	-	61,072
Total nonspendable	164,282	-	11,588	175,840
Committed:				
Food service	-	-	69,134	69,134
Pupil transportation	-	-	410,966	410,966
THRIVE program	-	-	3,488	3,488
Teacher housing	-	-	418,768	418,768
RurAL Cap program	-	-	2,134	2,134
Maintenance of buildings	-	492,810	-	492,810
Total committed	-	492,810	904,490	1,397,300
Unassigned	2,574	-	-	2,574
Total Fund Balances	\$ 166,856	492,810	916,048	1,575,714

**F. Promissory Notes Receivable**

Southeast Island School District sold property during the 2022 fiscal year and issued a promissory note for a total of \$319,000. The entity is expected to receive a minimum payment of \$2,287 per month until the October 2024 when a balloon payment is due for the remaining amount of the note plus interest of 6% per annum. The balance as of June 30, 2024 is \$295,546.

# SOUTHEAST ISLAND SCHOOL DISTRICT

## Notes to Basic Financial Statements, Continued

### III. OTHER INFORMATION

#### A. Risk Management

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

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

#### B. Contingent Liabilities

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

The District's current share of unfunded OPEB liabilities related to TRS between measurement dates created an OPEB benefit as a result of the decrease to the estimated liability. Due to the change, The District's proportionate share of pension plan expenses is negative for the year. Per GASB 75, the negative proportionate share has been allocated to operating grants and contributions for special education support services – students, district administration, and district administration – support services to report negative program revenues.

#### C. Employee Retirement Systems and Plans

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

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

**Plan Memberships**

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

	PERS	TRS
Retired plan members or beneficiaries		
currently receiving benefits	36,951	13,484
Inactive plan members entitled to but		
not yet receiving benefits	4,781	773
Inactive plan members not entitled to benefits	9,961	1,559
Active plan members	8,557	2,897
Total plan memberships	<u>60,250</u>	<u>18,713</u>

## SOUTHEAST ISLAND SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

#### **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, 2024, employer contributions were 0.00% for PERS and 0.00% for TRS.

##### *Occupational Death and Disability Plan (ODD)*

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 2024, the employer contribution rates were 0.30% 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, 2024, employer contributions were 1.01% for PERS and 0.82% for TRS.

##### *Healthcare Reimbursement Arrangement Plan*

The Healthcare 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, 2022 for PERS and TRS for the DB Pension Plans were 6.00% and 5.91%, the ARHCT Plans were 6.03% and 6.04%, the ODD Plans were 6.30% and 6.21%, and the RMP were 6.28% and 6.21%, respectively.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

The long-term expected rate of return on pension and OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below for the PERS and TRS plans (rates shown below exclude an annual inflation component of 2.82%):

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Domestic Equity	6.17%
Global Equity (non-U.S.)	6.55%
Aggregate Bonds	1.63%
Real Assets	4.87%
Private Equity	11.57%
Cash Equivalents	0.49%

*Discount Rate:* The discount rate used to measure the total pension and OPEB liabilities and assets is 7.25%, which represents a decrease of 0.13% since the prior measurement period. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 4.13% as of June 30, 2023.

*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.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

*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. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2040. This will result in lower ARM Board Rates in future 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 2024 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
<b>PERS:</b>			
Pension	22.00%	25.10%	3.10%
OPEB	0.00%	0.00%	0.00%
Total PERS contribution rates	<u>22.00%</u>	<u>25.10%</u>	<u>3.10%</u>
<b>TRS:</b>			
Pension	12.56%	25.52%	12.96%
OPEB	0.00%	0.00%	0.00%
Total TRS contribution rates	<u>12.56%</u>	<u>25.52%</u>	<u>12.96%</u>

*Termination Costs:* If the District decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular District function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The District must pay to have a termination study completed. The purpose of the study is to calculate the District's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The District must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS and TRS Administrator. For the plan year ended June 30, 2023 (measurement period) the past service rate for PERS and TRS is 16.33%.

## SOUTHEAST ISLAND SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

*Actuarial Assumptions:* The total pension and OPEB liabilities on June 30, 2023 (latest available) were determined by an actuarial valuation as of June 30, 2022 which was rolled forward to the measurement date June 30, 2023. 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-210, projected with MP-2021 generational improvement.
Healthcare cost trend rates	Pre-65 medical: 6.7% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Rx/EGWP: 7.2% grading down to 4.5%. Ultimate trend rates reached in FY2050.

The actuarial assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions related to the ARHCT plan:

1. Per capita claims costs were updated to reflect recent experience.
2. Normal cost for administrative expenses were updated to reflect recent two years of actual administrative expenses paid from plan assets.

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

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

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

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

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Employer contributions for the year ended June 30, 2024, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ <u>115,127</u>	<u>11,669</u>	<u>126,796</u>

**Public Employees' Retirement Plans**

For the year ended June 30, 2024 the State of Alaska contributed \$29,237 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2024 to a total of \$19,742 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, 2023, 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:	<u>Pension</u>
District's proportionate share of the net pension liability	\$ 1,711,174
State's proportionate share of the net pension liability	<u>569,292</u>
Total	<u>\$ 2,280,466</u>
	<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (756,713)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(251,824)</u>
Total	<u>\$ (1,008,537)</u>
District's proportionate share of the ODD OPEB liability (asset)	<u>\$ (23,262)</u>
District's proportionate share of the RMP OPEB liability (asset)	<u>\$ (25,788)</u>
Total District's share of net pension and OPEB liabilities and assets	<u>\$ 905,411</u>

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023 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 FY2024 through FY2039, as determined by projections based on the June 30, 2022 valuation.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

	June 30, 2023 <u>Measurement</u>	June 30, 2022 <u>Measurement</u>	<u>Change</u>
Pension	0.03300%	0.02393%	0.00907%
OPEB:			
ARHCT	0.03289%	0.02380%	0.00909%
ODD	0.04534%	0.04078%	0.00456%
RMP	0.05431%	0.04800%	0.00631%

Based on the measurement date of June 30, 2023, the District recognized pension and OPEB expense of \$669,294 and (\$281,490), respectively, for the year ended June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<u>Pension</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Defined Benefit:		
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	44,664	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	<u>115,127</u>	<u>-</u>
Total	<u>\$ 159,791</u>	<u>-</u>
	<u>OPEB ARHCT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,571	-
Changes of assumptions	-	(13,925)
Net difference between projected and actual earnings on OPEB plan investments	34,442	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(29,808)
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 36,013</u>	<u>(43,733)</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(6,536)
Changes of assumptions	-	(97)
Net difference between projected and actual earnings on OPEB plan investments	537	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,897	(2,082)
District contributions subsequent to the measurement date	<u>2,672</u>	-
Total	<u>\$ 5,106</u>	<u>(8,715)</u>

  

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 786	(832)
Changes of assumptions	2,773	(20,970)
Net difference between projected and actual earnings on OPEB plan investments	2,161	-
Changes in proportion and differences between District contributions and proportionate share of contributions	542	(2,141)
District contributions subsequent to the measurement date	<u>8,997</u>	-
Total	<u>\$ 15,259</u>	<u>(23,943)</u>

\$115,127 and \$11,669 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, 2024 (plan year), 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
2024	(16,940)	(57,145)	(1,430)	(3,570)
2025	(37,464)	(31,112)	(1,536)	(3,987)
2026	101,354	82,646	(599)	(342)
2027	(2,286)	(2,109)	(929)	(4,256)
2028	-	-	(818)	(3,041)
Thereafter	-	-	(969)	(2,485)
Total	<u>\$ 44,664</u>	<u>(7,720)</u>	<u>(6,281)</u>	<u>(17,681)</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2024, the District recognized \$418,303 and (\$112,396) 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:

	<b>1% Decrease (6.25%)</b>	<b>Current Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Net pension liability	\$ 2,297,245	1,711,174	1,216,115
Net OPEB ARHCT liability (asset)	\$ (502,982)	(756,713)	(969,860)
Net OPEB ODD liability (asset)	\$ (21,857)	(23,262)	(24,356)
Net OPEB RMP liability (asset)	\$ (896)	(25,788)	(44,803)

*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:

	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
Net OPEB ARHCT liability (asset)	\$ (994,241)	(756,713)	(473,881)
Net OPEB ODD liability (asset)	\$ N/A	(23,262)	N/A
Net OPEB RMP liability (asset)	\$ (47,355)	(25,788)	3,181

**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 6.75% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.01% for the retiree medical plan (DB), 0.30% 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.

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%

## SOUTHEAST ISLAND SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

The District contributed \$97,265 for the year ended June 30, 2024, which included forfeitures of \$4,037 which have been applied as employer contributions.

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

*Plan Description.* The District participates in the Alaska Teachers' Retirement System (TRS), a cost sharing multiple-employer defined benefit plan. Currently, there are 57 employers participating in TRS, including 53 school districts. TRS provides retirement benefits, disability and death benefits, and post-employment healthcare to plan members and beneficiaries. The system is governed by the Alaska Retirement Board. 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.

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

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Employer contributions for the year ended June 30, 2024, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ <u>80,444</u>	<u>12,536</u>	<u>92,980</u>

**Teachers' Retirement Plans**

For the year ended June 30, 2024 the State of Alaska contributed \$215,877 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2024 to a total of \$132,831 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, 2024, 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:	<u>Pension</u>
District's proportionate share of the net pension liability	\$ 1,397,507
State's proportionate share of the net pension liability	<u>2,211,519</u>
Total	<u>\$ 3,609,026</u>
	<u>OPEB</u>
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (829,483)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(1,245,135)</u>
Total	<u>\$ (2,074,618)</u>
District's proportionate share of the ODD OPEB liability (asset)	<u>\$ (17,669)</u>
District's proportionate share of the RMP OPEB liability (asset)	<u>\$ (56,602)</u>
Total District's share of net pension and OPEB liabilities and assets	<u>\$ 493,753</u>

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023 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 FY2024 through FY2039, as determined by projections based on the June 30, 2023 valuation.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

	June 30, 2023 <u>Measurement</u>	June 30, 2022 <u>Measurement</u>	<u>Change</u>
Pension	0.07947%	0.08083%	(0.00136)%
OPEB:			
ARHCT	0.08208%	0.08296%	(0.06769)%
ODD	0.25537%	0.26679%	(0.00088)%
RMP	0.25553%	0.26626%	(0.01073)%

Based on the measurement date of June 30, 2023, the District recognized pension and OPEB expense of \$369,438 and (\$170,481), respectively, for the year ended June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<u>Pension</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Defined Benefit:		
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	57,302	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	<u>80,444</u>	<u>-</u>
Total	<u>\$ 137,746</u>	<u>-</u>

	<u>OPEB ARHCT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,285	-
Changes of assumptions	-	(13,117)
Net difference between projected and actual earnings on OPEB plan investments	34,221	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,302	-
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 37,808</u>	<u>(13,117)</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(2,830)
Changes of assumptions	-	(35)
Net difference between projected and actual earnings on OPEB plan investments	309	-
Changes in proportion and differences between District contributions and proportionate share of contributions	4,131	(982)
District contributions subsequent to the measurement date	1,114	-
Total	\$ <u>5,554</u>	<u>(3,847)</u>

  

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,825	(1,965)
Changes of assumptions	2,368	(27,315)
Net difference between projected and actual earnings on OPEB plan investments	3,218	-
Changes in proportion and differences between District contributions and proportionate share of contributions	7,132	(1,008)
District contributions subsequent to the measurement date	11,422	-
Total	\$ <u>33,965</u>	<u>(30,288)</u>

\$80,444 and \$12,536 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, 2024 (plan year), 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
2024	(24,385)	(23,137)	(11)	(2,353)
2025	(53,290)	(28,810)	(82)	(3,051)
2026	137,504	78,691	481	2,637
2027	(2,527)	(2,053)	5	(2,180)
2028	-	-	(2)	(2,067)
Thereafter	-	-	202	(731)
Total	\$ <u>57,302</u>	<u>24,691</u>	<u>593</u>	<u>(7,745)</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2024, the District recognized (\$128,853) and \$116,059 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:

	<b>1% Decrease (6.25%)</b>	<b>Current Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Net pension liability (asset)	\$ 2,057,218	1,397,507	840,186
Net OPEB ARHCT liability (asset)	\$ (586,625)	(829,483)	(1,032,397)
Net OPEB ODD liability (asset)	\$ (17,730)	(17,669)	(17,636)
Net OPEB RMP liability (asset)	\$ (20,764)	(56,602)	(83,627)

*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:

	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
Net OPEB ARHCT liability (asset)	\$ (1,054,843)	(829,483)	(559,510)
Net OPEB ODD liability (asset)	\$ N/A	(17,669)	N/A
Net OPEB RMP liability (asset)	\$ (86,949)	(56,602)	(15,434)

**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 8.65% 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): 0.83% for the retiree medical plan, 0.08% for occupational death and disability, and 3.00% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The employer effective contribution rate is 12.56%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

## SOUTHEAST ISLAND SCHOOL DISTRICT

### Notes to Basic Financial Statements, Continued

The District contributed \$136,707 for the year ended June 30, 2024, which included forfeitures of \$21,762 which have been applied as employer contributions.

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

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

- GASB 101 *Compensated Absences*. Effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.
- GASB 102 *Certain Risk Disclosures*. Effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.
- GASB 103 *Financial Reporting Model Improvements*: Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 101 unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

GASB Statement No. 102 will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

GASB Statement No. 103 will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

# **REQUIRED SUPPLEMENTARY INFORMATION**

SOUTHEAST ISLAND SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
E-rate	\$ 1,411,471	1,411,471	1,047,938	(363,533)
Other	25,000	25,000	53,635	28,635
Intergovernmental:				
State of Alaska	4,908,601	4,996,121	4,807,944	(188,177)
Federal sources	280,000	280,000	277,911	(2,089)
Total revenues	<u>6,625,072</u>	<u>6,712,592</u>	<u>6,187,428</u>	<u>(525,164)</u>
Expenditures:				
Current:				
Instruction	2,085,449	1,984,297	1,875,857	108,440
Special education instruction	598,227	619,264	580,778	38,486
Special education support services - students	39,059	62,931	59,761	3,170
Support services - instruction	1,442,661	1,478,412	1,287,325	191,087
School administration	213,301	153,702	165,602	(11,900)
School administration support services	60,243	68,155	96,804	(28,649)
District administration	417,160	425,664	460,479	(34,815)
District administration support services	292,197	299,258	298,088	1,170
Operations and maintenance of plant	1,415,795	1,500,502	1,358,012	142,490
Student activities	167,778	175,892	147,882	28,010
Total expenditures	<u>6,731,870</u>	<u>6,768,077</u>	<u>6,330,588</u>	<u>437,489</u>
Excess of revenues over expenditures	<u>(106,798)</u>	<u>(55,485)</u>	<u>(143,160)</u>	<u>(87,675)</u>
Other financing sources (uses):				
Proceeds from promissory note	-	-	8,398	8,398
Transfers in	-	-	207,082	207,082
Transfers out	<u>(52,500)</u>	<u>(60,000)</u>	<u>(311,213)</u>	<u>(251,213)</u>
Net other financing sources (uses)	<u>(52,500)</u>	<u>(60,000)</u>	<u>(95,733)</u>	<u>(35,733)</u>
Net change in fund balance	\$ <u>(159,298)</u>	<u>(115,485)</u>	<u>(238,893)</u>	<u>(123,408)</u>
Fund balance, beginning of year			405,749	
Fund balance, end of year			\$ <u>166,856</u>	

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2024

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
2015	1.5385%	\$ 717,565	\$ 736,222	\$ 1,453,787	\$ 734,602	97.68%	62.37%
2016	0.0554%	\$ 2,686,427	\$ 717,377	\$ 3,403,804	\$ 2,279,236	117.87%	63.96%
2017	0.0330%	\$ 1,846,762	\$ 234,848	\$ 2,081,610	\$ 2,421,546	76.26%	59.55%
2018	0.0388%	\$ 2,006,604	\$ 747,577	\$ 2,754,181	\$ 2,464,319	81.43%	63.37%
2019	0.0304%	\$ 1,511,338	\$ 7,437,051	\$ 8,948,389	\$ 1,902,827	79.43%	65.19%
2020	0.0333%	\$ 1,821,020	\$ 720,723	\$ 2,541,743	\$ 2,111,755	86.23%	63.42%
2021	0.0399%	\$ 2,352,318	\$ 971,866	\$ 3,324,184	\$ 2,128,988	110.49%	61.61%
2022	0.3700%	\$ 1,355,709	\$ 182,935	\$ 1,538,644	\$ 1,810,191	74.89%	76.46%
2023	0.0239%	\$ 1,219,838	\$ 338,655	\$ 1,558,493	\$ 2,177,186	56.03%	67.97%
2024	0.0330%	\$ 1,711,174	\$ 569,292	\$ 2,280,466	\$ 1,068,218	160.19%	68.23%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2024

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>							
2018	0.0389%	\$ 328,329	\$ 122,609	\$ 450,938	\$ 2,464,319	13.32%	89.68%
2019	0.0304%	\$ 312,420	\$ 91,225	\$ 403,645	\$ 1,902,827	16.42%	88.12%
2020	0.0332%	\$ 49,267	\$ 19,556	\$ 68,823	\$ 2,111,755	2.33%	98.13%
2021	0.0397%	\$ (179,768)	\$ (74,435)	\$ (254,203)	\$ 2,128,988	-8.44%	106.15%
2022	0.0372%	\$ (953,666)	\$ (122,193)	\$ (1,075,859)	\$ 1,810,191	-52.68%	135.54%
2023	0.0239%	\$ (469,231)	\$ (135,355)	\$ (604,586)	\$ 2,177,186	-21.55%	128.51%
2024	0.0329%	\$ (756,713)	\$ (251,824)	\$ (1,008,537)	\$ 1,068,218	-70.84%	133.96%
<b>Occupational Death and Disability (ODD):</b>							
2018	0.0535%	\$ (7,590)	\$ -	\$ (7,590)	\$ 2,464,319	-0.31%	212.97%
2019	0.0598%	\$ (11,619)	\$ -	\$ (11,619)	\$ 1,902,827	-0.61%	270.62%
2020	0.0538%	\$ (13,037)	\$ -	\$ (13,037)	\$ 2,111,755	-0.62%	297.43%
2021	0.0466%	\$ (12,705)	\$ -	\$ (12,705)	\$ 2,128,988	-0.60%	283.80%
2022	0.0383%	\$ (16,869)	\$ -	\$ (16,869)	\$ 1,810,191	-0.93%	374.22%
2023	0.0408%	\$ (17,877)	\$ -	\$ (17,877)	\$ 2,177,186	-0.82%	348.80%
2024	0.0453%	\$ (23,262)	\$ -	\$ (23,262)	\$ 1,068,218	-2.18%	349.24%
<b>Retiree Medical Plan (RMP):</b>							
2018	0.0535%	\$ 2,790	\$ -	\$ 2,790	\$ 340,500	0.82%	93.98%
2019	0.0598%	\$ 7,612	\$ -	\$ 7,612	\$ 335,600	2.27%	88.71%
2020	0.0676%	\$ 16,181	\$ -	\$ 16,181	\$ 399,705	4.05%	83.17%
2021	0.0582%	\$ 4,126	\$ -	\$ 4,126	\$ 356,427	1.16%	92.23%
2022	0.0451%	\$ (12,097)	\$ -	\$ (12,097)	\$ 316,164	-3.83%	115.10%
2023	0.0480%	\$ (16,670)	\$ -	\$ (16,670)	\$ 374,855	-4.45%	120.08%
2024	0.0543%	\$ (25,788)	\$ -	\$ (25,788)	\$ 454,050	-5.68%	124.29%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT  
Schedule of District's Contributions (Pensions)  
Public Employees' Retirement System (PERS)  
June 30, 2024

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
2015	\$ 63,677	\$ (63,677)	\$ -	\$ 2,279,236	2.79%
2016	\$ 77,283	\$ (77,283)	\$ -	\$ 2,421,546	3.19%
2017	\$ 89,319	\$ (89,319)	\$ -	\$ 2,464,319	3.62%
2018	\$ 95,194	\$ (95,194)	\$ -	\$ 1,902,827	5.00% <sup>58</sup>
2019	\$ 95,994	\$ (100,564)	\$ (4,570)	\$ 2,111,755	4.55%
2020	\$ 81,626	\$ (72,744)	\$ 8,882	\$ 2,128,988	3.83%
2021	\$ 84,925	\$ (87,464)	\$ (2,539)	\$ 1,810,191	4.69%
2022	\$ 98,442	\$ (98,442)	\$ -	\$ 2,177,186	4.52%
2023	\$ 119,821	\$ (122,154)	\$ (2,333)	\$ 1,068,218	11.22%
2024	\$ 117,579	\$ (115,128)	\$ 2,451	\$ 1,018,468	11.54%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2024

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>					
2018	\$ 27,132	\$ (27,132)	\$ -	\$ 1,902,827	1.43%
2019	\$ 35,081	\$ (35,081)	\$ -	\$ 2,111,755	1.66%
2020	\$ 32,471	\$ (32,471)	\$ -	\$ 2,128,988	1.53%
2021	\$ 10,103	\$ (10,103)	\$ -	\$ 1,810,191	0.56%
2022	\$ 9,993	\$ (9,993)	\$ -	\$ 2,177,186	0.46%
2023	\$ -	\$ -	\$ -	\$ 1,068,218	0.00%
2024	\$ -	\$ -	\$ -	\$ 1,018,468	0.00%
<b>Occupational Death and Disability (ODD):</b>					
2018	\$ 1,083	\$ (1,083)	\$ -	\$ 1,902,827	0.06%
2019	\$ 2,196	\$ (2,196)	\$ -	\$ 2,111,755	0.10%
2020	\$ 2,044	\$ (2,044)	\$ -	\$ 2,128,988	0.10%
2021	\$ 2,042	\$ (2,042)	\$ -	\$ 1,810,191	0.11%
2022	\$ 2,353	\$ (2,353)	\$ -	\$ 2,177,186	0.11%
2023	\$ 2,778	\$ (2,778)	\$ -	\$ 1,068,218	0.26%
2024	\$ 2,672	\$ (2,672)	\$ -	\$ 1,018,468	0.26%
<b>Retiree Medical Plan (RMP):</b>					
2018	\$ 6,974	\$ (6,974)	\$ -	\$ 335,600	2.08%
2019	\$ 7,937	\$ (7,937)	\$ -	\$ 399,705	1.99%
2020	\$ 10,376	\$ (10,376)	\$ -	\$ 356,427	2.91%
2021	\$ 8,364	\$ (8,364)	\$ -	\$ 316,164	2.65%
2022	\$ 8,121	\$ (8,121)	\$ -	\$ 374,855	2.17%
2023	\$ 10,185	\$ (10,185)	\$ -	\$ 454,050	2.24%
2024	\$ 8,997	\$ (8,997)	\$ -	\$ 442,118	2.03%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2024

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
2015	0.0316%	\$ 946,423	\$ 6,950,421	\$ 7,896,844	\$ 2,087,865	45.33%	55.70%
2016	0.0899%	\$ 1,671,672	\$ 2,672,087	\$ 4,343,759	\$ 2,267,494	73.72%	73.82%
2017	0.1092%	\$ 2,492,649	\$ 2,962,960	\$ 5,455,609	\$ 2,104,089	118.47%	68.40%
2018	0.0765%	\$ 1,550,361	\$ 2,703,897	\$ 4,254,258	\$ 1,927,170	80.45%	72.39%
2019	0.0904%	\$ 1,729,651	\$ 2,572,515	\$ 4,302,166	\$ 1,786,951	96.79%	74.09%
2020	0.0937%	\$ 1,751,000	\$ 2,599,243	\$ 4,350,243	\$ 1,646,290	106.36%	74.68%
2021	0.0643%	\$ 1,306,179	\$ 2,266,313	\$ 3,572,492	\$ 2,063,989	63.28%	72.81%
2022	0.1448%	\$ 1,152,686	\$ 980,351	\$ 2,133,037	\$ 1,752,540	65.77%	89.43%
2023	0.0808%	\$ 1,347,278	\$ 1,795,656	\$ 3,142,934	\$ 1,850,502	72.81%	78.33%
2024	0.0795%	\$ 1,397,507	\$ 2,211,519	\$ 3,609,026	\$ 1,936,306	72.17%	77.62%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2024

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>							
2018	0.0762%	\$ 140,186	\$ 245,620	\$ 385,806	\$ 1,927,170	7.27%	93.75%
2019	0.0902%	\$ 280,407	\$ 418,170	\$ 698,577	\$ 1,786,951	15.69%	90.23%
2020	0.0935%	\$ (142,907)	\$ (212,886)	\$ (355,793)	\$ 1,646,290	-8.68%	105.50%
2021	0.0006%	\$ (229,621)	\$ (399,340)	\$ (628,961)	\$ 2,063,989	-11.13%	113.78%
2022	0.1507%	\$ (1,751,542)	\$ (1,372,899)	\$ (3,124,441)	\$ 1,752,540	-99.94%	145.41%
2023	0.0830%	\$ (727,183)	\$ (929,893)	\$ (1,657,076)	\$ 1,850,502	-39.30%	134.84%
2024	0.0821%	\$ (829,483)	\$ (1,245,135)	\$ (2,074,618)	\$ 1,936,306	-42.84%	140.49%
<b>Occupational Death and Disability (ODD):</b>							
2018	0.3608%	\$ (11,792)	\$ -	\$ (11,792)	\$ 1,927,170	-0.61%	1342.59%
2019	0.3368%	\$ (11,807)	\$ -	\$ (11,807)	\$ 1,786,951	-0.66%	1304.81%
2020	0.3126%	\$ (12,569)	\$ -	\$ (12,569)	\$ 1,646,290	-0.76%	1409.77%
2021	0.3621%	\$ (15,589)	\$ -	\$ (15,589)	\$ 2,063,989	-0.76%	931.08%
2022	0.3120%	\$ (19,017)	\$ -	\$ (19,017)	\$ 1,752,540	-1.09%	1254.36%
2023	0.2668%	\$ (16,114)	\$ -	\$ (16,114)	\$ 1,850,502	-0.87%	1268.28%
2024	0.2554%	\$ (17,669)	\$ -	\$ (17,669)	\$ 1,936,306	-0.91%	1410.42%
<b>Retiree Medical Plan (RMP):</b>							
2018	0.3608%	\$ (17,103)	\$ -	\$ (17,103)	\$ 1,147,033	-1.49%	118.16%
2019	0.0034%	\$ (10,770)	\$ -	\$ (10,770)	\$ 962,245	-1.12%	109.56%
2020	0.3123%	\$ (11,981)	\$ -	\$ (11,981)	\$ 981,354	-1.22%	110.03%
2021	0.3633%	\$ (35,841)	\$ -	\$ (35,841)	\$ 1,251,409	-2.86%	125.59%
2022	0.3114%	\$ (62,530)	\$ -	\$ (62,530)	\$ 1,103,018	-5.67%	142.54%
2023	0.2663%	\$ (51,564)	\$ -	\$ (51,564)	\$ 1,014,705	-5.08%	140.73%
2024	0.2555%	\$ (56,602)	\$ -	\$ (56,602)	\$ 1,032,906	-5.48%	140.71%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT  
 Schedule of District's Contributions (Pensions)  
 Teachers' Retirement System (TRS)  
 June 30, 2024

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
2015	\$ 75,736	\$ (75,736)	\$ -	\$ 2,267,494	3.34%
2016	\$ 67,932	\$ (67,932)	\$ -	\$ 2,104,089	3.23%
2017	\$ 54,175	\$ (54,175)	\$ -	\$ 1,927,170	2.81%
2018	\$ 71,915	\$ (71,915)	\$ -	\$ 1,786,951	4.02%
2019	\$ 5,531	\$ (45,295)	\$ (39,764)	\$ 1,646,290	0.34%
2020	\$ 53,564	\$ (53,885)	\$ (321)	\$ 2,063,989	2.60%
2021	\$ 44,198	\$ (44,107)	\$ 91	\$ 1,752,540	2.52%
2022	\$ 57,969	\$ (57,969)	\$ -	\$ 1,850,502	3.13%
2023	\$ 101,003	\$ (101,003)	\$ -	\$ 1,936,306	5.22%
2024	\$ 80,444	\$ (80,444)	\$ -	\$ 1,804,833	4.46%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2024

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>					
2018	\$ 30,659	\$ (30,659)	\$ -	\$ 1,786,951	1.72%
2019	\$ 27,611	\$ (27,611)	\$ -	\$ 1,646,290	1.68%
2020	\$ 29,845	\$ (29,845)	\$ -	\$ 2,063,989	1.45%
2021	\$ 23,214	\$ (23,214)	\$ -	\$ 1,752,540	1.32%
2022	\$ 35,078	\$ (35,078)	\$ -	\$ 1,850,502	1.90%
2023	\$ -	\$ -	\$ -	\$ 1,936,306	0.00%
2024	\$ -	\$ -	\$ -	\$ 1,804,833	0.00%
<b>Occupational Death and Disability (ODD):</b>					
2018	\$ -	\$ -	\$ -	\$ 1,786,951	0.00%
2019	\$ 975	\$ (975)	\$ -	\$ 1,646,290	0.06%
2020	\$ 1,275	\$ (1,275)	\$ -	\$ 2,063,989	0.06%
2021	\$ 1,129	\$ (1,129)	\$ -	\$ 1,752,540	0.06%
2022	\$ 1,049	\$ (1,049)	\$ -	\$ 1,850,502	0.06%
2023	\$ 1,050	\$ (1,050)	\$ -	\$ 1,936,306	0.05%
2024	\$ 1,114	\$ (1,114)	\$ -	\$ 1,804,833	0.06%
<b>Retiree Medical Plan (RMP):</b>					
2018	\$ 11,016	\$ (11,016)	\$ -	\$ 962,245	1.14%
2019	\$ 9,635	\$ (9,635)	\$ -	\$ 981,354	0.98%
2020	\$ 17,055	\$ (17,055)	\$ -	\$ 1,251,409	1.36%
2021	\$ 13,130	\$ (13,130)	\$ -	\$ 1,103,018	1.19%
2022	\$ 10,880	\$ (10,880)	\$ -	\$ 1,014,705	1.07%
2023	\$ 11,414	\$ (11,414)	\$ -	\$ 1,032,906	1.11%
2024	\$ 11,422	\$ (11,422)	\$ -	\$ 1,088,432	1.05%

See accompanying notes to Required Supplementary Information.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Required Supplementary Information

June 30, 2024

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

**Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except Capital Project Funds. The Capital Project Funds adopt project-length budgets. Budgets are prepared on the modified accrual accounting basis. All annual appropriations lapse at fiscal yearend. Unexpended balances of grants from the state and federal governments for the Special Revenue Funds lapse at June 30 with the exception of those funds established to account for certain direct federal grants which lapse on September 30.

District policy in establishing budgetary data reflected in the financial statements is as follows:

An annual budget for the School Operating Fund is adopted by the School Board for all revenues, expenditures, and interfund transfers. The adopted School Operating Fund budget is submitted to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.

The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs. The original adopted budget and the final revised and approved budget are presented in these financial statements. Expenditure authority for the School Operating Fund is limited to the total approved budget and functional and/or departmental areas of expenditures are not to be overspent.

Annual budgets of the various other Special Revenue Funds are prepared in connection with the application for the special programs' award and are reviewed and approved by the School Board. The District's Special Revenue Funds are used to account for educational programs and operations and maintenance programs that are restricted or committed. Expenditure authority for Special Revenue Fund programs is limited to the actual combined revenues, available fund balance and transfers from other funds.

Project budgets are adopted for the various construction funds based on the lives of the construction projects. Expenditure authority is limited to the actual combined revenues, available fund balance and transfers from other funds.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the School Operating Fund and Special Revenue Funds. Encumbrances, if any, outstanding at year end are reported in assigned fund balances in the fund financial statements since they do not constitute expenditures or liabilities. The amount of encumbrances, if significant, is disclosed in the Notes to the Basic Financial Statements as commitments.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

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

	Amount in Excess of <u>Appropriations</u>
School administration	11,900
School administration support services	28,649
District administration	34,815

*Excess of expenditures over appropriation in the School Operating Fund were fund through available fund balances.*

**2. Public Employees' Retirement System**

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

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

**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, 2021 to June 30, 2022**

There were no changes in actuarial methods since the prior valuation.

**b) Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022**

Effective for the June 30, 2022 valuation, the Alaska Retirement Management Board adopted the changes to the demographic and economic assumptions recommended by the actuary, based on the results of an experience study performed on the plan experience from July 1, 2017 to June 30, 2021. The changes in assumptions were adopted at the June 2022 Board meeting. The effect of the new assumptions was to increase the actuarial accrued liability as of June 30, 2022 by approximately \$206 million for pension and decrease by approximately \$88 million for healthcare.

The healthcare per capital claims cost assumption is 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.

**c) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022**

There were no changes in benefit provisions since the prior valuation.

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

**d) Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022**

There were no changes in actuarial methods since the prior valuation.

## SOUTHEAST ISLAND SCHOOL DISTRICT

### Notes to Required Supplementary Information, Continued

#### **e) Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022**

Effective for the June 30, 2022 valuation, the Alaska Retirement Management Board adopted the changes to the demographic and economic assumptions recommended by the actuary, based on the results of an experience study performed on the plan experience from July 1, 2017 to June 30, 2021. The changes in assumptions were adopted at the June 2022 Board meeting. The effect of the new assumptions was to increase the actuarial accrued liability as of June 30, 2022 by approximately \$1,222,000 for occupational death & disability and decrease by approximately \$22,348,000 for retiree medical.

The healthcare per capital claims cost assumption is 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.

#### **f) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022**

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, 2022 which was rolled forward to June 30, 2023. Actuarially determined contribution rates are calculated as of June 30<sup>th</sup>, two years prior to the fiscal year in which contributions are reported.

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

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

The table is presented based on the Plan measurement date which 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*

#### **g) Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022**

There were no changes in actuarial methods since the prior valuation.

#### **h) Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022**

Effective for the June 30, 2022 valuation, the Alaska Retirement Management Board adopted the changes to the demographic and economic assumptions recommended by the actuary, based on the results of an experience study performed on the plan experience from July 1, 2017 to June 30, 2021. The changes in assumptions were adopted at the June 2022 Board meeting. The effect of the new assumptions was to increase the actuarial accrued liability as of June 30, 2022 by approximately \$144 million for pension and \$21 million for healthcare.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Required Supplementary Information, Continued

The healthcare per capital claims cost assumption is 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.

**i) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022**

There were no changes in benefit provisions since the prior valuation.

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

**j) Changes in Methods Since the Prior Valuation – June 30, 2021 to June 30, 2022**

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

**k) Changes in Assumptions Since the Prior Valuation – June 30, 2021 to June 30, 2022**

Effective for the June 30, 2022 valuation, the Alaska Retirement Management Board adopted the changes to the demographic and economic assumptions recommended by the actuary, based on the results of an experience study performed on the plan experience from July 1, 2017 to June 30, 2021. The changes in assumptions were adopted at the June 2022 Board meeting. The effect of the new assumptions was to decrease the actuarial accrued liability as of June 30, 2022 by less than \$1,000 for occupational death & disability and by approximately \$3,374,000 for retiree medical.

The healthcare per capital claims cost assumption is 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.

**l) Changes in Benefit Provisions Since the Prior Valuation – June 30, 2021 to June 30, 2022**

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, 2022 which was rolled forward to June 30, 2023. Actuarially determined contribution rates are calculated as of June 30<sup>th</sup>, two years prior to the fiscal year in which contributions are reported.

# **ADDITIONAL SUPPLEMENTARY INFORMATION**

## SOUTHEAST ISLAND SCHOOL DISTRICT

## School Operating Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Local sources:			
E-rate	\$ 1,411,471	1,047,938	(363,533)
Other	25,000	53,635	28,635
Total local	<u>1,436,471</u>	<u>1,101,573</u>	<u>(334,898)</u>
Intergovernmental:			
State sources:			
Foundation program	4,510,546	4,301,095	(209,451)
Quality schools	-	11,547	11,547
TRS on-behalf payment	207,935	215,877	7,942
PERS on-behalf payment	26,966	29,327	2,361
House bill 39 one-time grant	250,674	248,698	(1,976)
Dividend raffle	-	1,400	1,400
Total state sources	<u>4,996,121</u>	<u>4,807,944</u>	<u>(188,177)</u>
Federal source -			
National forest receipts	<u>280,000</u>	<u>277,911</u>	<u>(2,089)</u>
Total revenues	<u>6,712,592</u>	<u>6,187,428</u>	<u>(525,164)</u>
Expenditures:			
Current:			
Instruction:			
Certificated salaries	1,063,304	1,024,071	39,233
Non-certificated salaries	98,940	147,068	(48,128)
Employee benefits	663,972	579,953	84,019
Professional and technical services	700	-	700
Staff travel	100	2,143	(2,043)
Student travel	9,700	9,576	124
Utility services	19,995	36,487	(16,492)
Other purchased services	-	74	(74)
Supplies, materials and media	127,586	75,986	51,600
Other expenses	-	499	(499)
Total instruction	<u>1,984,297</u>	<u>1,875,857</u>	<u>108,440</u>
Special education instruction:			
Certificated salaries	232,135	259,165	(27,030)
Non-certificated salaries	180,375	142,266	38,109
Employee benefits	203,929	176,178	27,751
Professional and technical services	-	201	(201)
Staff travel	-	159	(159)
Supplies, materials and media	<u>2,825</u>	<u>2,809</u>	<u>16</u>
Total special education instruction	<u>619,264</u>	<u>580,778</u>	<u>38,486</u>

(continued)

## SOUTHEAST ISLAND SCHOOL DISTRICT

## School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures, continued:			
Current:			
Special education support services - students:			
Non-certificated salaries	2,756	2,849	(93)
Employee benefits	1,029	833	196
Professional and technical services	34,500	42,085	(7,585)
Staff travel	6,250	1,079	5,171
Supplies, materials and media	11,950	6,469	5,481
Other expenses	6,446	6,446	-
Total special education support services - students	<u>62,931</u>	<u>59,761</u>	<u>3,170</u>
Support services - instruction:			
Non-certificated salaries	61,000	61,011	(11)
Employee benefits	44,742	39,959	4,783
Professional and technical services	15,220	3,563	11,657
Staff travel	3,150	2,952	198
Utility services	1,290,155	1,138,546	151,609
Other purchased services	5,000	-	5,000
Supplies, materials and media	58,650	40,967	17,683
Other expenses	495	327	168
Total support services - instruction	<u>1,478,412</u>	<u>1,287,325</u>	<u>191,087</u>
School administration:			
Certificated salaries	97,091	95,389	1,702
Non-certificated salaries	-	8,287	(8,287)
Employee benefits	45,622	52,194	(6,572)
Staff travel	7,000	2,940	4,060
Utility services	550	782	(232)
Supplies, materials and media	2,825	6,010	(3,185)
Other expenses	614	-	614
Total school administration	<u>153,702</u>	<u>165,602</u>	<u>(11,900)</u>
School administration support services:			
Non-certificated salaries	52,786	45,247	7,539
Employee benefits	13,244	49,857	(36,613)
Supplies, materials and media	2,125	1,700	425
Total school administration support services	<u>68,155</u>	<u>96,804</u>	<u>(28,649)</u>
District administration:			
Certificated salaries	145,000	149,000	(4,000)
Non-certificated salaries	103,332	101,231	2,101
Employee benefits	122,872	129,861	(6,989)
Professional and technical services	19,980	31,752	(11,772)
Staff travel	7,125	18,524	(11,399)
Student travel	1,250	2,686	(1,436)
Utility services	1,400	1,134	266
Other purchased services	300	400	(100)
Supplies, materials and media	12,275	11,813	462
Tuition and stipends	2,000	-	2,000
Other expenses	10,130	14,078	(3,948)
Total district administration	<u>425,664</u>	<u>460,479</u>	<u>(34,815)</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures, continued:			
Current:			
District administration support services:			
Non-certificated salaries	114,834	102,735	12,099
Employee benefits	86,114	76,904	9,210
Professional and technical services	120,000	121,571	(1,571)
Staff travel	5,000	380	4,620
Utility services	6,500	9,305	(2,805)
Other purchased services	4,000	2,282	1,718
Insurance and bond premiums	42,000	40,403	1,597
Supplies, materials and media	24,865	24,021	844
Other expenses	5,500	2,328	3,172
Indirect cost recovery	(109,555)	(81,841)	(27,714)
Total district administration support services	<u>299,258</u>	<u>298,088</u>	<u>1,170</u>
Operations and maintenance of plant:			
Non-certificated salaries	342,671	324,218	18,453
Employee benefits	222,901	140,846	82,055
Professional and technical services	7,000	23,860	(16,860)
Staff travel	7,500	15,444	(7,944)
Utility services	32,700	26,546	6,154
Energy	297,140	326,121	(28,981)
Other purchased services	114,496	42,931	71,565
Insurance and bond premiums	237,475	238,394	(919)
Supplies, materials and media	167,419	154,831	12,588
Other expenses	1,200	250	950
Equipment	70,000	64,571	5,429
Total operations and maintenance of plant	<u>1,500,502</u>	<u>1,358,012</u>	<u>142,490</u>
Student activities:			
Certificated salaries	71,982	6,995	64,987
Non-certificated salaries	12,840	37,358	(24,518)
Employee benefits	21,966	8,928	13,038
Professional and technical services	-	1,590	(1,590)
Staff travel	6,438	2,232	4,206
Student travel	51,966	57,510	(5,544)
Other purchased services	-	2,093	(2,093)
Supplies, materials and media	8,200	26,988	(18,788)
Other expenses	2,500	4,188	(1,688)
Total student activities	<u>175,892</u>	<u>147,882</u>	<u>28,010</u>
Total expenditures	<u>6,768,077</u>	<u>6,330,588</u>	<u>437,489</u>
Excess of revenues over expenditures	<u>(55,485)</u>	<u>(143,160)</u>	<u>(87,675)</u>
Other financing sources (uses):			
Proceeds from promissory note	-	8,398	8,398
Transfers in:			
Pupil Transportation Special Revenue Fund	-	207,082	207,082
Transfers out:			
Food Service Special Revenue Fund	(60,000)	(178,127)	(118,127)
NSLP Equipment Assistance Special Revenue Fund	-	(1,356)	(1,356)
Thorne Bay Restaurant Enterprise Fund	-	(131,730)	(131,730)
Other financing sources, net	<u>(60,000)</u>	<u>(95,733)</u>	<u>(35,733)</u>
Net change in fund balance	<u>\$ (115,485)</u>	<u>(238,893)</u>	<u>(123,408)</u>
Fund balance, beginning of year		<u>405,749</u>	
Fund balance, end of year		<u>\$ 166,856</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes  
in Fund Balance

Year Ended June 30, 2024

Revenues:		
Local sources:		
Other	\$	<u>185,032</u>
Intergovernmental:		
State of Alaska		<u>2,541,439</u>
Total revenues		<u>2,726,471</u>
Expenditure - current:		
Operations and maintenance of plant:		
Non-certificated salaries		811
Employee benefits		210
Other purchased services		73,308
Supplies, materials and media		<u>18,366</u>
Total operations and maintenance of plant		<u>92,695</u>
Construction and facilities acquisition:		
Non-certificated salaries		45,512
Employee benefits		23,520
Professional and technical services		73,982
Other purchased services		2,397,897
Supplies, materials and media		<u>160,896</u>
Total construction and facilities acquisition		<u>2,701,807</u>
Total expenditures		<u>2,794,502</u>
Deficiency of revenues under expenditures		(68,031)
Fund balance, beginning of year		<u>560,841</u>
Fund balance, end of year	\$	<u><u>492,810</u></u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2024

Assets	Special Revenue Funds							
	Pupil Transportation	ELA Core Literacy	Early Learning	Food Service	Fresh Fruit and Vegetables	NSLP Equipment Assistance	Alaska Nutritional Foods	Title I-A Basic
Accounts receivable	\$ -	-	128,645	13,377	590	5,144	-	49,435
Due from School Operating Fund	411,136	556	-	57,974	-	-	732	-
Inventory	-	-	-	11,558	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
	<u>411,136</u>	<u>556</u>	<u>128,645</u>	<u>82,909</u>	<u>590</u>	<u>5,144</u>	<u>732</u>	<u>49,435</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	-	556	197	2,217	-	-	-	-
Unearned revenue	-	-	0	-	-	-	732	-
Due to School Operating Fund	170	-	128,448	-	590	5,144	-	49,435
Total liabilities	<u>170</u>	<u>556</u>	<u>128,645</u>	<u>2,217</u>	<u>590</u>	<u>5,144</u>	<u>732</u>	<u>49,435</u>
Fund balances:								
Nonspendable	-	-	-	11,558	-	-	-	-
Committed	410,966	-	-	69,134	-	-	-	-
Total fund balances	<u>410,966</u>	<u>-</u>	<u>-</u>	<u>80,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>411,136</u>	<u>556</u>	<u>128,645</u>	<u>82,909</u>	<u>590</u>	<u>5,144</u>	<u>732</u>	<u>49,435</u>

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(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

	Special Revenue Funds							Comprehensive State Literacy Development	ESSER III
	Title I-C Migrant Education	Migrant Book	Title IV-A Innovative	Title II-A Teacher and Principal Training	Carl Perkins	Title I-A School Improvement			
<u>Assets</u>									
Accounts receivable	\$ 14,502	61	14,086	21,534	7,684	16,966	96,491	118,942	
Due from School Operating Fund	-	-	-	-	6,604	-	-	-	
Inventory	-	-	-	-	-	-	-	-	
	<u>14,502</u>	<u>61</u>	<u>14,086</u>	<u>21,534</u>	<u>14,288</u>	<u>16,966</u>	<u>96,491</u>	<u>118,942</u>	
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Accounts payable	-	-	-	-	14,288	-	23,794	1,161	
Unearned revenue	-	-	-	-	-	-	-	-	
Due to School Operating Fund	14,502	61	14,086	21,534	-	16,966	72,697	117,781	
Total liabilities	<u>14,502</u>	<u>61</u>	<u>14,086</u>	<u>21,534</u>	<u>14,288</u>	<u>16,966</u>	<u>96,491</u>	<u>118,942</u>	
Fund balances:									
Nonspendable	-	-	-	-	-	-	-	-	
Committed	-	-	-	-	-	-	-	-	
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total liabilities and fund balances	\$ <u>14,502</u>	<u>61</u>	<u>14,086</u>	<u>21,534</u>	<u>14,288</u>	<u>16,966</u>	<u>96,491</u>	<u>118,942</u>	

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(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

		Special Revenue Funds						
<u>Assets</u>		<u>Rural Utilities</u>	<u>SOAR</u>	<u>SELECT</u>	<u>A-STRIDE</u>	<u>THRIVE</u>	<u>REWARDS</u>	<u>SUCCEED</u>
Accounts receivable	\$	24,811	938	7,700	34,076	-	41,234	31,307
Due from School Operating Fund		-	-	-	-	98,183	-	-
Inventory		-	-	-	-	-	-	-
		<u>24,811</u>	<u>938</u>	<u>7,700</u>	<u>34,076</u>	<u>98,183</u>	<u>41,234</u>	<u>31,307</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable		-	-	-	-	-	-	234
Unearned revenue		-	-	-	-	94,695	-	-
Due to School Operating Fund		24,811	938	7,700	34,076	-	41,234	31,073
Total liabilities		<u>24,811</u>	<u>938</u>	<u>7,700</u>	<u>34,076</u>	<u>94,695</u>	<u>41,234</u>	<u>31,307</u>
Fund balances:								
Nonspendable		-	-	-	-	-	-	-
Committed		-	-	-	-	3,488	-	-
Total fund balances		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,488</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$	<u>24,811</u>	<u>938</u>	<u>7,700</u>	<u>34,076</u>	<u>98,183</u>	<u>41,234</u>	<u>31,307</u>

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(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

	Special Revenue Funds						Total Other Governmental Funds
	Teacher Housing	CIS CEO	USDA Specialty Crop	SEIYA	RurAL Cap	NEA Alaska	
<u>Assets</u>							
Accounts receivable	\$ 16,981	-	-	-	-	-	644,504
Due from School Operating Fund	401,787	1,320	10,515	1,613	2,134	2,000	994,554
Inventory	-	-	-	-	-	-	11,558
	<u>418,768</u>	<u>1,320</u>	<u>10,515</u>	<u>1,613</u>	<u>2,134</u>	<u>2,000</u>	<u>1,650,616</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	-	-	-	-	-	-	42,447
Unearned revenue	-	1,320	10,515	1,613	-	2,000	110,875
Due to School Operating Fund	-	-	-	-	-	-	581,246
Total liabilities	<u>-</u>	<u>1,320</u>	<u>10,515</u>	<u>1,613</u>	<u>-</u>	<u>2,000</u>	<u>734,568</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	11,558
Committed	418,768	-	-	-	2,134	-	904,490
Total fund balances	<u>418,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,134</u>	<u>-</u>	<u>916,048</u>
Total liabilities and fund balances	\$ <u>418,768</u>	<u>1,320</u>	<u>10,515</u>	<u>1,613</u>	<u>2,134</u>	<u>2,000</u>	<u>1,650,616</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2024

	Special Revenue Funds							
	Broadband Assistance Grant	Pupil Transportation	Early Learning	Food Service	Fresh Fruit and Vegetables	NSLP Equipment Assistance	Title I-A Basic	Title I-C Migrant Education
<b>Revenues:</b>								
Local sources:								
Charges for services	\$ -	-	-	982	-	-	-	-
Other	-	21	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	141,392	195,228	288,249	-	-	-	-	-
Federal sources:								
Pass through	-	-	-	125,669	7,097	5,144	129,654	47,988
Direct	-	-	-	-	-	-	-	-
Total revenues	<u>141,392</u>	<u>195,249</u>	<u>288,249</u>	<u>126,651</u>	<u>7,097</u>	<u>5,144</u>	<u>129,654</u>	<u>47,988</u>
<b>Expenditures:</b>								
Current:								
Instruction	-	-	271,813	-	-	-	109,977	41,520
Special education instruction	-	-	-	-	-	-	12,360	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	141,392	-	-	-	-	-	-	3,727
School administration	-	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	-
District administration support services	-	-	16,436	-	-	-	7,317	2,746
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	139,916	-	-	-	-	-	-
Food services	-	-	-	304,778	7,097	6,500	-	-
Total expenditures	<u>141,392</u>	<u>139,916</u>	<u>288,249</u>	<u>304,778</u>	<u>7,097</u>	<u>6,500</u>	<u>129,654</u>	<u>47,988</u>
Excess (deficiency) of revenues over (under) expenditures	-	55,333	-	(178,127)	-	(1,356)	-	-
Other financing sources -								
Transfers in	-	-	-	178,127	-	1,356	-	-
Transfers out	-	(207,082)	-	-	-	-	-	-
Total other financing sources (uses):	-	<u>(207,082)</u>	-	<u>178,127</u>	-	<u>1,356</u>	-	-
Net change in fund balance	-	(151,749)	-	-	-	-	-	-
Fund balances, beginning of year	-	562,715	-	80,692	-	-	-	-
Fund balances, end of year	\$ -	<u>410,966</u>	-	<u>80,692</u>	-	-	-	-

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds							
	Migrant Book	Title IV-A Innovative	Title II-A Teacher and Principal Training	Title VI-B IDEA	Section 619 Preschool Disabled	Carl Perkins	Safety and Well Being	Title I-A School Improvement
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	-
Federal sources:								
Pass through	2,447	24,019	27,506	53,225	4,426	13,893	8,664	59,600
Direct	-	-	-	-	-	-	-	-
Total revenues	<u>2,447</u>	<u>24,019</u>	<u>27,506</u>	<u>53,225</u>	<u>4,426</u>	<u>13,893</u>	<u>8,664</u>	<u>59,600</u>
Expenditures:								
Current:								
Instruction	2,307	22,644	25,932	-	-	13,232	8,168	56,189
Special education instruction	-	-	-	50,179	4,173	-	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	-
District administration support services	140	1,375	1,574	3,046	253	661	496	3,411
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Total expenditures	<u>2,447</u>	<u>24,019</u>	<u>27,506</u>	<u>53,225</u>	<u>4,426</u>	<u>13,893</u>	<u>8,664</u>	<u>59,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources -								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds							
	Comprehensive State Literacy Development	ESSER III	COVID Discretionary	Rural Utilities	SOAR	Indian Education	REAP	SELECT
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	-
Federal sources:								
Pass through	206,912	277,598	19,262	-	7,193	-	-	160,167
Direct	-	-	-	24,811	-	12,722	4,821	-
Total revenues	<u>206,912</u>	<u>277,598</u>	<u>19,262</u>	<u>24,811</u>	<u>7,193</u>	<u>12,722</u>	<u>4,821</u>	<u>160,167</u>
Expenditures:								
Current:								
Instruction	195,071	92,387	18,160	-	-	11,994	4,821	-
Special education instruction	-	1,988	-	-	-	-	-	-
Support services - students	-	-	-	-	7,193	-	-	145,050
Support services - instruction	-	675	-	24,811	-	-	-	15,117
School administration	-	161,772	-	-	-	-	-	-
District administration	-	3,800	-	-	-	-	-	-
District administration support services	11,841	15,886	1,102	-	-	728	-	79
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	1,090	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Total expenditures	<u>206,912</u>	<u>277,598</u>	<u>19,262</u>	<u>24,811</u>	<u>7,193</u>	<u>12,722</u>	<u>4,821</u>	<u>160,167</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

SOUTHEAST ISLAND SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds							Total Other Governmental Funds
	THRIVE	REWARDS	SUCCEED	Teacher Housing	Farm to School Turnkey	USDA Specialty Crop	RurAL CAP	
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	92,223	-	-	-	93,205
Other	1,358	2,205	-	-	-	-	-	3,584
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	624,869
Federal sources:								
Pass through	-	-	-	-	-	3,210	-	1,183,674
Direct	89,101	-	326,170	-	49,401	-	-	507,026
Total revenues	<u>90,459</u>	<u>2,205</u>	<u>326,170</u>	<u>92,223</u>	<u>49,401</u>	<u>3,210</u>	<u>-</u>	<u>2,412,358</u>
Expenditures:								
Current:								
Instruction	-	-	668	-	47,414	3,210	-	925,507
Special education instruction	-	-	-	-	-	-	-	68,700
Support services - students	85,011	2,205	317,650	-	-	-	-	557,109
Support services - instruction	-	-	-	-	-	-	-	185,717
School administration	-	-	-	-	-	-	-	161,778
District administration	-	-	-	-	-	-	-	3,800
District administration support services	4,090	-	7,852	-	1,987	-	-	80,941
Operations and maintenance of plant	-	-	-	57,045	-	-	-	57,045
Student activities	-	-	-	-	-	-	800	1,890
Student transportation - to and from school	-	-	-	-	-	-	-	139,916
Food services	-	-	-	-	-	-	-	318,375
Total expenditures	<u>89,101</u>	<u>2,205</u>	<u>326,170</u>	<u>57,045</u>	<u>49,401</u>	<u>3,210</u>	<u>800</u>	<u>2,500,772</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,358</u>	<u>-</u>	<u>-</u>	<u>35,178</u>	<u>-</u>	<u>-</u>	<u>(800)</u>	<u>(88,414)</u>
Other financing sources -								
Transfers in	-	-	-	-	-	-	-	179,483
Transfers out	-	-	-	-	-	-	-	(207,082)
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,599)</u>
Net change in fund balance	<u>1,358</u>	<u>-</u>	<u>-</u>	<u>35,178</u>	<u>-</u>	<u>-</u>	<u>(800)</u>	<u>(116,013)</u>
Fund balances, beginning of year	<u>2,130</u>	<u>-</u>	<u>-</u>	<u>383,590</u>	<u>-</u>	<u>-</u>	<u>2,934</u>	<u>1,032,061</u>
Fund balances, end of year	<u>\$ 3,488</u>	<u>-</u>	<u>-</u>	<u>418,768</u>	<u>-</u>	<u>-</u>	<u>2,134</u>	<u>916,048</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Broadband Assistance Grant Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
State of Alaska	\$ 141,392	141,392	-
Expenditures - current -			
Support services - instruction -			
Utility services	141,392	141,392	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Pupil Transportation Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental -			
State of Alaska	\$ 195,228	195,228	-
Local -			
Other local revenues	12,375	21	12,354
Total revenues	<u>207,603</u>	<u>195,249</u>	<u>12,354</u>
Expenditures - current:			
Student transportation - to and from school:			
Non-certificated salaries	71,160	72,725	(1,565)
Employee benefits	35,087	37,478	(2,391)
Professional and technical services	1,200	150	1,050
Staff travel	250	543	(293)
Utility services	-	1,852	(1,852)
Other purchased services	3,600	760	2,840
Supplies, materials and media	41,500	20,656	20,844
Student transportation - in-lieu-of agreements	-	3,296	(3,296)
Other expenses	600	2,456	(1,856)
Total expenditures	<u>153,397</u>	<u>139,916</u>	<u>13,481</u>
Excess of revenues over expenditures	<u>54,206</u>	<u>55,333</u>	<u>25,835</u>
Other financing sources (uses):			
Transfers out - School Operating Fund	<u>(207,082)</u>	<u>(207,082)</u>	-
Net change in fund balance	\$ <u><u>(152,876)</u></u>	(151,749)	<u><u>25,835</u></u>
Fund balance, beginning of year		<u>562,715</u>	
Fund balance, end of year		\$ <u><u>410,966</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Early Learning Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
State of Alaska	\$ 290,909	288,249	(2,660)
Expenditures - current:			
Instruction:			
Certificated salaries	5,500	5,394	106
Non-certificated salaries	80,565	80,564	1
Employee benefits	31,800	31,774	26
Professional and technical services	1,050	1,050	-
Staff travel	6,546	6,546	-
Utility services	6,735	1,838	4,897
Energy	-	4,086	(4,086)
Supplies, materials and media	142,065	140,561	1,504
Total instruction	<u>274,261</u>	<u>271,813</u>	<u>2,448</u>
District administration support services -			
Indirect costs	16,648	16,436	212
Total expenditures	<u>290,909</u>	<u>288,249</u>	<u>2,660</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Food Service Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources - charges for services	\$ 2,000	982	(1,018)
Intergovernmental -			
Federal sources - passed through the State of Alaska	165,354	125,669	(39,685)
Total revenues	<u>167,354</u>	<u>126,651</u>	<u>(40,703)</u>
Expenditures - current:			
Food services:			
Non-certificated salaries	111,496	99,857	11,639
Employee benefits	33,918	27,877	6,041
Professional and technical services	-	355	(355)
Staff travel	-	2,897	(2,897)
Utility services	-	71	(71)
Supplies, materials and media	174,354	173,721	633
Other expenses	600	-	600
Total expenditures	<u>320,368</u>	<u>304,778</u>	<u>15,590</u>
Deficiency of revenues under expenditures	(153,014)	(178,127)	(25,113)
Other financing sources -			
Transfers in - School Operating Fund	162,281	178,127	15,846
Net change in fund balance	<u>\$ 9,267</u>	-	<u>(9,267)</u>
Fund balance, beginning of year		<u>80,692</u>	
Fund balance, end of year		<u>\$ 80,692</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Fresh Fruit and Vegetables Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 8,251	7,097	(1,154)
Expenditures - current -			
Food services -			
Supplies, materials and media	8,251	7,097	1,154
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

NSLP Equipment Assistance Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 5,144	5,144	-
Expenditures - current:			
Food services -			
Equipment	5,144	6,500	(1,356)
Excess of revenues over expenditures	-	(1,356)	1,356
Other financing sources -			
Transfers in - School Operating Fund	-	1,356	-
Net change in fund balance	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title I-A Basic Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 141,999	129,654	(12,345)
Expenditures - current:			
Instruction:			
Certificated salaries	14,930	13,314	1,616
Non-certificated salaries	18,000	9,504	8,496
Employee benefits	6,482	4,939	1,543
Professional and technical education	8,660	5,760	2,900
Staff travel	2,100	2,297	(197)
Student travel	48,935	50,077	(1,142)
Other purchased services	4,500	4,250	250
Supplies, materials and media	18,244	17,627	617
Tuition and stipends	1,800	1,800	-
Other expenses	1,480	409	1,071
Total instruction	125,131	109,977	15,154
Special education instruction -			
Professional and technical education	8,845	12,360	(3,515)
District administration support services -			
Indirect costs	8,023	7,317	706
Total expenditures	141,999	129,654	12,345
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title I-C Migrant Education Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 52,992	47,988	(5,004)
Expenditures - current:			
Instruction:			
Certificated salaries	500	500	-
Non-certificated salaries	18,000	16,162	1,838
Employee benefits	6,300	5,390	910
Professional and technical services	1,771	-	1,771
Utility services	383	383	-
Supplies, materials and media	19,425	19,085	340
Total instruction	46,379	41,520	4,859
Support services - instruction:			
Non-certificated salaries	3,580	2,837	743
Employee benefits	-	885	(885)
Total support services - instruction	3,580	3,722	(142)
District administration support services - Indirect costs	3,033	2,746	287
Total expenditures	52,992	47,988	5,004
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Migrant Book Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 2,447	2,447	-
Expenditures - current:			
Instruction -			
Supplies, materials and media	2,307	2,307	-
District administration support services -			
Indirect costs	140	140	-
Total expenditures	2,447	2,447	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title IV-A Innovative Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 26,391	24,019	(2,372)
Expenditures - current:			
Instruction -			
Professional and technical services	1,200	-	1,200
Staff travel	10,000	9,365	635
Supplies, materials and media	13,681	13,279	402
Total instruction	24,881	22,644	2,237
District administration support services -			
Indirect costs	1,510	1,375	135
Total expenditures	26,391	24,019	2,372
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title II-A Teacher and Principal Training Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 32,962	27,506	(5,456)
Expenditures - current:			
Instruction:			
Employee benefits	5,320	5,320	-
Professional and technical services	350	350	-
Staff travel	13,556	13,523	33
Supplies, materials and media	4,450	263	4,187
Other expenses	7,400	6,476	924
Total instruction	<u>31,076</u>	<u>25,932</u>	<u>5,144</u>
District administration support services -			
Indirect costs	1,886	1,574	312
Total expenditures	<u>32,962</u>	<u>27,506</u>	<u>5,456</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title VI-B IDEA Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 53,225	53,225	-
Expenditures - current:			
Special education instruction:			
Professional and technical services	47,679	50,179	(2,500)
Staff travel	2,500	-	2,500
Total special education instruction	50,179	50,179	-
District administration support services -			
Indirect costs	3,046	3,046	-
Total expenditures	53,225	53,225	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Section 619 Preschool Disabled Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 4,426	4,426	-
Expenditures - current:			
Special education instruction -			
Professional and technical services	4,173	4,173	-
District administration support services -			
Indirect costs	253	253	-
Total expenditures	4,426	4,426	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Carl Perkins Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 26,998	13,893	(13,105)
Expenditures - current:			
Instruction:			
Certificated salaries	7,000	7,000	-
Employee benefits	2,341	2,307	34
Staff travel	4,368	2,376	1,992
Student travel	4,979	-	4,979
Supplies, materials and media	7,024	1,549	5,475
Total instruction	<u>25,712</u>	<u>13,232</u>	<u>12,480</u>
District administration support services -			
Indirect costs	1,286	661	625
Total expenditures	<u>26,998</u>	<u>13,893</u>	<u>13,105</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Safety and Well Being Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 10,000	8,664	(1,336)
Expenditures - current:			
Instruction -			
Staff travel	9,427	8,168	1,259
District administration support services -			
Indirect costs	573	496	77
Total expenditures	10,000	8,664	1,336
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Title I-A School Improvement Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental:			
Federal sources - passed through the State of Alaska	\$ 59,600	59,600	-
Expenditures - current:			
Instruction:			
Certificated salaries	25,562	27,235	(1,673)
Employee benefits	11,573	11,833	(260)
Professional and technical services	1,600	1,575	25
Staff travel	13,690	11,802	1,888
Supplies, materials and media	3,764	3,744	20
Total instruction	<u>56,189</u>	<u>56,189</u>	-
District administration support services -			
Indirect costs	3,411	3,411	-
Total expenditures	<u>59,600</u>	<u>59,600</u>	-
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Comprehensive State Literacy Development Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 346,120	206,912	(139,208)
Expenditures - current:			
Instruction:			
Certificated salaries	60,613	57,518	3,095
Non-certificated salaries	9,000	8,980	20
Employee benefits	20,550	11,843	8,707
Professional and technical services	136,000	67,820	68,180
Staff travel	27,000	10,502	16,498
Supplies, materials and media	45,650	38,333	7,317
Other expenses	27,500	75	27,425
Total instruction	<u>326,313</u>	<u>195,071</u>	<u>131,242</u>
District administration support services -			
Indirect costs	19,807	11,841	7,966
Total expenditures	<u>346,120</u>	<u>206,912</u>	<u>139,208</u>
Excess of revenues over expenditures	\$ <u><u>-</u></u>	-	<u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

## SOUTHEAST ISLAND SCHOOL DISTRICT

## ESSER III Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 277,576	277,598	22
Expenditures - current:			
Instruction:			
Certificated salaries	41,060	27,150	13,910
Non-certificated salaries	-	7,500	(7,500)
Employee benefits	2,000	6,508	(4,508)
Professional and technical services	3,500	3,060	440
Student travel	10,000	42,734	(32,734)
Supplies, materials and media	27,000	5,435	21,565
Total instruction	<u>83,560</u>	<u>92,387</u>	<u>(8,827)</u>
Special education instruction -			
Supplies, materials and media	-	1,988	(1,988)
Support services - students -			
Professional and technical services	17,000	-	17,000
Support services - instruction -			
Other purchased services	11,630	675	10,955
School administration:			
Certificated salaries	94,790	112,612	(17,822)
Employee benefits	50,910	49,160	1,750
Total school administration	<u>145,700</u>	<u>161,772</u>	<u>(16,072)</u>
District administration -			
Professional and technical services	3,800	3,800	-
District administration support services -			
Indirect costs	15,886	15,886	-
Student activities:			
Certificated salaries	-	691	(691)
Employee benefits	-	399	(399)
Total student activities	<u>-</u>	<u>1,090</u>	<u>(1,090)</u>
Total expenditures	<u>277,576</u>	<u>277,598</u>	<u>(22)</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT  
 COVID Discretionary Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual  
 Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 19,262	19,262	-
Expenditures - current:			
Instruction:			
Non-certificated salaries	3,200	3,200	-
Employee benefits	401	401	-
Student travel	5,157	5,157	-
Other purchased services	6,600	6,600	-
Supplies, materials and media	2,802	2,802	-
Total instruction	18,160	18,160	-
District administration support services -			
Indirect costs	1,102	1,102	-
Total expenditures	19,262	19,262	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Rural Utilities Services

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues -			
Intergovernmental -			
Federal sources - direct	\$ 633,910	24,811	(609,099)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Expenditures - current -			
Support services - instruction -			
Supplies, materials and media	633,910	24,811	609,099
Total expenditures	<u>633,910</u>	<u>24,811</u>	<u>609,099</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Excess of revenues over expenditures	\$ <u>                    -</u>	-	<u>                    -</u>
Fund balance, beginning of year		<u>                    -</u>	
Fund balance, end of year		\$ <u>                    -</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

SOAR Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues -			
Intergovernmental - federal sources -			
Other intermediate agencies	\$ 7,460	7,193	(267)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Expenditures - current -			
Support services - students:			
Student travel	410	403	(7)
Supplies, materials and media	4,550	4,290	(260)
Tuition - students and stipends	2,500	2,500	-
Total expenditures	<u>7,460</u>	<u>7,193</u>	<u>(267)</u>
Excess of revenues over expenditures	\$ <u>                    </u>	-	<u>                    </u>
Fund balance, beginning of year		<u>                    </u>	
Fund balance, end of year		<u>\$ <u>                    </u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Indian Education Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - direct	\$ 12,722	12,722	-
Expenditures - current:			
Instruction:			
Non-certificated salaries	10,997	10,997	-
Employee benefits	997	997	-
Total instruction	11,994	11,994	-
District administration support services -			
Indirect costs	728	728	-
Total expenditures	12,722	12,722	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

REAP Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - direct	\$ 4,821	4,821	-
Expenditures - current -			
Instruction -			
Supplies, materials and media	4,821	4,821	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

SELECT - Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental - Federal sources - passed through other intermediate agencies	\$ 172,280	160,167	(12,113)
Expenditures - current -			
Support services - students:			
Certificated salaries	12,000	3,975	8,025
Non-certificated salaries	800	800	-
Employee benefits	3,600	2,170	1,430
Student travel	-	10,013	(10,013)
Utility services	-	48	(48)
Other purchased services	4,780	4,773	7
Supplies, materials and media	135,900	123,271	12,629
Total support services - students	<u>157,080</u>	<u>145,050</u>	<u>12,030</u>
Support services - instruction -			
Supplies, materials and media	<u>15,200</u>	<u>15,117</u>	<u>83</u>
Total expenditures	<u>172,280</u>	<u>160,167</u>	<u>12,030</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

THRIVE Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - direct	\$ 76,695	89,101	12,406
Local -			
Other local revenues	-	1,358	1,358
Total revenues	<u>76,695</u>	<u>90,459</u>	<u>13,764</u>
Expenditures - current:			
Support services - students:			
Certificated salaries	2,609	2,609	-
Employee benefits	1,326	1,326	-
Professional and technical services	35,884	35,884	-
Staff travel	12,137	12,137	-
Utility services	17,945	17,945	-
Supplies, materials and media	870	13,276	(12,406)
Tuition and stipends	1,834	1,834	-
Total support services - students	<u>72,605</u>	<u>85,011</u>	<u>(12,406)</u>
District administration support services -			
Indirect costs	<u>4,090</u>	<u>4,090</u>	<u>-</u>
Total expenditures	<u>76,695</u>	<u>89,101</u>	<u>(12,406)</u>
Excess of revenues over expenditures	<u>\$ -</u>	1,358	<u>1,358</u>
Fund balance, beginning of year		<u>2,130</u>	
Fund balance, end of year		<u>\$ 3,488</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

REWARDS Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Local sources -			
Other local revenues	\$ 20,050	2,205	(17,845)
Expenditures - current -			
Support services - students:			
Certificated salaries	20,000	782	19,218
Employee benefits	-	398	(398)
Utility services	-	975	(975)
Supplies, materials and media	50	50	-
Total expenditures	20,050	2,205	17,845
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

SUCCEED Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - direct	\$ 809,496	326,170	(483,326)
Expenditures - current:			
Instruction:			
Non-certificated salaries	-	611	(611)
Employee benefits	-	57	(57)
Total instruction	-	668	(668)
Support services - students:			
Certificated salaries	104,442	63,712	40,730
Non-certificated salaries	9,013	6,809	2,204
Employee benefits	30,959	33,250	(2,291)
Professional and technical services	266,384	121,151	145,233
Staff travel	206,495	28,124	178,371
Student travel	-	14,992	(14,992)
Utility services	-	18,522	(18,522)
Other purchased services	-	10,116	(10,116)
Supplies, materials and media	83,533	12,924	70,609
Tuition - students and stipends	14,705	8,050	6,655
Other expenses	47,640	-	47,640
Total support services - students	763,171	317,650	445,521
District administration support services -			
Indirect costs	46,325	7,852	38,473
Total expenditures	809,496	326,170	483,994
Excess of revenues over expenditures	\$ -	-	668
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

SOUTHEAST ISLAND SCHOOL DISTRICT

Teacher Housing Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues -			
Local sources :			
Charges for services - rental income	\$ 110,000	92,223	(17,777)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Expenditures - current -			
Operations and maintenance of plant:			
Non-certificated salaries	-	1,618	(1,618)
Employee benefits	-	1,284	(1,284)
Utility services	-	5,061	(5,061)
Energy	-	10,810	(10,810)
Other purchased services	-	18,351	(18,351)
Supplies, materials and media	50,000	17,613	32,387
Other expenses	-	2,308	(2,308)
Total expenditures	<u>50,000</u>	<u>57,045</u>	<u>(7,045)</u>
Excess of revenues over expenditures	\$ <u>60,000</u>	35,178	<u>(24,822)</u>
Fund balance, beginning of year		<u>383,590</u>	
Fund balance, end of year		<u>\$ 418,768</u>	

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Farm to School Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -			
Intergovernmental -			
Federal sources - direct	\$ 49,401	49,401	-
Expenditures - current:			
Instruction:			
Non-certificated salaries	19,195	19,827	(632)
Employee benefits	3,240	5,346	(2,106)
Staff travel	3,405	4,139	(734)
Supplies, materials and media	20,734	18,102	2,632
Total instruction	<u>46,574</u>	<u>47,414</u>	<u>(840)</u>
District administration support services -			
Indirect costs	2,827	1,987	840
Total expenditures	<u>49,401</u>	<u>49,401</u>	<u>-</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	<u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

USDA Specialty Crop Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues: -			
Intergovernmental -			
Federal sources - passed through the State of Alaska	\$ 54,900	3,210	(51,690)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Expenditures - current -			
Instruction:			
Non-certificated salaries	31,500	-	31,500
Employee benefits	9,450	-	9,450
Professional and technical services	6,000	-	6,000
Staff travel	1,690	-	1,690
Supplies, materials and media	6,260	3,210	3,050
Total instruction	<u>54,900</u>	<u>3,210</u>	<u>51,690</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Excess of revenues over expenditures	\$ <u>                    </u>	-	<u>                    </u>
Fund balance, beginning of year		<u>                    </u>	
Fund balance, end of year		\$ <u>                    </u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

RurAL CAP Special Revenue Fund

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

Year Ended June 30, 2024

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues			
Local sources:			
Other	\$ 2,934	-	(2,934)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Expenditures - current -			
Student activities -			
Other purchased services	2,934	800	2,134
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Deficiency of revenues under expenditures	<u>                    </u> -	(800)	<u>                    </u> (800)
Fund balance, beginning of year		<u>2,934</u>	
Fund balance, end of year		\$ <u>2,134</u>	

SOUTHEAST ISLAND SCHOOL DISTRICT

Hollis K-12 School Design and Replacement - GR-20-002 / GR-22-001

Schedule of the Results of Operations of Capital Projects

Year Ended June 30, 2024

	Prior Years	Current Year	Inception to Date
Expenditures:			
Non-certificated salaries	67,591	45,512	113,103
Employee benefits	23,899	23,520	47,419
Professional and technical services	635,148	73,982	709,130
Utility services	501	-	501
Energy	2,674	-	2,674
Other purchased services	6,714,922	2,151,191	8,866,113
Insurance and bond premiums	94,455	-	94,455
Supplies, materials and media	12,112	160,897	173,009
Other expenses	6,233	-	6,233
Total expenditures	<u>7,557,535</u>	<u>2,455,102</u>	<u>10,012,637</u>

SOUTHEAST ISLAND SCHOOL DISTRICT

Schedule of Compliance - AS 14.17.505

June 30, 2024

Total fund balance - School Operating Fund	\$	166,856	
less exemptions per 4 AAC 09.160(a)			
Inventory		103,210	
Prepaid expenses		<u>61,072</u>	
<b>Fund Balance Subject to 10% Limitation</b>	<b>\$</b>	<b><u>2,574</u></b>	

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	<u>2,574</u>	=	<u>0.04%</u>
Current year expenditures	6,330,588		

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

<u>Grant Title</u>	<u>Grant Number</u>	<u>Assistance Listing Number</u>	<u>Total Federal Expended</u>	<u>Passed through to Subrecipients</u>
U.S. Department of Education:				
Passed through the State of Alaska Department of Education and Early Development:				
Title I-A Basic	IP 24.SISS.01	84.010A	129,654	-
Title I-1 School Improvement	SI 24.SISS.01	84.010A	59,600	-
Total ALN 84.010			189,254	-
Title I-C Migrant Education	IP 24.SISS.01	84.011A	47,988	-
Migrant Education Books	MB 24.SISS.01	84.011A	2,447	-
Total ALN 84.011			50,435	-
Title II-A Improving Teacher Quality	IP 24.SISS.01	84.367A	27,506	-
Comprehensive State Literacy Development	AL 24.SISS.01	84.371C	206,912	60,915
Title IV-A Student Support and Academic Enrichment Safety and Well Being	IP 24.SISS.01	84.424A	24,019	-
	SW 24.SISS.01	84.424A	8,664	-
Total ALN 84.424			32,683	-
COVID-19 ESSER III	ER 24.SISS.01	84.425U	277,598	-
COVID-19 Discretionary	CO 24.SISS.01	84.425U	19,262	-
Total ALN 84.425			296,860	-
Special Education Cluster:				
Title VI-B Special Education	SE 24.SISS.01	84.027A	53,225	-
Title VI-B Section 619 Preschool Disabled	SE 24.SISS.01	84.173A	4,426	-
Total Special Education Cluster			57,651	-
Carl Perkins Vocational Ed Secondary	EK 24.SISS.01	84.048A	13,893	-
Passed through:				
Klawock City School District:				
SOAR	S356A220034	84.356A	7,193	-
SELECT	S356A220012	84.356A	160,167	-
Total ALN 84.356			167,360	-
Direct programs:				
Indian Education	S060A232401	84.060A	12,722	-
SUCCEED	S299A220018	84.299A	326,170	10,748
Project THRIVE	S299A220022	84.299A	89,101	13,562
Total ALN 84.299			415,271	24,310
REAP	S358C220011	84.358C	4,821	-
Total U.S. Department of Education			1,475,368	85,225

(continued)

## SOUTHEAST ISLAND SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards, continued

<u>Grant Title</u>	<u>Grant Number</u>	<u>Assistance Listing Number</u>	<u>Total Federal Expended</u>	<u>Passed through to Subrecipients</u>
U.S. Department of Agriculture:				
Passed through the State of Alaska Department of Education and Early Development:				
Child Nutrition Cluster:				
Commodities	None	10.555	4,755	-
NSL Breakfast	None	10.553	37,907	-
NSL Lunch	None	10.555	73,114	-
Supply Chain Assistance	FD 24.SISS.01	10.555	9,621	-
Fresh Fruit & Vegetable Program	FF 24.SISS.01	10.582	962	-
Fresh Fruit & Vegetable Program	FF 24.SISS.02	10.582	6,135	-
Total Child Nutrition Cluster			<u>132,494</u>	<u>-</u>
State Administrative Expense Funds - Food Distribution Fee	FD 24.SISS.01	10.560	<u>272</u>	<u>-</u>
NSLP Equipment Assistance	NS 24.SISS	10.579	<u>5,144</u>	<u>-</u>
Passed through the State of Alaska Department of Commerce and Economic Development -				
National Forest Receipts Title I	2024	10.665	<u>277,911</u>	<u>-</u>
Passed through the State of Alaska Department of Natural resources -				
Micro Migrants for Food Security	23SCBPAK1169-00	10.170	<u>3,210</u>	<u>-</u>
Direct programs:				
Farm to School - Turnkey - Edible Gardens Project	FNS-529	10.575	49,401	-
Distance Learning and Telemedicine	AK0717-D16	10.855	<u>24,811</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>493,243</u>	<u>-</u>
Total Expenditure of Federal Awards			<u>\$ 1,968,611</u>	<u>85,225</u>

See accompanying notes to the schedule.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Southeast Island School District under programs of the federal government for the year ended June 30, 2024. 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 Southeast Island School District, it is not intended to and does not present the basic financial statements of Southeast Island 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. Southeast Island School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. Nonmonetary Assistance**

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed at June 30, 2024 the District had food commodities totaling \$4,755.

SOUTHEAST ISLAND SCHOOL DISTRICT

Schedule of State Financial Assistance

Year Ended June 30, 2024

<u>Grant Title</u>	<u>Grant Number</u>	<u>Total State Expended</u>
Department of Education and Early Development:		
Direct programs:		
* Public School Foundation Program	FY24	\$ 4,301,095
* Pupil Transportation	FY24	195,228
Early Learning	PE 24.SISS.01	288,249
Broadband Assistance Grant	None	141,392
Education Dividend Raffle Funds	None	1,400
Quality Schools	FY24	11,547
HB 39 Onetime Grant	None	248,698
Hollis K-12 School Replacement	GR-20-002/GR-20-001	2,455,101
Total Department of Education and Early Development		<u>7,642,710</u>
Alaska Energy Authority:		
Direct:		
AEA Led Lighting	7510240	3,060
Biomass Project Upgrades	7910076	83,113
Coffman Cove Biomass Gap	None	165
Total Alaska Energy Authority		<u>86,338</u>
Total State Expenditures		<u>\$ 7,729,048</u>

See accompanying notes to the schedule.

SOUTHEAST ISLAND SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2024

**Note 1. Basis of Presentation**

The accompanying schedule of state financial assistance (the “Schedule”) includes the state award activity of Southeast Island School District under programs of the State of Alaska for the year ended June 30, 2024. 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 Southeast Island School District, it is not intended to and does not present the basic financial statements of Southeast Island School District.

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

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

**Note 3. Subrecipients**

No state funds were passed through to Subrecipients.

**Note 4. Major Programs**

\* denotes a major program for compliance audit purposes.

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

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

State expenditures per previous page	\$	7,729,048
PERS On-Behalf		29,327
TRS On-Behalf		215,877
Total revenue from State of Alaska per basic financials	\$	<u>7,974,252</u>

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

**Independent Auditor's Report**

Members of the School Board  
Southeast Island School District  
Thorne Bay, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Southeast Island School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Southeast Island School District's basic financial statements, and have issued our report thereon dated October 14, 2024.

**Internal Control over Financial Reporting**

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

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

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

Members of the School Board  
Southeast Island School District

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

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

### **Purpose of this Report**

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



Anchorage, Alaska  
October 14, 2024

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

**Independent Auditor's Report**

Members of the School Board  
Southeast Island School District  
Thorne Bay, Alaska

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

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

We have audited Southeast Island School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Southeast Island School District's major federal programs for the year ended June 30, 2024. Southeast Island 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, Southeast Island 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, 2024.

***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 Southeast Island 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 Southeast Island School District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Southeast Island 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 Southeast Island School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Southeast Island School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Southeast Island 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 Southeast Island 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 Southeast Island School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

Members of the School Board  
Southeast Island School District

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

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

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

*Altman, Rogers & Co.*

Anchorage, Alaska  
October 14, 2024

SOUTHEAST ISLAND SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Financial Statements

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

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

Internal control over financial reporting:  
Material weakness identified?  Yes  No  
Significant deficiency identified?  Yes  None reported

Noncompliance material to the financial statements noted?  Yes  No

Federal Awards

Internal control over major federal programs (2 CFR 200.516(a)(1)):  
Material weakness identified?  Yes  No  
Significant deficiency identified?  Yes  None reported

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

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.299	Indian Education – Special Programs for Indian Children

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

Auditee qualified as low-risk auditee?  Yes  No

SOUTHEAST ISLAND SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

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

Southeast Island School District did not have any findings related to the financial statements.

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

Southeast Island School District did not have any findings related to federal awards.

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

**Independent Auditor's Report**

Members of the School Board  
Southeast Island School District  
Thorne Bay, Alaska

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

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

We have audited Southeast Island 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 Southeast Island School District's major state programs for the year ended June 30, 2024. Southeast Island School District's major state programs are identified on the Schedule of State Financial Assistance.

In our opinion, Southeast Island 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

***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 Southeast Island 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 Southeast Island School District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Southeast Island 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 Southeast Island School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State of Alaska Audit Guide requirements will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Southeast Island School District's compliance with the requirements of each major state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Southeast Island 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 Southeast Island 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 Southeast Island School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the State of Alaska Audit Guide and which are described in the accompanying state schedule of findings and questioned costs as Finding 2024-001. Our opinion on each major state program is not modified with respect to these matters.

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

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying state schedule of findings and questioned costs as Finding 2024-001 to be a significant deficiency.

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

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

Members of the School Board  
Southeast Island School District

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

*Altman, Rogers & Co.*

Anchorage, Alaska  
October 14, 2024

SOUTHEAST ISLAND SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

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

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

     Yes      X   No

Significant deficiency(ies) identified?

     Yes      X   None reported

Noncompliance material to financial statements noted?

     Yes      X   No

State Awards

Internal control over major programs:

Material weakness(es) identified?

     Yes         No

Significant deficiency(ies) identified?

  X   Yes         None reported

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

Unmodified

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

\$ 750,000

Auditee qualified as low-risk auditee?

  X   Yes         No

**Section II – Financial Statement Findings**

Southeast Island School District did not have any findings related to the financial statements.

SOUTHEAST ISLAND SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs, Continued

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

**Finding 2024-001**

**Noncompliance with Reporting Requirement**

<b>State Agency:</b>	Department of Education and Early Development
<b>Grant Name:</b>	Foundation (Public School Funding)
<b>Grant Number:</b>	None.
<b>Type of Finding:</b>	Significant deficiency in internal control over compliance and noncompliance.
<b>Criteria:</b>	Per AS 14.17.600, within two weeks after the end of the 20-day school-day period ending the fourth Friday in October, each public school district shall transmit a report to DEED that reports its ADM for that counting period along with other student count information need to determine state foundation aid.
<b>Condition and Context:</b>	We selected a sample of student counts reported to DEED during the year under audit. While testing the data elements suggested in the compliance supplement, a student was selected that was not actually enrolled or attended the District during the period of reporting.
<b>Questioned Costs:</b>	None.
<b>Cause:</b>	Lack of internal control over reporting requirements.
<b>Effect:</b>	The District is not in compliance with AS 14.17.600 in accurately reporting students which could jeopardize future funding.
<b>Repeat Finding:</b>	New in 2024.
<b>Recommendation:</b>	We recommend the School District review the data in OASIS before submission to ensure accuracy of the student information.
<b>Management's Response:</b>	Management concurs with the finding. See Corrective Action Plan.



# SOUTHEAST ISLAND SCHOOL DISTRICT

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Corrective Action Plan

June 30, 2024

## State Award Findings

### Finding 2024-001

**Name of Contact:**

### Noncompliance with Reporting Requirement

Amy Jennings, District Registrar

**Corrective Action Plan:**

The District will have an additional member of staff with knowledge of the count period review the final OASIS report before submitting to the State of Alaska for Foundation Funding.

**Proposed Completion Date:**

November 15, 2024