Sitka School District Mission:
The Sitka School District will intentionally develop
Haa Latseení
(Our Strength of Mind, Body, and Spirit)
to inspire and prepare students to be compassionate, empowered,
and equipped critical thinkers within a global community.

School Board Meeting

Wednesday, December 2, 2026 | 5:45 PM | Harrigan Centennial Hall, 330 Harbor Drive, Sitka, AK 99835

Proposed Agenda

1. **Recognitions - 5:45 - 6:00 p.m.**
    - **Haa Latseeni**
    - **Boys Swim Team - Runners Up at State Championship, Region V Champs**
    - **Girls Swim Team - Region V Runners Up**
    - **Volleyball - Region V Champs**
2. **Call to Order - 6:00 p.m.**
3. **Flag Salute**
4. **Land Acknowledgment**
5. **Roll Call**
6. **Approval of the Proposed Agenda and Consent Agenda**
    6.a. Minutes from November 3, 2026
    6.b. November 11th Policy Committee Recap
    6.c. Personnel Report
7. **Persons to be Heard**
8. **Special Reports: Government to Government**
9. **School Report - REACH**
10. **Reports and Presentations**
    10.a. Youth Leadership Institute - Student Report
    10.b. CIP Report - Connor Dunlap
    10.c. Food Services Report — Mandy Summer, Director
    10.d. Maintenance MOU
11. **Board Member Reports**
12. **Administrative Reports**
    12.a. Business Manager Report
    12.b. Superintendent Update
13. **Unfinished Business**
    13.a. Batch Approval of Board Policies in SECOND Reading from October 14th Policy Committee
        13.a.1. BP 4119.25/4219.25/4319.25 All Personnel - Political Activities of Employees
        13.a.2. BP 4112.6/4212.6/4312.6 All Personnel - Personnel Records

13.a.3. BP 4113 Assignment
13.a.4. BP 4119.3/4219.3/4319.3 All Personnel - Duties of Personnel
13.a.5. BP 4158/4258/4358 All Personnel - Employee Security
13.a.6. BP 4133/4233/4333 All Personnel - Travel Expenses
13.a.7. BP 4118 Certificated Personnel - Suspension/Disciplinary Action
13.a.8. BP 4119.23/4219.23/4319.23 All Personnel - Unauthorized Release of Confidential Information

13.b. Batch Approval of Board Policies in SECOND Reading from November 11th Policy Committee
13.b.1. (Adoption) BP 3515.2 Intruders on Campus, Second Reading
13.b.2. (Remove) AR 5131.61 Student Athlete Random Drug Testing
13.b.3. (Remove) AR 5121 Grades/Evaluation of Student Achievement

14. **New Business**
14.a. BP 5131.61 Alcohol, Tobacco, Nicotine, and Other Drug Testing, Second Reading
14.b. Acceptance of the FY26 Final Audit
14.c. Executive Session — Discuss SEA/SESPA/ADMIN Negotiations
15. **Future Agenda Items/Upcoming Events**
15.a. December 9, 2026 - Policy Committee Meeting | 4:30 - 6:30 p.m. | District Office Boardroom
15.b. January 6, 2027 - Next School Board Work Session - Budget | 4:30 p.m. | SHS Library
15.c. January 6, 2027 - Next Regular School Board Meeting | 5:45 p.m. | SHS Library
16. **Final Comments from the Public**
17. **Final Comments from the Board**
18. **Adjournment**

Note: All items listed under Agenda & Consent Agenda are considered routine by the School Board and will be approved in one motion. Items may be removed at the request of a School Board Member.

Note: Meetings will adjourn by 10:30 p.m. Alaska Standard Time (or Alaska Daylight Standard Time) unless by a majority vote of the board the meeting is extended 30 minutes to 11:00 p.m. Further 30-minute extensions will require each a separate motion that will require a unanimous vote of those members present and constituting a quorum.

Note: The School Board reserves the right to go into executive session as and to the extent permitted by AS 44.62.310 and Board Bylaw 9321. An executive session may be called to consider the following subjects: (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the District; (2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; (3) matters which by law, municipal charter, or ordinance are required to be confidential; and (4) matters involving consideration of government records that by law are not subject to public disclosure. The motion to go into executive session must clearly specify the subject of the proposed session without defeating the purpose of addressing the subject in executive session.

SITKA SCHOOL BOARD MEETING
November 3, 2026 – 5:45 p.m.
Sitka High School Library

Sitka School District

Superintendent: Dr. Deidre Jenson

1. RECOGNITIONS

- Haa Latseeni
  - XTS: Penny Farnham
  - KGH: Logan Neel
  - BMS: Andrei Joaquin
  - SHS: Brandy Pepper
  - PHS: Hazel Tally
- Boys and Girls Cross Country Teams
- SHS Construction Program – DEED CTE Recognition Award

2. CALL TO ORDER

The meeting was called to order at 6:02 p.m. by School Board President, Phil Burdick.

3. FLAG SALUTE

4. LAND ACKNOWLEDGMENT

5. ROLL CALL

In attendance were Kat Richards, Matt Potter, Courtney Amundson, Paul Rioux (via Zoom), President Phil Burdick, and Student Representative Sarah Todd. Sydney Lindstrom was absent and excused. The meeting was quorate.

6. APPROVAL OF THE PROPOSED AGENDA AND CONSENT AGENDA

a. **MINUTES FROM OCTOBER 7, 2026**
b. **OCTOBER 14, 2026 POLICY COMMITTEE MEETING RECAP**
c. **PERSONNEL REPORT**

Ms. Richards moved, and **Ms. Amundson** seconded to approve the proposed agenda and consent agenda, as presented.

Following a roll call vote, the motion PASSED without opposition.

7. PERSONS TO BE HEARD

There were no persons to be heard at this meeting.

8. GOVERNMENT TO GOVERNMENT

There was no Government-to-Government report at this meeting.

9. SCHOOL REPORT – PHS

Principal Matt Groen updated the board on the PHS garden, the culinary arts program, student orientation, the PHS Outdoor Club, after school art, tutoring, and physical education, various electives being offered to students, and physical science as applied to CTE and engine repair. He also covered attendance and enrollment data, MAP testing data in reading and math, and results from the School Climate and Connectedness Survey.

10. REPORTS AND PRESENTATIONS

a. FOOD SERVICES UPDATE

The Food Services Update is postponed to a future meeting.

b. FEDERAL GRANTS REPORT

Superintendent Jenson reported to the board on several grants the district is currently managing, including SHI, SNEP, AmeriCorps, Project Achieve, and Title grants.

11. BOARD MEMBER REPORTS

Sarah Todd informed the board that the FBI recently gave a presentation at SHS regarding cybersecurity and online safety. SHS student government is working with PHS and MEHS student governments on a joint service project. Ms. Todd highlighted activities at SHS – wrestling, SE Honor Band and Choir. The boys swim team won first at Region V competition, and the girls team won runner up. Both teams qualified to compete at the state championship.

Mr. Potter stated that he would be attending the AASB Annual Conference. He also updated the board on his recent meetings with Representative Himschoot and candidate Bill Hill.

Ms. Amundson shared that Principal Lecrone has returned to XTS.

Mr. Burdick briefed the board on his board-related activities from the previous month, including joining the visiting Dept

of Education on a tour of SSD schools, attending a webinar with author Rebecca Winthrop; he met with Mayor Kevin Mosher, attended Tribal Council, and also met with candidate Bill Hill.

Mr. Rioux expressed his appreciation to the SHS Student Council for their efforts in organizing a joint service project with PHS and MEHS.

12. ADMINISTRATIVE REPORTS

a. BUSINESS MANAGER REPORT

Business Manager Kathrynn Hollis-Buchanan gave the board an update on district finances.

b. SUPERINTENDENT REPORT

Superintendent Jenson's report included an update on Professional Development, the progress being made with the new payroll system (ADP), improvements in data collection with the addition of a PowerSchool plugin, and information regarding the Presidential Fitness Grant.

13. NEW BUSINESS

a. BATCH APPROVAL OF BOARD POLICIES IN FIRST READING FROM POLICY COMMITTEE

i. **BP 4119.25 POLITICAL ACTIVITIES OF EMPLOYEES**
ii. **BP 4112.6 PERSONNEL RECORDS**
iii. **BP 4113 ASSIGNMENT**
iv. **BP 4119.3 DUTIES OF PERSONNEL**
v. **BP 4158 EMPLOYEE SECURITY**
vi. **BP 4122 STUDENT TEACHERS**
vii. **BP 4133 TRAVEL EXPENSES**
viii. **BP 4118 SUSPENSION/DISCIPLINARY ACTION**
ix. **BP 4119.23 UNAUTHORIZED RELEASE OF CONFIDENIAL INFORMATION**

Mr. Burdick moved, and **Ms. Amundson** seconded to approve the board policies in FIRST reading from Policy Committee, except for BP 4122 Student Teachers, sending it back to the Policy Committee for further review.

Following a roll call vote, the motion PASSED without opposition.

b. APPROVE ANNUAL GOALS FOR THE SCHOOL BOARD

Ms. Richards moved, and **Ms. Amundson** seconded to approve the 2026-2027 annual School Board Goals, as presented.

Following a roll call vote, the motion PASSED without opposition.

c. APPROVE BOARD'S ANNUAL PRIORITIES FOR THE DISTRICT

Mr. Burdick moved, and **Ms. Richards** seconded to postpone the approval of the Board's Annual Priorities for the District until after the December work session.

Following a roll call vote, the motion PASSED without opposition.

d. BOARD PRESENTATION AND ACTIVITIES CALENDAR

The completed Board Presentation and Activities Calendar was presented to the public; it will be available on the district website.

14. FUTURE AGENDA ITEMS/UPCOMING EVENTS

a. NOVEMBER 4-8, 2026 – AASB ANNUAL CONFERENCE
b. NOVEMBER 11, 2026 – POLICY COMMITTEE
c. DECEMBER 2, 2026 – NEXT WORK SESSION
d. DECEMBER 2, 2026 – NEXT REGULAR SCHOOL BOARD MEETING | HARRIGAN CENTENNIAL HALL

15. FINAL COMMENTS FROM THE PUBLIC

There were no final comments from the public.

16. FINAL COMMENTS FROM THE BOARD

There were no final comments from the board.

17. ADJOURNMENT

Ms. Amundson moved, and **Ms. Richards** seconded to adjourn the meeting at 7:57 p.m.

Phil Burdick, President

Courtney Amundson, Clerk

Dawn Georgia

From: Dawn Georgia
Sent: Thursday, November 12, 2026 9:06 AM
To: Roxann Gagner; Jessica Keaveny; Jamie Eells; Laura Rogers; Deidre Jenson; Kat Richards; Keith Shelton; Amanda Johnson; Paul Rioux; elizabeth.a.bagley@gmail.com
Cc: Phil Burdick; Tyler McCarty; Megan Reid
Subject: November 11th Meeting Recap

In Attendance:
Deidre Jenson
Jessica Keaveny
Jamie Eells
Mandy Johnson
Laura Rogers
Keith Shelton
Kat Richards
Elizabeth Bagley
Roxann Gagner
Paul Rioux
Dawn Georgia
Tyler McCarty (Guest)
Megan Reid (Guest)

Moving forward to present to the board at the December 2nd meeting:

BP 5131.61 Alcohol, Tobacco, Nicotine, and Other Drug Testing

- Changes to the current policy:
  - Testing is limited to ASAA sanctioned activities, only
  - Adding alcohol and nicotine to the drug test
- Recommended motion: (December 2nd) Approve the new policy to go into effect when AR and procedures are ready for implementation.
- Tyler and Megan will edit the AR for continued review by the committee

BP 3515.2 Intruders on Campus

- SSD's current BP 3515.2 Visitors on Campus will be changed to Intruders on Campus, adopting the language from the AASB Model Policy BP 3515.2

(Remove) AR 5131.61 Student Athlete Random Drug Testing – will be replaced with a new AR
(Remove) AR 5121 Grades/Evaluation of Student Achievement – the Grading Committee will be developing a new AR

Next Meeting: December 9th.

Gunalchéesh!
Dawn Georgia
Executive Administrative Assistant
Sitka School District
300 Kostrometinoff St.
Sitka, AK 99835
907.621.8081 office | 907.917.5419 fax
georgiad@sitkaschools.org

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Sitka School District Personnel Report

as of 12/02/2026

Certified Employees Recommended for Employment		
Name	Current Position	Date Effective
Certified Employees Left Employment		
Name	Current Position	Date Effective
Ramon Quevedo	PHS Counselor	12/18/2026
Classified Employees Recommended for Employment		
Name	Current Position	Date Effective
Classified Employees Left Employment		
Name	Current Position	Date Effective
Patrick Padelford	Paraprofessional/KGH	11/27/2026
Employees Changed Positions		
Name	Current Position/New Position	Date Effective

FUNDED SSD CAPITAL IMPROVEMENT PROJECTS

Project Name	Funding	Project Number	Status	Description	Priority/Risk Score
SHS Exterior Window Repair	~~$ 50,000~~	91083	reprioritized	Repair window closers determined non priority and funds were returned to the School Building Infrastructure Fund	
KGH Covered Area Revitalization	$ 75,000	91084	not started	Remove the old siding and sheeting materials, prep the structure, reinstall siding and paint the structure.	
SSD DDC Upgrades (SHS, BMS, XES)	$ 175,000	91085	not started	Direct digital controls upgrade to improve HVAC system operation and provide remote monitoring.	
XES Asphalt Repairs	$ 125,000	91086	not started	Asphalt repair at back courtyard area and along the fenceline leading to the playground, approx. 14000 sf.	
XES Back Ramp Replacement	$ 15,000	91087	completed	Replacement of back ramp and railing, ensuring ADA compliance. Repaired in-house for $1200	
BMS Envelope Restoration	$ 150,000	91088	funding	EIFs and roof rehabilitation/replacement - funding goal $12.5 M	
SHS Envelope Restoration	$ 150,000	91089	funding	EIFs and roof rehabilitation/replacement - funding goal $12.5 M	
SHS Entry Doors and Grate Replacement	$ 85,000	91090	in progress	Replace 4 sets of swing doors at entrance. Replace grate or eliminate by filling pit - finished concrete surface.	
SSD Boiler Overhaul	$ 200,000	91091	in progress	Address deferred maintenance of 8 District boilers. KGH, XES, BMS complete. SHS to be completed March 2027	
KGH Compressor Replacement	$ 15,000	91092	in progress	Replace past service life compressor. Asset keeps the pneumatic system controls under pressure. Rebuild kit	
KGH School Sign Replacement	$ 20,000	91093	in progress	Remove and replace sign. SHS Vieira designing and possibly installing.	
KGH Gym Floor Resurfacing	$ 125,000	91094	not started	Remove vinyl flooring and replace with solid rubber surface.	
KGH HVAC Controls Upgrade	$ 150,000	91095	not started	Replace failing pneumatic controls with electronic controls. Engineering and design only.	
XES Walk-In Freezer Repair	$ 25,000	91096	not started	Replace freezer wall and freezer doors.	
XES Covered Area Repairs	$ 20,000	91097	not started	Improve safety and complete repairs to facility façade.	
SHS Gym Wood Floor Refurbishment	$ 120,000	91098	not started	Strip floor surface, repair areas of water damage, establish court lines, and reseal.	
XES Gym Floor Resurfacing	$ 150,000	91099	not started	Remove vinyl flooring and replace with solid rubber surface.	
BMS Band Wood Floor Refurbishment	$ 50,000	91100	not started	Strip floor surface, repair areas of water damage, and reseal. Consider adjustment - carpet tile?	
PAC Exterior Improvements	$ 100,000	91101	not started	Clean facility envelope, remove failing paint areas and treat rust, repaint.	
XES Exterior Repainting	$ 200,000	91102	not started	Paint is in mid-life condition. Repaint before condition is poor.	
PAC Bollard Replacements	$ 40,000	91103	not started	Remove and replace bollards with more reliable option. Include those at the School entrance for cohesive campus.	
BMS Gym Wood Floor Refurbishment	$ 100,000	91104	not started	Strip floor surface, repair areas of water damage, establish court lines, and reseal.	
PAC Theatrical Lighting Controls Upgrade	$ 125,000	91121	completed	Theatrical lighting controls upgrade project	
PHS Compressor Replacement	$ 10,000	91127	not started	Replace failing compressor	
PHS Heat Pump Replacement	$ 75,000	91128	not started	Service life replacement for outdoor unit	
SHS Walk-In Freezer Repair	$ 25,000	91129	in progress	Repair walk-in freezer door and entry. Temporary repairs/maint through operating budget	
KGH Dishwasher Replacement	$ 25,000	91130	not started	Commercial dishwasher replacement	
KGH PA System Replacement	$ 40,000	91131	not started	PA system replacement	
KGH Clock System Replacement	$ 30,000	91132	not started	Clock system replacement	
KGH Door Release System Replacement	$ 40,000	91133	not started	Replace door release system	
KGH Hot Water Heater Replacement	$ 15,000	91134	not started	Hot water heater replacement	
SHS Electrical Improvement	$ 10,000	91135	not started	Increase electrical distribution at science wing	
SEACC Electrical Improvement	$ 10,000	91136	not started	Insufficient distribution for kitchen and classrooms simultaneously. Separate by adding new circuit.	

SITKA
SCHOOL DISTRICT
DISCOVER | NURTURE | INSPIRE

300 Kostrometinoff Street
Sitka, Alaska 99835
Phone: (907) 621-8080
Fax: (907) 917-5419
www.sitkaschools.org

Kathrynn Hollis-Buchanan
District Business Manager
12/02/2026 Board Meeting Finance Report

REPORT COVERAGE:
For this board meeting, I am presenting the financial summary through end of day on 11/27/2026.

FY27 Finance Report:

- Reminder that negative revenue means we have already received more than was budgeted.
- Note the negative balance for function 556 (technology) is related to the approval by the board to purchase of student devices in anticipation of the additional funding of which we had been notified.
- We have gotten the GL portion of ADP set up but only as of 11/13 payroll, so the YTD payroll data is NOT included in the finance report. ADP is working on the historical data and I will send an updated finance report as soon as the transactions are complete.

The state has our final audit reports. My team did an amazing job on improvement from 5 closing internal controls findings to 1 this year! We are still challenged by grant reporting due to late-in-the-year changes to expend grants fully, but we have a plan and are looking forward to further improvement this year!

We have made lots of progress on the payroll system and have begun our self-service training in preparation for our live training in January.

Sitka School District

November 27, 2026

Monthly Revenue Report

Account No	Account Description	Current Budget	YTD Revenues	Remaining Balance	Percent Outstanding
27-100-000-000-000-011	CITY/BORO APPROPRIATION	8,326,912.00	2,733,970.68	5,592,941.32	67.17%
27-100-000-000-000-040	MISC. LOCAL REVENUE	60,000.00	451.49	59,548.51	99.25%
27-100-000-000-000-047	E-RATE REVENUE	69,076.00	0.00	69,076.00	100.00%
27-100-000-000-000-050	QUALITY SCHOOLS	39,899.00	0.00	39,899.00	100.00%
27-100-000-000-000-051	FOUNDATION	12,962,368.00	5,313,060.00	7,649,308.00	59.01%
27-100-000-000-000-056	TRS ON-BEHALF	1,259,430.00	0.00	1,259,430.00	100.00%
27-100-000-000-000-057	PERS ON-BEHALF	82,516.00	0.00	82,516.00	100.00%
27-100-000-000-000-059	SB18 ALLOCATION	684,399.00	0.00	684,399.00	100.00%
27-100-000-000-000-090	MISC. STATE REVENUE	0.00	324,860.00	-324,860.00	#DIV/0
27-100-000-000-000-190	FEDERAL THROUGH OTHER IN	1,777,700.00	0.00	1,777,700.00	100.00%
27-100-000-000-162-011	Local Revenue	0.00	28,184.50	-28,184.50	#DIV/0
27-100-000-140-000-040	MISC. LOCAL REVENUE	0.00	1,730.00	-1,730.00	#DIV/0
Report Total		**25,262,300.00**	**8,402,256.67**	**16,860,043.33**	

Monthly Expense Report

Accounts Summarized By Function	Current Budget	YTD Expenditures	Remaining Balance	Percent Available
100 - REGULAR INSTRUCTION	8,940,892.00	522,981.77	8,417,910.23	94.15%
120 - BILINGUAL/BICULTURAL	273,490.00	997.60	272,492.40	99.64%
130 - ENRICHMENT	2,522.00	0.00	2,522.00	100.00%
140 - CORRESPONDENCE STUDY	370,256.00	55,841.41	314,414.59	84.92%
160 - VOCATIONAL EDUCATION	404,404.00	23,479.30	380,924.70	94.19%
200 - SPECIAL ED INSTRUCTION	5,326,392.00	96,994.51	5,229,397.49	98.18%
220 - SPECIAL ED SUPPORT	1,280,816.00	37,200.84	1,243,615.16	97.10%
300 - PUPIL SUPPORT	10,669.00	1,799.99	8,869.01	83.13%
320 - GUIDANCE	712,775.00	2,643.68	710,131.32	99.63%
330 - HEALTH SERVICES	144,136.00	1,449.16	142,686.84	98.99%
350 - SUPPORT SERVICES	63,800.00	35,788.53	28,011.47	43.91%
352 - LIBRARY SERVICE	8,000.00	0.00	8,000.00	100.00%
400 - SCHOOL ADMINISTRATION	1,364,352.00	9,222.80	1,355,129.20	99.32%
450 - SCHOOL ADMIN. SERVICES	813,628.00	8,729.84	804,898.16	98.93%
510 - DISTRICT ADMINISTRATION	157,052.00	146,585.93	10,466.07	6.66%
511 - SCHOOL BOARD	134,113.00	29,159.70	104,953.30	78.26%
512 - SUPERINTENDENT'S OFFICE	459,343.00	30,899.88	428,443.12	93.27%
518 - SAFETY AND SECURITY	1,000.00	0.00	1,000.00	100.00%
550 - DISTRICT ADMIN. SUPPORT	803,089.00	176,777.59	626,311.41	77.99%
556 - TECHNOLOGY SERVICE	188,830.00	268,484.00	-79,654.00	-42.18%
600 - MAINTENANCE/OPERATIONS	1,888,146.00	906,472.65	981,673.35	51.99%
700 - Athletics	305,287.00	0.00	305,287.00	100.00%
780 - COMMUNITY SERVICES	0.00	3,431.59	-3,431.59	0.00%
900 - FUND TRANSFERS	200,000.00	0.00	200,000.00	100.00%
Report Total	**23,852,992.00**	**2,358,940.77**	**21,494,051.23**	
		Percentage of School Year Remaining		**66.67%**
		Percentage of Fiscal Year Remaining		**58.33%**

*The State has required all Districts to recognize and report on their financial statements their portion of the TRS/PERS relief as passed by 2008 Legislature appropriation. This causes the total budget to appear inflated by 2,404,470 from the approved 2011 budget due to this recognition. The value is represented in the Revenue section as TRS On-Behalf (2,270,918) and PERS On-Behalf (133,552) and the Expenditure section it is included in the various functions as a portion of benefits (2,404,470). No actual dollars pass through the District.

SITKA SCHOOL DISTRICT
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Dr. Deidre Jenson
Superintendent Report
12/2/26 Board Meeting

Scholarship Granting Organization: (Strategy 5: We will develop an internal and external District communication plan.)

- The Alaska Department of Education and Early Development (DEED) announced its first 20 approved Scholarship Granting Organizations in October and continues to review applications on a rolling basis. The state anticipates submitting its final list of approved organizations to the IRS by December 1, 2026, with the federal tax credit program taking effect January 1, 2027.
- The Alaska Council of School Administrators (ACSA) established a nonprofit called RISE (Raising Investment in Student Education), which is focused specifically on supporting public school students. RISE has been approved and is listed on the state's list of approved organizations.
- The current regulation defines what scholarships can be used for including tuition and fees, room and board, tutorial services, technology, books, supplies, equipment, and after school programing. We want to capitalize on this opportunity focusing on fees like activity or meal fees, tutorial services, or other after school programming. New regulations are still being developed.

Grading Committee work: (Strategy 1: We will identify strategies to close learning gaps. Strategy 5: We will develop an internal and external District communication plan.)

- The district's grading policy work is centered on three main goals: **accuracy, consistency, and transparency**. Grades should accurately communicate what students have learned, students should experience common expectations across classrooms and schools, and students and families should clearly understand what grades mean. We have made progress toward those goals: spring and fall professional learning identified strengths and inconsistencies in current grading practices; elementary and secondary staff provided input; the grading committee proposed a revision to BP 5121 which was presented to the policy committee. The policy committee requested additional refinement. Our next steps are to complete those revisions and return BP 5121 to the policy committee, continue development of the administrative regulation with distinctions between elementary and secondary grading, gather staff feedback, and then develop building-level report-card rubrics, grading procedures, and handbook language. Longer-term implementation will also require common guidance, K–12 alignment, professional learning and calibration, family communication, and specific guidance for areas such as late/missing work, reassessment, homework, and special education.

Information Technology Request for Proposal:

- The district has developed and posted an RFP for Managed IT Services to explore options for supporting our technology needs moving forward. The RFP focuses on network infrastructure, cybersecurity, technical support, and on-site services while maintaining several responsibilities within the district. This is also an opportunity to better align our technology services with the educational needs of our students and staff while evaluating potential cost efficiencies. The district is currently accepting bids with a closing date of December 14 at 4:30pm. If you are interested in submitting a proposal, the RFP can be found online at sitkaschools.org under the Business Department or you can contact Kathrynn Hollis-Buchanan at 907-621-8091 or hollis-buchanank@sitkaschools.org.

SeaMart School Supply Donation:

- We are grateful to SeaMart/Safeway for its generous donation of approximately $3000 worth of school supplies to support students and schools throughout the Sitka School District. SeaMart reached out to the district specifically to offer these supplies and coordinate their delivery. Their generosity is another wonderful example of the ways our local businesses step forward to support Sitka's students and schools.

New Grant Award:

- Our Sitka High School staff applied and were awarded $97,720 from the Rural Health Transformation Project grant to expand healthcare career opportunities for students. A special thank you to Mike Vieira and other SHS staff for their work in developing and submitting this grant proposal. Currently, SHS provides a foundational Health Sciences Career and Technical Education Program of Study (CTEPS). This funding will allow SHS to expand that healthcare CTE program of study by establishing an emergency medicine pathway with dual-credit opportunities and progression toward ETT and EMT training and certification. It will also provide resources for specialized equipment, curriculum development, instruction, transportation, and hands-on learning experiences with healthcare partners.

Principal Building Report:

- See attached document

Class Size Report:

- See Attached document
- Class Size Considerations:
    - **Student Needs:** Academic, behavioral, social-emotional, and individualized needs. (Enrichment/Specialists/Special Education Teachers are not included in these numbers)
    - **Course Preparations:** Number of different courses or content areas a teacher prepares for.

- **Total Student Load:** Total number of students a teacher serves throughout the day.
- **Educational Opportunities:** Maintaining access to electives, advanced coursework, and CTE.
- **Safety and Space:** Physical classroom capacity, equipment, and supervision requirements.
- **Scheduling:** Graduation requirements, course selections, and scheduling limitations, elective programming.

Class Size Report

Elementary Classes:

Grade	#of Students
K	18
K	18
K	16
1	15
1	15
1	14
1	14
2	18
2	18
2	18

3	21
3	21
3	22
4	20
4	20
4	18
4	21
5	22
5	23
5	20

Blatchley Middle School:

Period 1	# of students	Period 2		Period 3		Period 4		Period 5		Period 6		Period 7	
Course	#	Course	#	Course	#	Course	#	Course	#	Course	#	Course	#
Chess	20	Prep	0	Chess	11	ELA-7	18	ELA -7	16	ELA - 7	21	ELA - 7	17
SS-6	17	SS-6	21	Prep	0	SS-6	22	SS-8	14	Tech - 6	9	Tech-6	12
Prep	0	Art	8	Study Hall	14	Math-6	17	Math-6	18	Math-6	14	Math-6	7
Art	8	Art	5	ELA - 8	16	Prep	0	ELA -8	21	ELA - 8	11	ELA - 8	7
Prep	0	Math-8	13	Math-8	17	Math-8	15	Alg 1	15	Get outside	7	Study Hall	11
Prep	0	Science-8	20	Science-8	16	Science-8	18	Science-6	23	Science-6	21	Science-6	16
PE-6	21	PE-6	20	Prep	0	PE-8	23	PE-6	19	PE-8	15	PE-8	18
Band-8	33	Band-7	35	Band-6	49	Prep	0	Guitar	3	Tutor		Mixed Choir	11
ELA-6	22	ELA-6	17	Prep	0	ELA-6	21	PE-7	24	PE-7	24	PE-7	26
Book Club	7	Study hall	15	Prep	0	Math-7	16	Math-7	18	Math-7	21	Math-7	16
Shop-8	11	Shop-7	10	Shop-6	10	lunch duty		Prep		Shop-8	7	Shop-6	11
Science-7	23	Prep	0	Science-7	23	Science-7	14	Science-7	13	Art-7	7	Cooking	15
SS-7	25	SS-8	22	SS-7	23	SS-7	24	Prep	0	SS-8	20	Hunter'sEd	7

Sitka High School:

Period 1		Period 2		Period 3		Period 4		Period 5		Period 6		Period 7			
Course	#	Course	#	Course	#	Course	#	Course	#	Course	#	Course	#	**Students**	**Preps**
Prep	0	Biology	21	Marine Bio	15	Biology	19	Biology	21	***Field Sci***	15	Biology	21	112	3
Chemistry	20	Phys Sci	18	Phys Sci	18	Phys Sci	20	Prep	0	Phys Sci	23	Chemistry	22	121	2
Alg II	21	***APCalc Sup*** /CR	8	Math for Bus	18	**Prep**	0	Alg II	23	Math For Bus	12	Credit Rec	12	94	4
AP Stats	20	Alg For College	14	Geometry	17	Geometry	17	Geometry	25	Prep	0	Comp Sci Princ	14	107	4
Alg I	22	***Pre-Calc***	20	Prep	0	Alg I	19	Pre-Calc	11	Physics	22	Sci & Eng Apps	20	124	4
Prep	0	Ind & Team	13	Pre-Alg	11	Alg I	15	Alg I	19	Phys Training	22	Ind & Team	20	100	4
Engl II	22	Engl II	20	Prep	0	Amer Lit/AL H	22	Shakespeare	18	Engl II	17	Engl II	19	118	3
Engl I	21	Engl I	17	Engl I	22	***AP Lit & Comp***	20	Lit and Film	19	Lit and Film	23	Prep	0	122	3
Tech Writing	16	Tech Writing	13	Engl I	23	ELL	11	Prep	0	ELL- mgmt	18	ELL BMS	13	94	4
World Hist	17	AK Studies	21	AK Studies	15	Prep	0	Fresh Sem	15	Fresh Sem	15	***AP Hum. Geo***	27	120	4
Prep	0	Amer Govt	21	Amer Govt	15	Global Iss	24	Amer Govt	22	AK Studies	16	AK Studies	15	113	3
Prep	0	Spanish 2	27	Spanish 3	26	Spanish 2	28	Spanish 4	11	Spanish 1	27	Spanish 1	23	142	4
Symph Band	45	Choir	20	Guitar	15	Choir	21	Music Hist	21	Jazz B(0 HR)	16	Prep	0	138	5
Cer/Adv Ceramics	15	Draw & Paint	11	Draw & Paint	16	**Prep**	0	Cer/Adv Cer	14	Art & Des I	21	Photography	11	88	4
Phys Training	24	Health	22	Phys Training	18	**Prep**	0	Phys Training	21	Health	15	Body Blast	24	124	3
Woods	16	Work/Intern	15	Construction	17	Des./Fab I&II	16	**Prep**	0	Woods	13	Adv Woods	16	93	5
Prep	0	Basic Car Care	15	Metals	16	SmEngines	21	Basic Car Care	15	Metals	14	Sm Engines	12	93	3

Pacific High School:

Class	# of Students
Math Everyday	10
Life Science	8
Math	10
Algebra 1	5
Life Science	11
Physical Science	6
Physical Science	8
PHS Reads	4
PHS Reads	5
Global Issues	7
Ak Studies	4
US History	4
Government	8
PHS Reads	5
English Lit	5
English	11
English Lit	6
English	9

School Principal Reports:

Blatchley Middle School:

Problem of Practice (POP): BMS has identified the need for updated English Language Arts (ELA) curriculum as its focus.
Progress: Kurt Christianson, an experienced ELA teacher with over 20 years of experience at SHS and BMS, has agreed to lead this work.
Next Steps: Establish a curriculum committee to review and select materials for a potential pilot next school year.
Needs: Funding to support curriculum purchase and implementation.

Kéet Gooshí Héen Elementary School and Xóots Elementary School:

Problem of Practice (POP): KGH Elementary and XTS Elementary has determined that both schools need to adopt a high-quality Tier I English Language Arts (ELA) curriculum that strengthens literacy instruction, aligns with Alaska standards, provides equitable access to rigorous reading instruction, and improves reading outcomes for students in grades K-5.
Progress: During the 2025-26 school year, KGH/XTS teachers and staff, and administrators participated in a comprehensive review of available ELA programs to identify strong candidates for district consideration. Through curriculum reviews, professional learning, and stakeholder input, the district selected two programs for further study and pilot implementation: *Amplify CKLA* and *HMH Into Reading*. An ELA Adoption Committee has recently been established and is beginning the formal evaluation and selection process.
Next Steps: Classroom pilots of *Amplify CKLA* and *HMH Into Reading* began in Fall 2026. The ELA Adoption Committee will gather teacher feedback, review materials, and implementation data. The committee will synthesize findings and develop a recommendation for School Board consideration in Spring 2027.
Needs: Continued teacher participation in the pilot process, dedicated collaboration time for committee review and analysis, ongoing stakeholder feedback, and **funding to support curriculum adoption,** instructional materials, professional development, and successful implementation of the selected ELA program.

Pacific High School:

Problem of Practice (POP): Pacific High School has identified chronic absenteeism as its focus.

Progress:

- Compiled attendance data based on grade level, class period, and days of the week. We have reviewed the data on extra-duty days to figure out initiatives to address the issue.
- Formalized and developed tier 3 MTSS interventions to support our chronically absent students - check in/check out, positive reward structures, and relationship forward practices.
- Student Government has created a survey for staff and students to figure out ways to resolve the issue
- Daily phone calls home to absent students
- Integrating community building initiatives to help support leaners and building an academic setting they want to be a part of.
- For our January session - Starting the day in electives as opposed to crew to see if electives can drive better a.m. attendance.

Next Steps:

- Continue implementing above strategies
- Meet again in February to review data - seeing if electives and interventions are improving attendance
- Complete student survey and implement student driven initiatives
- Continue to curate data and complete equity audit as well.

Needs:

- Additional time to collect measurable data to determine the overall effectiveness of these efforts.
- New ideas! This is a tough one to solve.

Sitka High School:

Problem of Practice (POP): Sitka High School has identified chronic absenteeism as its focus. **Progress:** Administrators have reviewed attendance-related sections of the Student Handbook, developed parent communications, initiated community partnerships, and provided individualized support to students experiencing barriers to attendance, including transportation. **Next Steps:** Continue implementing these strategies and monitoring student attendance, as positive changes are already being seen on an individual basis. **Needs:** Additional time to collect measurable data to determine the overall effectiveness of these efforts.

BP 4119.25/4219.25/4319.25 All Personnel - POLITICAL ACTIVITIES OF EMPLOYEES

The School Board believes that district employees have an obligation to prevent the improper use of school time, materials, or facilities for political or partisan purposes. The Superintendent or designee shall regulate political activities on school property ~~during the instructional day~~. Employees are prohibited from engaging in any activity in the presence of students during performance of the employee's duties, where the activity is designed or intended to promote, further, or assert a position on any voting issue, board issue, or collective bargaining issue. This prohibition does not apply to classroom instruction that is part of the approved curriculum.

The Board respects the right of school employees to engage in political activities on their own time. When engaging in political activities, employees shall make it clear that they are acting as individuals and not as representatives of the district.

Nothing in the policy shall prevent the District or Board from engaging in advocacy regarding education or disseminating factual information regarding school bond projects.

(cf. 4119.21 - *Code of Ethics)*

Legal References:

ALASKA STATUTES

14.03.090 Sectarian or denominational doctrines prohibited

14.20.095 Right to comment and criticize not to be restricted

14.20.370-.510 Professional Teaching Practices Act

ALASKA ADMINISTRATIVE CODE

4 AAC 06.135 Use of school funds in elections

20 AAC 10.010-10.900 Professional Teaching Practices Commission

Adoption Date: December 5, 1995

Revision Date: February 14, 2002

Revision Date: August 19, 2020

Sitka School District

BP 4112.6/4212.6/4312.6 All Personnel - PERSONNEL RECORDS

Personnel records shall be kept for all current employees and shall include information usually expected in good personnel administration. Records shall be kept for all former employees, including such information as shall seem appropriate to the administration. Records shall be kept for applicants for District positions for the periods of time required by federal and state law.

(cf. 1340 - Access to District Records)

(cf. 3580 – District Records

(cf. 1312.1 - Complaints Concerning Personnel)

All personnel records are confidential except as provided in BP 1340 and AR 1340. Confidential personnel records shall be available for inspection only to the individual who is the subject of the record, persons authorized by the individual, the Superintendent or designee, and those individuals authorized by the Superintendent or School Board in accordance with administrative procedures. Recommendations and other reports obtained during the application process as a result of confidential inquiries shall be used only for the purpose of making a decision regarding whether to hire an applicant and shall not be made available to the applicant or to anyone who is not involved in the hiring decision without the authorization of the Superintendent or School Board.

The School Board may collectively request to review an employee's file at an executive session of the School Board, pursuant to a specific employee action and/or complaint process, and in accordance with the Alaska Open Meetings Act

Employees shall be notified whenever unfavorable information is to be placed in their personnel records. An employee may review and comment on the contents of his/her personnel record. Personnel records shall be made available for inspection by the employee at an off-duty time. Inspection shall take place in the presence of an administrator or designee.

Legal Reference:

ALASKA STATUTES

44.62.310 Government meetings public

40.25.120 Inspection and copying of public records

23.40.070 Declaration of Policy (PERA)

14.20.149 Employee Evaluation

ALASKA ADMINISTRATIVE CODE

4 AAC 19.040 Use of the evaluation

Municipality of Anchorage v. Anchorage Daily News, 794 P.2d 584 (Alaska 1990)

City of Kenai v. Kenai Peninsula Newspapers, Inc., 642 P2d 1316 (Alaska 1982)

Adoption Date: DECEMBER 5, 1995

Revision Date: MAY 21, 1998

Revision Date: September 11, 2012

BP 4113 ASSIGNMENT

The School Board recognizes strategic assignments are essential to supporting student success and maintaining a healthy, consistent school environment. While assignments must comply with applicable laws and credentialing requirements, the strengths, experiences, and well-being of district staff are important considerations. Since both students and staff benefit from stability, continuity, and positive relationships, assignment decisions should also consider the impact on school climate by minimizing unnecessary disruptions and promoting consistency in student-teacher relationships. The Superintendent or designee may assign certificated personnel to any position for which their preparation, certification, experience, and aptitude qualify them.

Teachers may be assigned to any school within the district. Teachers shall not be assigned outside the scope of their teaching certificates or their fields of study except as allowed by law.

(cf. 4112.8 - Employment of Relatives)

The assignment of certificated personnel shall comply with applicable collective bargaining agreements and alternative and charter school contracts..

Legal Reference:

ALASKA STATUTES

14.20.147 Transfer or absorption of attendance area or federal agency school

14.20.148 Interdistrict teacher assignment

14.20.158 Continued contract provisions

23.40.070 Declaration of policy (PERA)

UNITED STATES CODE, TITLE 20

Every Student Succeeds Act, P.L. 114-95

Adoption Date: DECEMBER 5, 1995

Revision Date: July 17, 2003

Revision Date: April 2022

Sitka School District

BP 4119.3/4219.3/4319.3 All Personnel - DUTIES OF PERSONNEL

Note: By requiring employers to reasonably accommodate persons with disabilities who are capable of performing the job, the Americans with Disabilities Act spotlights the need for complete, specific job descriptions. Job descriptions are expected to play an important part in implementing this federal law.

The School Board recognizes the importance of having adequate job descriptions for every district employee. Student safety, the district's fiscal stability, and the success of the educational program all depend on employees' fully understanding their responsibilities and duties.

The Superintendent or designee shall prepare and regularly update job descriptions for all positions. Job descriptions shall clearly specify all essential and peripheral/marginal functions and duties of the position, the degree of responsibility the position entails, the type and extent of training required, and the position of the person to whom the employee reports. As a best practice, job descriptions should be reviewed ~~annually~~ as part of the evaluation process, or whenever any major change in job duties has taken place.

All employees shall fulfill the duties and responsibilities set forth in their job descriptions and shall comply with Board policies, administrative regulations, applicable employee agreements, and local, state and federal laws.

(cf. 4030 - Nondiscrimination in Employment)

(cf. 4115/ - Evaluation/Supervision)

(cf. 4118- Suspension/Disciplinary Action)

Legal Reference:

AMERICANS WITH DISABILITIES ACT P.L. 101-336

42 U.S.C.12101 et seq.

Adoption Date: DECEMBER 5, 1995

Sitka School District

BP 4158/4258/4358 ALL PERSONNEL EMPLOYEE SECURITY

Note: Alaska school districts are required to adopt standards relating to when a teacher, teacher's assistant, or other person responsible for students is authorized to use reasonable and appropriate force to maintain classroom safety and discipline. Effective October 2014, the use of restraint and seclusion of students is strictly limited and, in some situations, prohibited by law. AS 14.33.125. Any use of restraint or seclusion by a district employee of a student must comply with all legal requirements. A teacher, teacher's assistant, principal, or another person responsible for students may not be terminated or otherwise subjected to formal disciplinary action for lawful enforcement of a school disciplinary and safety program, including behavior standards. AS 14.33.130. This group is protected from civil liability for acts or omissions arising out of enforcement of the disciplinary and safety program while in the course of employment, unless the act constitutes gross negligence or reckless or intentional misconduct. AS 14.33.140, and the Every Student Succeeds Act.

An employee may use reasonably necessary and appropriate methods of physical restraint if a student's behavior poses an imminent danger of physical injury to the student or others and less restrictive interventions would be ineffective at stopping the imminent danger. Restraint must be limited to that necessary to address the emergency and must be immediately discontinued when the student no longer poses an imminent danger or when a less restrictive intervention is effective to stop the danger.

(cf. 5144 - Discipline)

(cf. 5142.3 – Restraint and Seclusion)

Employees shall promptly report any assault or threat against them to their direct supervisor. The employee and the principal or other immediate supervisor may promptly report such instances to the appropriate local law enforcement agency,. The Superintendent or designee shall be made aware of all police reports made by district personnel. Any reports to local law enforcement will be reported to the superintendent as soon as practicable.

(cf. 1410 – Interagency Cooperation for Student and Staff Safety)

Legal Reference:

ALASKA STATUTES

11.81.430 Justification, use of force, special relationships

11.81.900 Definitions

14.33.120-.140 School disciplinary and safety program

ALASKA ADMINISTRATIVE CODE

4 AAC 07.010-4 AAC 07.900 Student rights and responsibilities

UNITED STATES CODE

Every Student Succeeds Act, P.L. 114-95

ADOPTED: June 18, 2025

Sitka School District

BP 4133/4233/4333 All Personnel - TRAVEL EXPENSES

The School Board shall pay for approved expenses, including travel, incurred by any employee performing authorized services for the district. Approved expenses shall be reimbursed according to district procedures. ~~The employee shall be on work status when on district funded travel.~~

The Superintendent or designee may approve employee requests to attend meetings in accordance with the district budget.

The Superintendent or designee shall establish procedures for the submission and verification of expense claims. All expenditures shall be made in accordance with established standard operating procedures and shall reflect current, reasonable, and customary rates. Other expenses may be allowed for reimbursement if pre-authorized and receipts are presented.

The Board may establish an allowance on either a mileage, monthly or annual basis to reimburse designated employees for the use of their own vehicles in the performance of assigned duties.

(cf. 3300 - Expenditures/Expending Authority)

Adoption Date: December 5, 1995

Revision Date: January 7, 2014

Revision Date: January 7, 2026

BP 4118 Certificated Personnel - SUSPENSION/DISCIPLINARY ACTION

The School Board expects its employees to perform their duties in accordance with state law and Board policy and administrative regulations.

(cf. 4119.21 /4219.21/4319.21 - Codes of Ethics)

(cf. 4117.4 - Dismissal)

(cf. 4117.6 - Nonretention)

The Superintendent or designee may take disciplinary action, including 1) verbal warning, 2) written warning, 3) letter of reprimand, 4) suspension without pay, and 5) dismissal, as they deem appropriate and may deviate from the progressive order of disciplinary actions in light of the particular facts and circumstances involved.

Note: A teacher may be suspended pending an investigation to determine whether cause exists for dismissal. However, the teacher's regular compensation must be continued during the temporary suspension. *AS 14.20.170*

The Superintendent or designee shall document all disciplinary actions thoroughly and accurately and shall ensure that such actions are taken in a consistent, nondiscriminatory manner.

Certificated management and supervisory personnel who are not covered by a collective bargaining agreement are subject to the disciplinary procedures set forth in BP 4218, except for discipline involving dismissal or nonretention. The District will provide the statutory and policy rights afforded to all certificated staff for dismissal and nonretention actions.

(cf. 4218 - Dismissal/Suspension/Disciplinary Action)

(cf. 4300 - Management Employee Definitions)

Legal Reference:

ALASKA STATUTES

14.20.030 Causes for revocation and suspension

14.20.170 Dismissal

14.20.175 Nonretention

14.20.180 Procedures upon notice of dismissal or nonretention

ALASKA ADMINISTRATIVE CODE

20 AAC 10.020 Code Ethics and Teaching Standards

Adoption Date: December 5, 1995

Revised August 7, 2019

Sitka School District

BP 4119.23/4219.23/4319.23 All Personnel - UNAUTHORIZED RELEASE OF CONFIDENTIAL INFORMATION

District employees shall maintain the confidentiality of all confidential records until such time as laws, state regulations and/or bylaws of this district permit disclosure. Records that are not subject to public disclosure should be treated as confidential, except where their release to a particular person or in a particular situation is expressly authorized by law or district policy, or where the Superintendent or designee has expressly authorized their release.

(cf. 1340 - Access to District Records)

Any employee who releases confidential district information without appropriate authorization from district records or violates any other obligation of confidentiality, including the obligation to maintain the confidentiality of discussions properly conducted in executive session, shall be subject to disciplinary action up to and including dismissal from district service. Repeated instances of negligent release of confidential information shall be grounds for disciplinary action, up to and including dismissal from district service.

The Superintendent or designee may also deny employees who have inappropriately released confidential information further access to any privileged information and shall take any steps necessary to prevent any further unauthorized release of such information.

(cf. 3580 - District Records)

(cf. 5125 - Student Records; Confidentiality)

(cf. 9321 - Executive Sessions)

Legal References:

ALASKA STATUTES

14.03.115 Access to school records by parent, foster parent, or guardian

14.14.090 Additional duties

25.220 Public Records Act

23.40.235 Public Involvement in School District Negotiations

ALASKA ADMINISTRATIVE CODE

4 AAC 06.738 Standards-Based Test Results

4 AAC 06.765 Test Security: Consequences of Breach

UNITED STATES CODE, TITLE 20

1232g FEDERAL FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974

City of Kenai v. Kenai Peninsula Newspapers, Inc., 642 P.2d 1316 (Alaska 1982)

Adoption Date: December 5, 1995

Revision Date: October 16, 1998

Revision Date: June 19, 2000

Revision Date: May 1, 2001

BP 3515.2 ~~VISITORS~~ INTRUDERS ON CAMPUS

Commented [DG1]: BP 1260 Visits to Schools covers visitors

The School Board is committed to keeping the schools safe from intruders and requires all visitors to register upon coming on campus.

The principal or designee shall promptly expel from school premises any individual he/she thinks might disrupt normal school operations, threaten the health and safety of students or staff, or cause property damage.

The principal or designee shall ensure that all staff members know what action to take when they observe strangers on school grounds and when and how to get help from law enforcement authorities.

~~The School Board welcomes and encourages parents, educators and other interested members of the community to visit the schools and view the educational program. The Superintendent or designee shall establish procedures to facilitate visits, to prevent the disruption of the educational program, and to protect the health and safety of students and staff.~~

~~The Superintendent, the building principals, and their designees each possess the authority to prohibit the entry of any person on the property of this district or to expel any person from district property when there is reason to believe the presence of the person on district property would be disruptive to or otherwise impair the district's program. If any person refuses to leave district property after having been requested to do so pursuant to this policy, district personnel are authorized to request assistance from local law enforcement officials in order to remove the person.~~

(cf. 1250 - Visits to the Schools)

(cf. 3515 - School Safety and Security)

(cf. 4158 - Employee Security)

(cf. 5131.4 - Campus Disturbances)

(cf. 5131.7 - Weapons and Dangerous Instruments)

Adoption Date: August 1, 1995

Revision Date: November 4, 2013

AR 5131.61 STUDENT ATHLETE RANDOM DRUG TESTING

Random drug testing will be required during the athletic season for student athletes who participate in the following high school level sports: Baseball, Boys/Girls Basketball, Football, Cross Country, Softball, Swimming, Track, Volleyball, Wrestling, Cheerleading, and Drill Team.

Prior to the beginning of each sport season, each student athlete and, if the student is a minor (under the age of eighteen), their parent will be required to complete and sign the District Informed Consent Agreement. The agreement will state that the student, and their parent, if applicable, understands that by participation in the sport they agree to subject themselves to the district's random drug testing policy. No student will be allowed to participate in practice or competition until this form is completed, signed and on file with the district.

Testing Procedure

Random testing will be conducted weekly during the season for each sport. Approximately 5% of the students participating in covered sports will be tested each week. Students shall be selected for testing by lottery drawing from a pool of all students participating in covered sports at the time of the drawing. The superintendent shall take all reasonable steps to assure the integrity, confidentiality and random nature of the selection process including, but not necessarily limited to, assuring that the names of all students currently participating in covered sports are included in the pool, assuring that the person drawing names has no way of knowingly choosing or failing to choose particular students for testing, assuring that the identity of students drawn for testing is not known to those involved in the selection process, and assuring direct observation of the selection process by at least two adults.

Testing will be performed for the following drugs: marijuana (THC), cocaine, amphetamines, methamphetamines, PCP, and opiates. Students shall not be tested for the presence of any substance other than an illegal drug, nor shall they be tested for the existence of any physical condition other than drug intoxication and/or the presence of illegal drugs in their systems.

The district shall designate a certain area in the high school building as the collection site. Initial screening tests will be conducted by designated district personnel. Those personnel or "test administrators" shall be trained in appropriate procedures for administering the test, recognizing adulteration of samples and evaluating test results.

Students to be tested shall present verification of their identities to the test administrator, if they are not personally known to the test administrator. They shall be asked to remove any jackets or coats and to wash and dry their hands prior to collection of the specimen. Students must leave their purses or packs outside the collection site, but may remove and retain their wallets. These procedures must be completed in the presence of the test administrator.

A student shall be given a choice of at least two sealed drug-testing kits. The student's selected kit shall be opened in full view of the student. The student shall then be directed to a private area for production of a urine specimen. After testing, the student must present the specimen to the test administrator prior to washing their hands or flushing the toilet. The specimen shall remain in the student's visual field while the test administrator conducts the following procedures. The test administrator shall measure the specimen and record its temperature. The student shall be requested to sign and date a form identifying the specimen.

The testing laboratory shall conduct confirmatory testing using gas chromatography/mass spectrometry (GC/MS) techniques. Tests shall not be considered positive unless the substance to be tested is present at a level equal to or greater than the cutoff level established by the United States Department of Health and Human Services for that substance. All positive GC/MS test results shall be reviewed by a licensed physician or osteopath. Students may be requested to provide verification of prescriptions or other relevant medical information. Test results that the physician or osteopath concludes are caused by medicine prescribed for the student or by the legal ingestion of any substance shall be reported as negative.

The district shall notify the student of a positive test result and shall provide an opportunity for the student to comment on or explain the result to the principal in a confidential setting prior to taking any action to exclude the student from participation in the sport.

All testing will be scheduled by the administration. A parent of any minor student tested will be notified of the testing within 24 hours of the testing. A student and parent shall be provided an opportunity to discuss those results of initial screening and confirmatory testing as soon as possible after those results are available to the district. Students have the right to obtain the written results of their tests if they make a written request to the principal for those results within six months after the date of the test. The principal shall provide those results to the student within five working days of receiving a timely written request for test results.

Refusal to be Tested

Should a student refuse to be tested under this regulation, the student will be considered ineligible to participate in the sport for which the test was required.

Participation Guidelines for Activities

A. In order to promote a positive co-curricular environment, basic training rules are established that require student-athletes to abide by both school and district policies as well as civil laws of the community. Training rules are in effect 24 hours a day and will be enforced from the first day of the season as set by the ASAA calendar. A co-curricular participant will be suspended from participation and practice for that activity season or 30 consecutive school days, whichever is longer.

a. Alcohol - under the influence, in possession.
b. Illegal drugs or paraphernalia - influence, possession, delivery
c. Misuses or abuse of prescribed drugs or over-the-counter substances
d. Tobacco use or possession in any form will result in a two-week suspension from competitive participation, not practice. A second offense will cause dismissal from participation and practice from that activity for the remainder of the season.

B. Chemical assessment: If a student is dismissed from participation or practice because of "b" or "c" above they must have a chemical assessment and/or possible counseling and complete the recommendations from the assessment before they can participate in another activity. With administrative approval, and upon completion of appropriate assessment and counseling, the student/athlete may become eligible to participate in practice for the last ten (10) day of their thirty (30) school day suspension. This may occur after the season for which the violation happened is done based on the ASAA approved calendar.

C. Any student who quits, is cut, or removed from a sport/activity for disciplinary reasons will not be eligible to practice or play another sport/activity during the season of that sport/activity for which these actions occurred.

Consequences of Positive Test Periods of Exclusion - General

Periods of exclusion shall commence immediately following the exhaustion of the student's opportunity to explain positive test results to the principal, unless the principal determines that good cause exists to delay, modify or revoke the exclusion requirement. Periods of exclusion continue into the next sport season in which the student requests and is otherwise eligible to participate, for as long as necessary in order to reach the equivalent of an entire season of exclusion.

Restrictions on Disclosure and Use of Drug Test Results

The results of a drug test will be considered medical records and held confidential to the extent permitted by law. The District will limit disclosure of information acquired in a drug test, including the positive and negative results, to the following individuals unless the student consents in writing to other disclosures: (1) the student; (2) the student's parents; (3) the student's principal and other school officials with a need to know, including the eligibility report to the Alaska School Activities Association (ASAA) (**Note:** The results of the drug test will not be disclosed absent a legal requirement to do so.)

It will only be reported that the student has violated the ASAA citizenship rule; (4) the test administrator and laboratory personnel; (5) medical review personnel; (6) a counselor or other rehabilitation personnel if the student seeks or is required to use such service. The results of random testing will not be disclosed to criminal or juvenile authorities

When a student tests positive in response to a drug test administered as part of a series of required periodic drug tests and the positive test result is attributable solely to the fact that a drug the student had ingested prior to commencement of the series of tests has not yet cleared the student's system, the positive test shall not be treated as a second or subsequent positive test for purposes of imposing additional consequences on the student pursuant to this regulation.

Definitions

Drug - For purposes of BP 5131.61 and this regulation, a drug is defined as a substance considered unlawful under AS 11.71 or the metabolite of the substance. This definition is different from the definition of drug used in BP 5131.6 and its accompanying regulation, in recognition of the differing circumstances and interests addressed by the two policies.

Parent - For purposes of BP 5131.61 and this regulation, parent is defined to include a student's natural parent, guardian, or an individual acting as a parent in the absence of a parent or guardian.

Implementation Date: July 24, 2000

Revision Date: April 12, 2004

Revision Date: June 22, 2005

Revision Date: May 14, 2008

AR 5121 GRADES/EVALUATION OF STUDENT ACHIEVEMENT

Student evaluation is based upon assessing students towards National, State, and local content and performance standards in various content areas (Reading, Writing, Mathematics, Social Studies, Science, Health/P.E., Vocational, Technology, and Cultural). The purposes of assessing students towards standards are:

- to give the student, parent, and teacher information on student strengths and weaknesses.
- to prepare students for assessments
- provide comparative information on required State testing and daily student performance so that individual and programmatic needs and improvements can be addressed.
- To track students and programs according to the State Grade Level Equivalents (GLE's) for charting individual and programmatic growth

Student Assessment

Assessing students will be based upon a basic 4-point rubric reflecting the proficiency level of the specific standard(s) being measured. We use a 4-point scale that appears below (Parent/Student Descriptors). Teachers will adhere to the basic 4-point scale, but can choose to assess to .5 intervals based upon the rubric below (Teacher Scoring Description).

Score	Teacher Scoring Description	Parent/Student Description
4.0	**In addition to Score 3.0 performance, in-depth inferences and applications that exceeds the standard expectation.**	**Advanced Proficient**
3.5	In addition to Score 3.0 performance, partial success at in-depth inferences and applications that exceeds the standard expectation.	
3.0	**No major errors or omissions regarding any of the information and/or processes (simple or complex) that was explicitly taught.**	**Proficient**
2.5	No major errors or omissions regarding the simpler details and process. Partial knowledge of the more complex ideas and processes.	

2.0	**Partial knowledge of the simpler details and processes but major errors or omissions regarding the more complex ideas and processes.**	**Below Proficient**
1.5	With help, a partial understanding of some of the simpler details and processes and some of the more complex ideas and processes.	
1.0	**With help, a partial understanding of some of the simpler details and processes but not the more complex ideas and processes.**	**Far Below Proficient**
.5	Even with help, demonstrated no understanding or skill	
0	**No meaningful attempt made.**	**No Attempt Made**

Over time, each standard being assessed will have multiple assessments and multiple scores that contribute to an overall rubric score averaged for that standard. Various assessments may be weighted depending upon the type of assessment (homework vs project vs test for example). As a student moves through the school year, progress towards the standards (or lack of) can be noted and adjustment made.

Life Skills

All students are also assessed on life skills. These life skills are very important, but they should be separated from academic performance. We found that too many times, the hard working student was rewarded for responsible behaviors with good grades.

However, the student and his/her parents were not getting accurate academic performance feedback. Therefore, we separated or reduced and defined the separation between life skills and academic performance. The life skills assessed are as follows:

BES	KGH	BMS	SHS	PHS
Study/Work skills Social Skills Courtesy/Respect	Study/Work Skills Social Skills Courtesy/Respect	Work Ethic Participation	Work Ethic Participation	Work Ethic Participation

		Courtesy/Respect	Courtesy/Respect	Courtesy/Respect

Because life skills can fluctuate, these life skills will be assessed a minimum of 4 times a grading period (Semester - Secondary) or once each grading period (Trimester - Elementary) to give an accurate picture of the specific life skill. Life Skills are assessed on the 4-point scale with a specific rubric reflecting the proficiency level of the specific life skill being measured.

Assessment Periods

Because students learn at different rates and their progress towards standards is dependent on time, assessing student progress over time serves the student better. Because of that, BES, KGH, BMS core classes reflect a yearlong continuum and BMS Electives and SHS courses reflect a semester long continuum. PHS courses reflect more concentrated study and consist of six 2-8 week sessions.

While allowing time to be an asset in the progress towards standards, it can also be lost time without continual monitoring and adjusting. Due to this, P-T conferences will be scheduled at regular intervals for all buildings (Fall and Spring) as well as periodic snapshot reports (Progress Reports) or formal reports (Report Cards) being sent home throughout the year. Beyond these formal events, if a student is not making adequate progress, special meetings with the student and/or parents will take place to address progress concerns.

Grades

Because assessing students to standards is designed to reflect a student's strengths and weaknesses, no overall grades will be given in grades K-8. There will only be marks reflective of each standard assessed.

In grades 9-12 (SHS and PHS) overall grades are used due to the realities of secondary school eligibility, GPA, class rank, and college entrance. At Sitka High, the student's overall grade in a course is obtained as a result of their overall progress towards the content standards (85%) and life skills (15%).

At Pacific High the student's overall course grade is a reflection of the student's performance on course competencies, which are comprised of district standards and grade level expectations. Students must meet required competencies at a mastery level

(3) in order to receive credit. Students meeting competencies will earn a letter grade of A+ to B-, dependent upon the quality of their performance. Students who do not meet competencies will earn an NC (No Credit).

This overall score is converted to an alpha grade utilizing the following mark table conversion:

SHS Mark Table		**PHS Mark Table**	
A+ =	3.90 - 4.00	A =	4.00
A =	3.65 - 3.89	A- =	3.75
A- =	3.50 - 3.64	B+ =	3.50
B+ =	3.40 - 3.49	B =	3.25
B =	3.15 - 3.39	B- =	3.00
B- =	3.00 - 3.14	NC = 2.99 - 0	
C+ =	2.90 - 2.99		
C =	2.65 - 2.89		
C- =	2.50 - 2.64		
D+ =	2.40 - 2.49		
D =	2.15 - 2.39		
D- =	2.00 - 2.14		
F =	0.00 - 1.99		

In addition to the above mark table, there are times that a teacher may utilize overwrites in their grading and the following special marks may be used:

"P" = Pass,

"E" = Effort,

"I" = Incomplete

NC = No Credit

OSN, +-=

Honor Roll

Honor Roll is not used in grades K-8, but is used and published in grades 9-12. The Honor Roll is reflective of a student's semester or session grades and will be calculated after the semester or session ends.

GPA

Honor Roll and GPA are calculated on the following scale:

A	4 grade points
B	3 grade points
C	2 grade points
D	1 grade points
F	0 grade points
W	0 grade points
I	0 grade points
NC	0 grade points
P	Not factored into GPA
E	Not factored into GPA

Implementation Date: November 7, 1995

Revision Date: September 18, 2007

SITKA SCHOOL DISTRICT

BP 5131.61

HIGH SCHOOL ASAA-SANCTIONED STUDENT ACTIVITIES ALCOHOL, TOBACCO, NICOTINE, AND OTHER DRUG TESTING

SELECTED SCOPE: ASAA-SANCTIONED ACTIVITIES ONLY | Working draft for Policy Committee review - Not adopted

Policy/Regulation	BP 5131.61	**Option**	ASAA-SANCTIONED ONLY
Adopted	_____	**Revised**	_____

Purpose

The Sitka School District recognizes the importance of promoting the health, safety, and well-being of students participating in school-sponsored activities. The District establishes an alcohol, tobacco, nicotine, and other drug testing program to support students in maintaining a substance-free lifestyle; deter the use of alcohol, nicotine, tobacco, and other drugs; provide students with an additional reason to resist peer pressure to use such substances; and encourage students who may be experiencing substance-use concerns to seek appropriate assistance and support.

The District further recognizes that students participating in school-sponsored activities represent Sitka High School and the Sitka School District and that the use or possession of alcohol, nicotine products, tobacco products, electronic smoking devices, controlled substances, or other prohibited substances may adversely affect student health, safety, judgment, performance, and the well-being of others.

Scope

This policy applies to ~~Sitka High School~~Sitka School District students participating in interscholastic ~~sports or~~ activities sanctioned by the Alaska School Activities Association (ASAA) and subject to ASAA's Tobacco, Alcohol and Controlled Substance requirements.

The specific activities subject to this policy shall be determined in accordance with current ASAA rules and participation requirements.

Participation, Consent, and Authorization for Testing

Participation in activities covered by this policy is a privilege. As a condition of participation, students shall comply with this policy and Administrative Regulation 5131.61, including participation in the District random testing program.

Prior to participation in a covered activity, the student and, when the student is under 18 years of age, the student's parent or legal guardian shall provide written authorization permitting the District to conduct testing in accordance with this policy and Administrative Regulation 5131.61.

A student who does not provide the required authorization shall not be eligible to participate in activities covered by this policy until the required authorization is provided.

Students and parents or legal guardians shall receive notice of this policy, the accompanying administrative regulation, and the requirements of the testing program prior to signing the District testing authorization. The program notice may be incorporated into the signed District authorization form, which is separate from the ASAA Play for Keeps acknowledgment.

A student who refuses or fails to submit to a properly authorized test shall be subject to the eligibility requirements and consequences established in Administrative Regulation 5131.61.

Prohibited Conduct and Testing Authority

Students covered by this policy are prohibited from possessing, using, or distributing alcohol, tobacco products, nicotine products, electronic smoking devices, controlled substances, or other prohibited substances as defined in Administrative Regulation 5131.61.

As a condition of participation in covered activities, students shall be subject to random testing for alcohol, nicotine, controlled substances, and other substances identified in Administrative Regulation 5131.61.

The Superintendent or designee shall establish procedures governing the testing program, including the substances tested, methods of testing, random selection procedures, specimen collection, review and confirmation of test results, and appropriate exceptions for legally prescribed medications or other lawful therapeutic use.

Testing shall be conducted in a manner designed to protect student privacy, maintain the integrity and accuracy of the testing process, and ensure the confidentiality of test results.

Confidentiality and Use of Test Results

Information obtained through the District testing program, including test results, shall be treated as confidential student information and disclosed only as permitted or required by law and to individuals with a legitimate need to know for purposes of administering this policy.

Test results obtained solely through the random testing program shall be used for determining eligibility to participate in covered activities and for providing appropriate student support and intervention. A positive test result, by itself, shall not result in an academic penalty or disciplinary action unrelated to participation in covered activities.

Nothing in this policy limits the District authority to impose discipline under other applicable Board policies or school rules when a student's possession, use, distribution, or other conduct independently constitutes a violation of those policies or rules.

Results obtained solely through random testing shall not be disclosed to law enforcement or juvenile authorities except as required by law.

Violations, Consequences, and Student Support

A positive on-site screening result shall be considered presumptive until the student and parent/legal guardian have had the opportunity to request laboratory confirmation of the same original specimen within 24 consecutive hours following documented notification, as provided in Administrative Regulation 5131.61. If laboratory confirmation is not timely requested, the presumptive positive result may be treated as final under the regulation.

A final positive test under the District testing program constitutes a District BP/AR 5131.61 violation. A reportable ASAA TAD violation shall also be established and reported when the District determines that the evidence meets the prohibited-use, possession, or distribution criteria of the current ASAA TAD policy.

Violations of this policy shall result in appropriate consequences affecting participation in covered activities. Consequences shall be progressive and shall emphasize student accountability, education, intervention, and the opportunity to return to participation when established requirements have been satisfied.

The District shall provide procedures for notifying students and parents or legal guardians of violations and shall provide students an opportunity to respond to or explain a test result before activity eligibility consequences are imposed.

Where applicable, consequences shall meet or exceed eligibility requirements established by ASAA.

Specific consequences, educational or intervention requirements, conditions for return to participation, procedures for subsequent violations, and appeal procedures shall be established in Administrative Regulation 5131.61.

Student Assistance and Self-Referral

The Board recognizes that the purpose of this policy includes encouraging students to make healthy decisions and to seek assistance when they are experiencing difficulty with alcohol, nicotine, tobacco, or other drug use.

Students are strongly encouraged to voluntarily seek assistance from a parent or legal guardian, school administrator, counselor, or other appropriate school employee before a violation is identified through testing or other means.

The District shall establish a self-referral process that provides students who voluntarily seek assistance with access to appropriate education, intervention, counseling, cessation resources, or other supports. To the extent permitted by applicable ASAA requirements and law, the self-referral process should encourage students to seek assistance without fear that requesting help will, by itself, result in additional punitive consequences.

A student must self-refer before being notified of selection for testing and before the District has otherwise identified or begun investigating a possible violation in order to qualify for protections or alternatives available through the self-referral process.

Specific self-referral procedures, eligibility requirements, interventions, and the relationship between self-referral and activity eligibility consequences shall be established in Administrative Regulation 5131.61.

Administration of the Testing Program

The Superintendent or designee shall develop and maintain Administrative Regulation 5131.61 to implement this policy.

The administrative regulation shall establish procedures necessary to ensure that the testing program is fair, reliable, confidential, and consistently administered, including procedures addressing students and activities subject to testing; random selection; substances included in the testing panel; specimen collection and student privacy; screening and laboratory confirmation; review of lawful medications or therapeutic use; notification of test results; refusal or failure to test; attempted manipulation of a specimen or the testing process; appeals; consequences and requirements for return to participation; student education and intervention; self-referral; and maintenance and confidentiality of records.

The Superintendent or designee may modify testing procedures as necessary to reflect changes in law, testing technology, professional standards, vendors, or ASAA requirements, provided such procedures remain consistent with this policy.

Cross References

- BP 5131 - Conduct
- BP 5131.6 - Alcohol and Other Drugs
- BP 5144 - Discipline
- BP 5145.12 - Search and Seizure

Legal References

- Vernonia School District 47J v. Acton, 515 U.S. 646 (1995)
- Board of Education of Independent School District No. 92 of Pottawatomie County v. Earls, 536 U.S. 822 (2002)

Review note: *Legal review is recommended before final adoption, particularly as to scope, confirmation procedures, confidentiality, and the relationship between local consequences and ASAA requirements.*

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Basic Financial Statements, Required Supplementary Information, Supplementary Information, and Compliance Section
(With Independent Auditor's Reports Thereon)

Year Ended June 30, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Basic Financial Statements, Required Supplementary Information, Supplementary Information, and Compliance Section
(With Independent Auditor's Reports Thereon)

Year Ended June 30, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Independent Auditor's Report

Members of the School Board
Sitka School District
Sitka, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sitka School District a component unit of the City and Borough of Sitka, Alaska (the District) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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 and Actual: School Operating Fund, the schedules of the District's proportionate share of the net pension/OPEB liabilities (assets) and contributions for Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS), and the Notes to Required Supplementary Information on pages 38-51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Members of the School Board
Sitka School District

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated Month XX, 2026, on our consideration of the 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
Month XX, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

BASIC FINANCIAL STATEMENTS

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Statement of Net Position

June 30, 2026

	Governmental Activities
Assets and Deferred Outflows of Resources	
Current assets:	
Cash and cash equivalents	$ 818,148
Accounts receivable	2,048,235
Prepaid items	22,615
Inventories	15,036
Total current assets	2,904,034
Long-term assets:	
Capital assets	1,415,798
Accumulated depreciation	(1,384,933)
Net OPEB assets	9,003,087
Total long-term assets	9,033,952
Deferred outflows of resources -	
Pension and OPEB deferrals	1,173,618
Total assets and deferred outflows of resources	$ 13,111,604
Liabilities, Deferred Inflows of Resources, and Net Position	
Current liabilities:	
Accounts payable	296,464
Payroll liabilities	75,465
Compensated absences	253,680
Unearned revenues	33,100
Total current liabilities	658,709
Long-term liabilities:	
Compensated absences	230,095
Net pension liabilities	11,705,473
Total long-term liabilities	11,935,568
Deferred inflows of resources -	
Pension and OPEB deferrals	864,156
Total liabilities and deferred inflows of resources	13,458,433
Net Position	
Net investment in capital assets	30,865
Restricted	20,127
Unrestricted	(397,821)
Total net position	(346,829)
Total liabilities, deferred inflows of resources and net position	$ 13,111,604

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Statement of Activities

Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental activities:				
Instruction	$ 9,119,413	-	1,127,363	(7,992,050)
Special education instruction	4,823,099	-	180,960	(4,642,139)
Special education support services - students	1,012,663	-	(79,696)	(1,092,359)
Support services - students	628,210	-	66,834	(561,376)
Support services - instruction	167,444	-	3,954	(163,490)
School administration	809,550	-	(110,673)	(920,223)
School administration support services	890,534	-	-	(890,534)
District administration	569,182	-	(37,165)	(606,347)
District administration support services	1,083,733	-	38,459	(1,045,274)
Operations and maintenance of plant	2,176,914	-	-	(2,176,914)
Student activities	1,073,143	-	240,302	(832,841)
Student transportation- to and from school	594,684	-	511,826	67,394
Community services	1,052,099	315,083	374,006	(363,010)
Food services	656,587	150,252	296,637	(359,950)
Total governmental activities	$ 24,657,255	315,083	2,612,807	(21,579,113)

General revenues:	
City and Borough appropriations	$ 8,797,775
Forest receipts-passed through City and Borough of Sitka	1,169,820
E-rate	74,567
Other	282,177
State grants not restricted to specific programs	12,756,606
Federal grants not restricted to specific programs	47,308
Total general revenues	23,128,253
Change in net position	1,549,140
Net position (deficit), beginning of the year	(1,895,969)
Net position (deficit), end of year	$ (346,829)

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Balance Sheet - Governmental Funds

June 30, 2026

		School Operating Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$	818,148	-	818,148
Accounts receivable		957,734	1,090,501	2,048,235
Due from other funds		1,323,474	1,228,954	2,552,428
Prepaid items		22,615	-	22,615
Inventories		-	15,036	15,036
Total assets	$	3,121,971	2,334,491	5,456,462
Liabilities and Fund Balances				
Liabilities:				
Accounts payable		235,454	61,010	296,464
Payroll liabilities		75,465	-	75,465
Unearned revenues		-	33,100	33,100
Due to other funds		1,228,954	1,323,474	2,552,428
Total liabilities		1,539,873	1,417,584	2,957,457
Fund Balances:				
Nonspendable:				
Prepaid items		22,615	-	22,615
Inventories		-	15,036	15,036
Restricted - Reuben E. Crossett		-	20,127	20,127
Committed:				
Community Schools		-	72,015	72,015
Kapor Foundation		-	8,233	8,233
Sitka AmeriCorps		-	21,232	21,232
Equipment and Textbooks		-	8,954	8,954
Charitable Trust		-	18,084	18,084
Citizens Donation		-	330,496	330,496
Safeway Albertson's Foundation		-	4,620	4,620
Community Schools Recycling Project		-	25,515	25,515
Ventures		-	245,520	245,520
Performing Arts Center		-	100,527	100,527
Student Activities		-	378,855	378,855
Unassigned		1,559,483	(332,307)	1,227,176
Total fund balances		1,582,098	916,907	2,499,005
Total liabilities and fund balances	$	3,121,971	2,334,491	5,456,462

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

June 30, 2026

Total fund balance - governmental funds		$ 2,499,005
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds.		30,865
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences		(483,775)
Proportionate share of the collective net OPEB assets:		
PERS	$ 2,188,661	
TRS	6,814,426	
		9,003,087
Proportionate share of the collective net pension liabilities:		
PERS	(3,804,146)	
TRS	(7,901,327)	
		(11,705,473)
Deferred inflows and outflows of resources are the results of timing differences in the actuarial report:		
Pension and OPEB balances in the current fiscal year presented as deferred outflows of resources:		
PERS	417,159	
TRS	756,459	
		1,173,618
Pension and OPEB balances in the current fiscal year presented as deferred inflows of resources:		
PERS	(225,550)	
TRS	(638,606)	
		(864,156)
Net position of governmental activities		$ (346,829)

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

Year Ended June 30, 2026

	School Operating Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Local sources:			
Charges for services	$ -	465,335	465,335
Other local revenue	282,177	1,258,898	1,541,075
E-rate	74,567	-	74,567
Intergovernmental:			
City and Borough appropriations	7,982,616	815,159	8,797,775
Forest receipts-passed through City and Borough of Sitka	1,169,820	-	1,169,820
State of Alaska	14,625,294	670,740	15,296,034
Federal sources	47,308	1,953,675	2,000,983
Total revenues	24,181,782	5,163,807	29,345,589
Expenditures:			
Current:			
Instruction	9,874,321	1,864,682	11,739,003
Special education instruction	5,536,175	361,659	5,897,834
Special education support services - students	1,313,531	-	1,313,531
Support services - students	783,283	141,425	924,708
Support services - instruction	159,914	7,530	167,444
School administration	1,338,519	-	1,338,519
School administration support services	883,037	-	883,037
District administration	740,234	-	740,234
District administration support services	1,165,801	52,107	1,217,908
Operations and maintenance of plant	2,176,914	-	2,176,914
Student activities	335,305	784,046	1,119,351
Student transportation - to and from school	-	594,684	594,684
Community services	-	1,052,099	1,052,099
Food services	-	648,672	648,672
Total expenditures	24,307,034	5,506,904	29,813,938
Excess (deficiency) of revenues over expenditures	(125,252)	(343,097)	(468,349)
Other financing sources (uses):			
Transfers in	61,022	-	61,022
Transfers out	-	(61,022)	(61,022)
Net other financing sources (uses)	61,022	(61,022)	-
Net change in fund balances	(64,230)	(404,119)	(468,349)
Fund balances, beginning of year	1,646,328	1,321,026	2,967,354
Fund balances, end of year	$ 1,582,098	916,907	2,499,005

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

Year Ended June 30, 2026

Net change in fund balances - total government funds		$ (468,349)
Amounts reported for *governmental activities* in the Statement of Activities are different because:		
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in unfunded net pension and OPEB liabilities and assets:		
PERS	$ 1,114,185	
TRS	2,246,732	3,360,917
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 liability.		
PERS	(286,040)	
TRS	(855,993)	(1,142,033)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	8,000	
Depreciation expense	(60,313)	(52,313)
Compensated absences reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.		
Change in compensated absences		(149,082)
Change in net position of governmental activities		$ 1,549,140

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Sitka School District (the District) is a component unit of the City and Borough of Sitka, Alaska (the City). The City has the responsibility of establishing, maintaining, and operating a system of public schools. The City's charter delegates the administrative responsibility for these functions to the elected School Board of the District. The City and Borough Assembly approves the total annual City appropriation at the request of the School Board. The School Board has the authority to establish its own budgets, hire all personnel, and manage its financial operations subject to the limitations established by State law and City Charter. Using the criterion of financial accountability, there are no component units that are or should be included in the District's reporting entity.

The School Board does not exercise oversight responsibility over any other entity. No other entity engages in activities, which benefit the District, nor do any special financial relationships exist between the District and any other entity. Therefore, the District does not have any component units, as defined in GASB Statement No. 14, as amended by GASB Statements No. 39 and 61, which require inclusion in the combined financial statements. The School Board is the level of government, which has governance responsibilities over all activities related to public elementary and secondary education within its jurisdiction. The District receives financial support from state and federal government sources and must comply with the concomitant requirements of these entities.

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

The more significant of the District's accounting policies are described below.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of 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 District does not presently have any business-type activities.

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*.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

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. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Position.

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 with 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt and compensated absences which is recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Summarized below are the major sources of revenue, which are susceptible to accrual and the applicable recognition policies:

Intergovernmental Revenues:

State of Alaska Foundation, Pupil Transportation, and federal aid for school lunch revenue is recorded in the year to which it relates.

Federal Impact Aid receipts are recorded as revenues in the year monies are received.

State of Alaska and federal government cost reimbursable grants and contracts revenues are recorded to the extent of allowable expenditures in the period incurred.

On-behalf payments and E-Rate subsidies are recognized in the year to which it relates.

Revenues from the City and Borough of Sitka are recorded as intergovernmental revenues, are susceptible to accrual and are recorded in the year of the City/Borough appropriation.

Local Revenues:

Interest earnings on deposits in the School Operating Fund are recognized when earned. Tuition, and proceeds from the sale of lunches are recognized in the year received.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Indirect Costs:

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

The District uses funds to maintain its financial records during the fiscal year. A fund is a separate accounting entity. The operations of each fund is accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures.

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the District's major governmental fund:

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

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

Special Revenue Funds account for educational grants and contributions received from federal, state, and other local agencies. These funds do not have a legally adopted budget.

Use of Estimates

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

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position / Fund Balance

1. Cash and Cash Equivalents

The District maintains a cash pool that is available to 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 to/from other funds." All deposits are carried at fair market value plus accrued interest. The District's cash consists of cash on hand and demand deposits maintained at financial institutions. At June 30, 2026, all demand deposits were either insured or collateralized. All interest earnings on cash and cash equivalents have been designated by the School Board to be used for purchase of equipment and textbooks and such earnings are recorded in the Equipment and Textbook Special Revenue Fund.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

The District held no investments at June 30, 2026.

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.

Receivables are comprised of amounts due from the federal government, State of Alaska, and other local sources. No receivables are deemed uncollectible and no allowance for uncollectible accounts has been established, accordingly.

3. Prepaid Items and Inventories

Payments made to vendors for services that will benefit periods beyond June 30, 2026 are recorded as prepaid items. Prepaid items are recorded as assets and are classified as "nonspendable" fund balance, indicating that such amounts do not represent "available, spendable resources."

Accounting for inventory of food supplies is on the consumption method. The consumption method records the expenditure when consumed rather than when purchased. Inventories are valued at cost 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 that they do not constitute "available spendable resources" even though they are a component of net current position.

4. Capital Assets

Capital assets, which include buildings and improvements, vehicles and equipment, 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 acquisition value at the date of donation. Assets greater than $5,000 with a useful life greater than one year in the government-wide financial statements are capitalized and depreciated on straight-line method. The City holds title to all land and buildings used by the District for educational purposes.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are considered operations and maintenance and are not capitalized in the government-wide financial statements.

Vehicles, machinery, and equipment owned by the District are depreciated under the straight-line method over five years.

5. Unearned Revenues

Represents amounts received from grantor agencies, which are restricted as to use and have not been expended for the intended use are shown on the Balance Sheet as unearned revenues.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

6. Compensated Absences

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

7. Long-term Obligations

In the Government-wide Financial Statements, long-term debt or other long-term obligations are reported as liabilities. In the Fund Financial Statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Pensions/Other Post-Employment Benefits (OPEB)

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

9. Deferred Outflows/Inflows of Resources

Deferred inflows of resources are the acquisition of fund balance / net position by the District that are applicable to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred outflows of resources are the consumption of fund balance / net position by the District that are applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time.

10. Net Position

Government-wide net position is divided into three components:

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

11. Fund Balance

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

Nonspendable fund balance – amounts that cannot be spent because they are in a nonspendable form (such as inventory or prepaid items) or legally or contractually required to be maintained intact (such as the corpus of an endowment fund).

Restricted fund balance – amounts constrained by external parties, or legislation (such as grantors or higher levels of government).

Committed fund balance – amounts constrained to specific purposes by the District's Board, using the District's highest level of decision-making authority (resolution or ordinance); to be reported as committed, amounts cannot be used for any other purpose unless the School Board takes the same highest-level action to remove or change the constraint.

Assigned fund balance – amounts that are intended for a particular purpose. Intent can be expressed by the School Board or by the Superintendent or designee.

Unassigned – amounts available for any purpose; these amounts are reported only in the School Operating Fund, unless non-spendable resources creates a negative unassigned fund balance in the Special Revenue Funds.

The five categories of fund balance place varying strengths of spending constraints on available resources in a descending order as listed. Nonspendable fund balance is the most restrictive classification and unassigned fund balance is the least restrictive.

When an expenditure has been duly authorized and funding to pay for the expenditure is available within multiple fund balance classifications, the District's policy is to utilize funding available in the most restrictive classification first.

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

12. 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.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental fund types except certain locally funded Special Revenue Funds and Capital Project Funds. The Capital Project Funds adopt project-length budgets. 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 certain federal programs which lapse at various month ends of July, August, and September.

The School Board authorizes formal budget revisions several times each year to adjust the revenues and expenditures to available resources and program needs.

The appropriated budget is prepared by fund, function, and object. The District's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the School Board.

Annual budgets of the various Special Revenue Funds are prepared in connection with the application for the special programs' awards, when applicable, and are reviewed and approved by the School Board. Project budgets are adopted for the various Capital Project Funds based on the lives of the construction projects. Expenditure authority is limited to the actual combined revenues, transfers from other funds and available fund balance within the fund.

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 revenue 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 Special Revenue Funds. Encumbrances outstanding at year end are reported as unassigned fund balances since they do not constitute expenditures or liabilities. The amount of encumbrances, if significant, are disclosed as commitments.

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III. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents

The District uses a central treasury concept for cash of all funds. As of June 30, 2026, all of the District's cash balances were fully insured and collateralized. All of the District's cash is held in the form of checking and savings demand accounts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. To limit credit risk, the District's cash management policy requires that all deposits be either insured or covered by collateralization agreements.

B. Accounts Receivable

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

	School Operating Fund	Other Governmental Funds	Total
Grants	$ -	1,090,501	1,090,501
Other	957,734	-	957,734
Total	$ 957,734	1,090,501	2,048,235

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, 2026 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Machinery, equipment and vehicles	$ 1,407,798	8,000	-	1,415,798
Accumulated depreciation	(1,324,620)	(60,313)	-	(1,384,933)
Net governmental activities capital assets	$ 83,178	(52,313)	-	30,865

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

Instruction	$ 3,538
School administration support services	7,497
District administration support services	41,363
Food services	7,915
Total	$ 60,313

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FOR DISCUSSION PURPOSES ONLY

D. Interfund Receivables and Payables and Transfers

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

Receivable Fund	Payable Fund	Amount
School Operating Fund	Other Governmental Funds	$ 1,323,474
Other Governmental Funds	School Operating Fund	1,228,954
Total		$ 2,552,428

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.
Interfund transfers:

Transfers in:	Transfers out:	Amount
School Operating Fund	Other Governmental Funds	$ 61,022

Transfers are used to move unrestricted resources from the School Operating Fund to finance various programs or vice versa that the District must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

E. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the District for the year ended June 30, 2026:

	Beginning Balance	Net Change	Ending Balance	Due Within One Year
Compensated absences	$ 334,693	149,082	483,775	253,680

F. Deficit Fund Balances and Net Position

The following Governmental Funds had deficit fund balances at June 30, 2026:

Student Transportation Special Revenue Fund	$ 82,858
Food Service Program Special Revenue Fund	$ 205,874
Swimming Pool Special Revenue Fund	$ 28,539

The District reported a deficit unrestricted net position for other governmental funds of ($317,271) and a total deficit net position of ($346,829) in the Governmental Activities at June 30, 2026. The Government-wide net position deficit is primarily the result of the recognition of long-term pension-related liabilities and deferred inflows of resources, required under GASB Statement No. 68 and No. 75. These liabilities and deferred inflows of resources do not affect the availability of current financial resources and are not reflected in the governmental fund financial statements, which reported positive total fund balances at June 30, 2026.

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FOR DISCUSSION PURPOSES ONLY

III. OTHER INFORMATION

A. Risk Management

The District faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability, i.e., errors and omissions, (d) environmental damage, (e) workers compensation, and (f) medical/dental/vision costs for employees.

Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for damage to and loss of property and contents, general liability, errors and omissions and student accidents. Coverage limits and the deductibles on commercial policies have stayed relatively constant for the last several years. No settlement in excess of insurance coverage has been realized over the past three years.

B. Employee Retirement Systems and Plans

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

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

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

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

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FOR DISCUSSION PURPOSES

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

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

Plan Memberships

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

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

Other Postemployment Benefit Plans (OPEB)

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2026, employer contributions were 0.00% for PERS and 0.00% for TRS.

Occupational Death and Disability Plan (ODD)

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 2026, the employer contribution rates were 0.24% for PERS and 0.08% for TRS.

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Retiree Medical Plan (RMP)

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended, June 30, 2026, employer contributions were 0.86% for PERS and 0.74% for TRS.

Health Reimbursement Arrangement Plan (HRA)

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

Investments

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

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

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return, net of investment expense, for the year ended June 30, 2025 for PERS and TRS for the DB Pension Plan were 10.80% and 10.78%, the ARHCT Plan were 10.86% and 10.86%, the ODD Plan were 10.86% and 10.78%, and the RMP were 10.87% and 10.81%, respectively.

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

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

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The long-term expected rate of return on pension and OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below for the PERS and TRS plans (rates shown below exclude an annual inflation component of 2.51%):

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

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.25%. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 5.20% as of June 30, 2025.

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

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

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

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

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

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

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

Termination Costs: If the District decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular District function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The District must pay to have a termination study completed. The purpose of the study is to calculate the District's one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The District must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS and TRS Administrator. For the fiscal year 2026, the past service rate for PERS and TRS is 19.29%.

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Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2025 (latest available) were determined by an actuarial valuation as of June 30, 2024 which was rolled forward to the measurement date June 30, 2025. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021.

Inflation	2.50% per year.
Salary Increases	Increases range from 2.85% to 8.50% based on service.
Investment return / discount rate	7.25%, net of expenses based on average inflation of 2.50% and a real return of 4.75%.
Mortality	Based upon 2017-2021 actual experience study and applicable tables contained in Pub-2010, projected with MP-2021 generational improvement.
Healthcare cost trend rates	Pre-65 medical: 6.2% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Rx/EGWP: 8.5% grading down to 4.5%. Initial trend rates are for FY2026. Ultimate trend rates reached in FY2050.

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

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

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

Plan Description. The District participates in the Alaska Public Employees' Retirement System (PERS), a cost sharing multiple employer defined benefit pension plan. Currently, there are 148 participating local government employers and public organizations, including the State of Alaska. This includes a total of 51 school districts participating in the plan. PERS provides retirement benefits, disability and death benefits, and post-employment healthcare to plan members and beneficiaries. The Plan was established and is administered by the State of Alaska, Department of Administration. The Public Employee's Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. This report may be obtained from the system at Pouch C, Juneau, Alaska 99811 or online at: http://doa.alaska.gov/drb/pers.

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

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

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

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

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

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

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

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

Employee Contribution Rate. PERS active members are required to contribute 6.75%, 7.50% for peace officers and firefighters, and 9.76% for certain school district employees, of their base salaries.

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

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
$	352,359	26,334	378,693

Public Employees' Retirement Plans

For the year ended June 30, 2026 the State of Alaska contributed $167,579 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2025 to a total of ($2,952) to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

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Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2026, the District reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the District. The amount recognized by the District as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the District were as follows:

Defined Benefit:	Pension
District's proportionate share of the net pension liability	$ 3,804,146
State's proportionate share of the net pension liability	1,167,829
Total	$ 4,971,975

	OPEB
District's proportionate share of the ARHCT OPEB asset	$ (2,081,499)
State's proportionate share of the ARHCT OPEB asset	(588,218)
Total	$ (2,669,717)
District's proportionate share of the ODD OPEB asset	$ (49,717)
District's proportionate share of the RMP OPEB asset	$ (57,445)
Total District's share of net pension and OPEB liabilities and (assets)	$ 1,615,485

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2024, rolled forward to the measurement date of June 30, 2025 and adjusted to reflect updated assumptions. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for the fiscal years ending FY2026 to FY2039, as determined by projections based on the June 30, 2024 valuation.

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

	June 30, 2025 Measurement	June 30, 2024 Measurement	Change
Pension	0.0767%	0.0865%	(0.0098%)
OPEB:			
ARHCT	0.0782%	0.0867%	(0.0085%)
ODD	0.0701%	0.0890%	(0.0189%)
RMP	0.0908%	0.1068%	(0.0160%)

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Based on the measurement date of June 30, 2025, the District recognized pension and OPEB expense of ($389,586) and ($62,464), respectively, for the year ended June 30, 2026. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
Defined Benefit:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(94,565)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	352,359	-
Total	$ 352,359	(94,565)

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(82,220)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	-	-
Total	$ -	(82,220)

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	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	(9,605)
Changes of assumptions	-	(58)
Net difference between projected and actual earnings on OPEB plan investments	-	(1,217)
Changes in proportion and differences between District contributions and proportionate share of contributions	16,210	(220)
District contributions subsequent to the measurement date	5,746	-
Total	$ 21,956	(11,100)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,468	(3,824)
Changes of assumptions	11,182	(27,778)
Net difference between projected and actual earnings on OPEB plan investments	-	(5,251)
Changes in proportion and differences between District contributions and proportionate share of contributions	6,606	(812)
District contributions subsequent to the measurement date	20,588	-
Total	$ 42,844	(37,665)

$352,359 and $26,334 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 liabilities and as an increase to the net OPEB assets in the year ended June 30, 2027, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2026	$ 147,855	122,402	982	(1,394)
2027	(92,899)	(79,160)	(79)	(7,628)
2028	(87,589)	(74,145)	65	(5,643)
2029	(61,932)	(51,317)	692	(3,657)
2030	-	-	1,534	1,433
Thereafter	-	-	1,916	1,480
Total	$ (94,565)	(82,220)	5,110	(15,409)

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For the year ended June 30, 2026, the District recognized ($621,111) and $195,179 of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

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

		1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability	$	5,200,689	3,804,146	2,620,754
Net OPEB ARHCT asset	$	(1,454,540)	(2,081,499)	(2,610,072)
Net OPEB ODD asset	$	(46,758)	(49,717)	(52,034)
Net OPEB RMP asset	$	(1,367)	(57,445)	(100,344)

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

		1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	$	(2,670,218)	(2,081,499)	(1,384,037)
Net OPEB ODD liability (asset)	$	N/A	(49,717)	N/A
Net OPEB RMP liability (asset)	$	(105,911)	(57,445)	7,483

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

Plan Description and Funding Requirements. Districts and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8.00% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5.00% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 0.86% for the retiree medical plan (DB), 0.24% for occupational and death and disability benefits (DB) and 3.00% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is capped at 22.00% with anything in excess of the previously listed rates being contributed to the Defined Benefit Unfunded Liability (DBUL).

Plan members are 100% vested with their contributions.

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Members become vested in employers' contributions as follows:

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

The District contributed $256,406 for the year ended June 30, 2026, which included forfeitures of $9,068 which have been applied as employer contributions.

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

Plan Description. The District participates in the Alaska Teachers' Retirement System (TRS), a cost sharing multiple-employer defined benefit plan. Currently, there are 56 participating local government employers and public organizations, including the State of Alaska. This includes a total of 52 school districts participating in the plan. TRS provides retirement benefits, disability and death benefits, and post-employment healthcare to plan members and beneficiaries. The system is governed by the Alaska Retirement Management Board (ARMB). The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. The benefit and contribution provisions are established by State law and may be amended only by the State legislature. The Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for TRS. This report may be obtained from the system at Pouch C, Juneau, Alaska 99811 or online at http://doa.alaska.gov/drb/trs.

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

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

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

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

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

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
$	612,152	46,820	658,972

Teachers' Retirement Plans

For the year ended June 30, 2026 the State of Alaska contributed $1,701,109 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2025 to a total of ($1,267,554) to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2026, the District reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the District. The amount recognized by the District as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the District were as follows:

Defined Benefit:	Pension
District's proportionate share of the net pension liability	$ 7,901,327
State's proportionate share of the net pension liability	12,140,378
Total	$ 20,041,705

	OPEB
District's proportionate share of the ARHCT OPEB asset	$ (6,489,752)
State's proportionate share of the ARHCT OPEB asset	(8,926,050)
Total	$ (15,415,802)
District's proportionate share of the ODD OPEB asset	$ (83,788)
District's proportionate share of the RMP OPEB (asset)	$ (240,886)
Total District's share of net pension and OPEB liabilities and (assets)	$ 1,086,901

The net pension and OPEB liabilities and assets were determined by an actuarial valuation as of June 30, 2024, rolled forward to the measurement date of June 30, 2025 and adjusted to reflect updated assumptions. The District's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for the fiscal years ending FY2026 to FY2039, as determined by projections based on the June 30, 2024 valuation.

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

	June 30, 2025 Measurement	June 30, 2024 Measurement	Change
Pension	0.5083%	0.4458%	0.0625%
OPEB:			
ARHCT	0.5428%	0.4625%	0.0803%
ODD	0.8973%	0.9825%	(0.0852%)
RMP	0.8950%	0.9820%	(0.0870%)

Based on the measurement date of June 30, 2025, the District recognized pension and OPEB expense of $465,564 and ($2,463,206), respectively, for the year ended June 30, 2026. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
Defined Benefit:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(283,993)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	612,152	-
Total	$ 612,152	(283,993)

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(237,483)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	90	-
Total	$ 90	(237,483)

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	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	(12,494)
Changes of assumptions	-	(81)
Net difference between projected and actual earnings on OPEB plan investments	-	(1,324)
Changes in proportion and differences between District contributions and proportionate share of contributions	6,942	(326)
District contributions subsequent to the measurement date	4,559	-
Total	$ 11,501	(14,225)

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 40,441	(11,294)
Changes of assumptions	31,314	(76,821)
Net difference between projected and actual earnings on OPEB plan investments	-	(14,060)
Changes in proportion and differences between District contributions and proportionate share of contributions	18,790	(730)
District contributions subsequent to the measurement date	42,171	-
Total	$ 132,716	(102,905)

$612,152 and $46,820 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 liabilities and as an increase to the net OPEB assets in the year ended June 30, 2027, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,		Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2026	$	569,767	318,871	(729)	3,813
2027		(325,830)	(215,150)	(2,360)	(13,024)
2028		(309,676)	(201,564)	(1,837)	(11,914)
2029		(218,254)	(139,640)	(1,679)	(4,611)
2030		-	-	(651)	3,260
Thereafter		-	-	(27)	10,116
Total	$	(283,993)	(237,483)	(7,283)	(12,360)

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FOR DISCUSSION PURPOSES ONLY

For the year ended June 30, 2026, the District recognized $959,397 and ($789,238) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

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

		1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability	$	12,067,221	7,901,327	4,370,784
Net OPEB ARHCT asset	$	(4,814,037)	(6,489,752)	(7,894,354)
Net OPEB ODD asset	$	(84,075)	(83,788)	(83,599)
Net OPEB RMP asset	$	(73,720)	(240,886)	(367,420)

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

		1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT asset	$	(8,046,342)	(6,489,752)	(4,635,202)
Net OPEB ODD asset	$	N/A	(83,788)	N/A
Net OPEB RMP asset	$	(382,528)	(240,886)	(49,752)

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

Plan Description and Funding Requirements. Districts and Public Employers in the State of Alaska have a defined contribution retirement plan for new hires first enrolled on or after July 1, 2006. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8.00% of their base salaries. State statutes require the employer to contribute 7.00% of employees' eligible compensation. Additionally, employers are required to contribute to other post-employment benefits (DB): 0.74% for the retiree medical plan, 0.08% for occupational death and disability, and 3.00% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The employer effective contribution rate is 12.56%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

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Members become vested in employers' contributions as follows:

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

The District contributed $621,395 for the year ended June 30, 2026, which included forfeitures of $0 which have been applied as employer contributions.

C. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, 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.

D. Related Parties

Sitka School District received contributions from the City and Borough of Sitka, Alaska in the amount of $8,797,775.

E. Alternative Retirement Plans

The District participates in a 403(b) plan through OMNI Group. The District will match up to $1,000 per calendar year for all employees who are members of the Administrator's Association. The District does not match any contributions for employees who are not members of the Administrator's Association. All staff are eligible to participate in the 403(b) plan up to a maximum contribution of $23,500 in 2026. For the year ended June 30, 2026, the District contributed $3,500.

Additionally, the District participates in a 457 plan through Alaska Deferred Compensation Plan. The District will match up to $1,000 per calendar year for all employees who are members of the Administrator's Association. The District does not match any contributions for employees who are not members of the Administrator's Association. All staff are eligible to participate in the 457 plan up to a maximum contribution of $23,500 in 2026. For the year ended June 30, 2026, the District contributed $0.

F. Subsequent Accounting Pronouncements

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

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

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

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REQUIRED SUPPLEMENTARY INFORMATION

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FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

School Operating Fund

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

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original and Final Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget and Actual - Positive (Negative)
	Original	Final			
Revenues:					
Local sources:					
Other	$ 101,645	60,000	(41,645)	282,177	222,177
E-rate	69,076	69,076	-	74,567	5,491
Intergovernmental:					
City and Borough appropriations	8,080,666	7,972,424	(108,242)	7,982,616	10,192
Forest receipts - passed through City and Borough of Sitka	-	125,000	125,000	1,169,820	1,044,820
State of Alaska	13,424,330	13,963,776	539,446	14,625,294	661,518
Federal sources	68,000	3,932	(64,068)	47,308	43,376
Total revenues	21,743,717	22,194,208	450,491	24,181,782	1,987,574
Expenditures:					
Current:					
Instruction	8,048,663	10,009,996	(1,961,333)	9,874,321	135,675
Special education instruction	4,770,398	5,255,601	(485,203)	5,536,175	(280,574)
Special education support services - students	1,093,139	1,182,434	(89,295)	1,313,531	(131,097)
Support services - students	769,728	937,252	(167,524)	783,283	153,969
Support services - instruction	11,000	114,800	(103,800)	159,914	(45,114)
School administration	1,022,496	1,299,306	(276,810)	1,338,519	(39,213)
School administration support services	811,714	876,528	(64,814)	883,037	(6,509)
District administration	512,602	658,022	(145,420)	740,234	(82,212)
District administration support services	1,026,863	1,264,075	(237,212)	1,165,801	98,274
Operations and maintenance of plant	2,411,250	1,850,532	560,718	2,176,914	(326,382)
Student activities	152,128	328,308	(176,180)	335,305	(6,997)
Total expenditures	20,629,981	23,776,854	(3,146,873)	24,307,034	(530,180)
Excess (deficiency) of revenues over expenditures	1,113,736	(1,582,646)	(2,696,382)	(125,252)	1,457,394
Other financing sources (uses) -					
Transfers in (out)	-	(150,000)	(150,000)	61,022	211,022
Net change in fund balance	$ 1,113,736	(1,732,646)	(2,846,382)	(64,230)	1,668,416
Fund balance, beginning of year				1,646,328	
Fund balance, end of year				$ 1,582,098	

See accompanying Notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

Public Employees' Retirement System (PERS)

June 30, 2026

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	0.1241%	$ 6,937,517	$ 874,158	$ 7,811,675	$ 3,072,987	225.76%	59.55%
2018	0.0932%	$ 4,817,187	$ 1,796,288	$ 6,613,475	$ 2,968,084	162.30%	63.37%
2019	0.1069%	$ 5,310,644	$ 1,540,684	$ 6,851,328	$ 2,896,500	183.35%	65.19%
2020	0.0978%	$ 5,353,612	$ 2,124,911	$ 7,478,523	$ 2,859,932	187.19%	63.42%
2021	0.0914%	$ 5,393,090	$ 2,230,687	$ 7,623,777	$ 2,879,514	187.29%	61.61%
2022	0.1054%	$ 3,867,891	$ 523,447	$ 4,391,338	$ 2,816,293	137.34%	76.46%
2023	0.0913%	$ 4,653,958	$ 1,284,397	$ 5,938,355	$ 2,875,027	161.88%	67.97%
2024	0.0863%	$ 4,474,109	$ 1,489,172	$ 5,963,281	$ 2,910,576	153.72%	68.23%
2025	0.0865%	$ 4,741,371	$ 1,771,514	$ 6,512,885	$ 2,931,832	161.72%	67.81%
2026	0.0767%	$ 3,804,146	$ 1,167,829	$ 4,971,975	$ 2,576,791	147.63%	71.23%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

Public Employees' Retirement System (PERS)

June 30, 2026

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.0932%	$ 787,495	$ 293,493	$ 1,080,988	$ 2,968,084	26.53%	89.68%
2019	0.1070%	$ 1,097,874	$ 318,408	$ 1,416,282	$ 2,896,500	37.90%	88.12%
2020	0.0977%	$ 144,992	$ 57,640	$ 202,632	$ 2,859,932	5.07%	98.13%
2021	0.0913%	$ (413,432)	$ (171,342)	$ (584,774)	$ 2,879,514	-14.36%	106.15%
2022	0.1059%	$ (2,716,331)	$ (356,747)	$ (3,073,078)	$ 2,816,293	-96.45%	135.54%
2023	0.0905%	$ (1,780,673)	$ (509,337)	$ (2,290,010)	$ 2,875,027	-61.94%	128.51%
2024	0.0860%	$ (1,979,858)	$ (664,915)	$ (2,644,773)	$ 2,910,576	-68.02%	133.96%
2025	0.0867%	$ (1,908,815)	$ (708,956)	$ (2,617,771)	$ 2,931,832	-65.11%	130.59%
2026	0.0782%	$ (2,081,499)	$ (588,218)	$ (2,669,717)	$ 2,576,791	-80.78%	136.81%
Occupational Death and Disability (ODD):							
2018	0.1681%	$ (23,848)	$ -	$ (23,848)	$ 2,968,084	-0.80%	212.97%
2019	0.1622%	$ (31,492)	$ -	$ (31,492)	$ 2,896,500	-1.09%	270.62%
2020	0.1248%	$ (30,253)	$ -	$ (30,253)	$ 2,859,932	-1.06%	297.43%
2021	0.1190%	$ (32,428)	$ -	$ (32,428)	$ 2,879,514	-1.13%	283.80%
2022	0.1219%	$ (53,736)	$ -	$ (53,736)	$ 2,816,293	-1.91%	374.22%
2023	0.1189%	$ (52,128)	$ -	$ (52,128)	$ 2,875,027	-1.81%	348.80%
2024	0.1082%	$ (55,510)	$ -	$ (55,510)	$ 2,910,576	-1.91%	349.24%
2025	0.0890%	$ (53,107)	$ -	$ (53,107)	$ 2,931,832	-1.81%	346.81%
2026	0.0701%	$ (49,717)	$ -	$ (49,717)	$ 2,576,791	-1.93%	353.09%
Retiree Medical Plan (RMP):							
2018	0.1681%	$ 8,765	$ -	$ 8,765	$ 816,927	1.07%	93.98%
2019	0.1622%	$ 20,633	$ -	$ 20,633	$ 844,455	2.44%	88.71%
2020	0.1570%	$ 37,556	$ -	$ 37,556	$ 848,827	4.42%	83.17%
2021	0.1485%	$ 10,530	$ -	$ 10,530	$ 916,864	1.15%	92.23%
2022	0.1436%	$ (38,531)	$ -	$ (38,531)	$ 946,224	-4.07%	115.10%
2023	0.1400%	$ (48,610)	$ -	$ (48,610)	$ 1,023,455	-4.75%	120.08%
2024	0.1296%	$ (61,534)	$ -	$ (61,534)	$ 1,022,550	-6.02%	124.29%
2025	0.1068%	$ (49,779)	$ -	$ (49,779)	$ 942,732	-5.28%	119.87%
2026	0.0908%	$ (57,445)	$ -	$ (57,445)	$ 880,050	-6.53%	123.73%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of District's Contributions (Pensions)

Public Employees' Retirement System (PERS)

June 30, 2026

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	$ 301,611	$ (301,611)	$ -	$ 2,968,084	10.16%
2018	$ 334,315	$ (334,315)	$ -	$ 2,896,500	11.54%
2019	$ 307,508	$ (307,508)	$ -	$ 2,859,932	10.75%
2020	$ 287,427	$ (285,004)	$ 2,423	$ 2,879,514	9.98%
2021	$ 321,030	$ (326,877)	$ (5,847)	$ 2,816,293	11.40%
2022	$ 334,576	$ (333,871)	$ 705	$ 2,875,027	11.64%
2023	$ 383,229	$ (382,147)	$ 1,082	$ 2,910,576	13.17%
2024	$ 390,475	$ (410,947)	$ (20,472)	$ 2,931,832	13.32%
2025	$ 340,058	$ (352,810)	$ (12,752)	$ 2,576,791	13.20%
2026	$ 389,671	$ (352,359)	$ 37,312	$ 2,886,814	13.50%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2026

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	$ 95,295	$ (95,295)	$ -	$ 2,896,500	3.29%
2019	$ 111,241	$ (111,241)	$ -	$ 2,859,932	3.89%
2020	$ 114,547	$ (114,547)	$ -	$ 2,879,514	3.98%
2021	$ 51,393	$ (51,393)	$ -	$ 2,816,293	1.82%
2022	$ 42,932	$ (42,932)	$ -	$ 2,875,027	1.49%
2023	$ -	$ -	$ -	$ 2,910,576	0.00%
2024	$ -	$ -	$ -	$ 2,931,832	0.00%
2025	$ -	$ -	$ -	$ 2,576,791	0.00%
2026	$ -	$ -	$ -	$ 2,886,814	0.00%
Occupational Death and Disability (ODD):					
2018	$ 2,937	$ (2,937)	$ -	$ 2,896,500	0.10%
2019	$ 5,095	$ (5,095)	$ -	$ 2,859,932	0.18%
2020	$ 5,332	$ (5,332)	$ -	$ 2,879,514	0.19%
2021	$ 6,503	$ (6,503)	$ -	$ 2,816,293	0.23%
2022	$ 6,861	$ (6,861)	$ -	$ 2,875,027	0.24%
2023	$ 6,628	$ (6,628)	$ -	$ 2,910,576	0.23%
2024	$ 6,104	$ (6,104)	$ -	$ 2,931,832	0.21%
2025	$ 4,593	$ (4,593)	$ -	$ 2,576,791	0.18%
2026	$ 5,746	$ (5,746)	$ -	$ 2,886,814	0.20%
Retiree Medical Plan (RMP):					
2018	$ 18,902	$ (18,902)	$ -	$ 844,455	2.24%
2019	$ 18,422	$ (18,422)	$ -	$ 848,827	2.17%
2020	$ 26,900	$ (26,900)	$ -	$ 916,864	2.93%
2021	$ 26,641	$ (26,641)	$ -	$ 946,224	2.82%
2022	$ 23,682	$ (23,682)	$ -	$ 1,023,455	2.31%
2023	$ 24,302	$ (24,302)	$ -	$ 1,022,550	2.38%
2024	$ 20,551	$ (20,551)	$ -	$ 942,732	2.18%
2025	$ 15,880	$ (15,880)	$ -	$ 880,050	1.80%
2026	$ 20,588	$ (20,588)	$ -	$ 1,165,482	1.77%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

Teachers' Retirement System (TRS)

June 30, 2026

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	0.5214%	$ 11,905,227	$ 14,155,094	$ 26,060,321	$ 8,937,391	133.21%	68.40%
2018	0.4313%	$ 8,741,497	$ 15,254,527	$ 23,996,024	$ 9,076,883	96.31%	72.39%
2019	0.4646%	$ 8,892,956	$ 13,222,311	$ 22,115,267	$ 10,090,645	88.13%	74.09%
2020	0.5096%	$ 9,521,473	$ 14,117,031	$ 23,638,504	$ 9,339,817	101.94%	74.68%
2021	0.4590%	$ 9,332,201	$ 16,192,660	$ 25,524,861	$ 9,157,572	101.91%	72.81%
2022	0.6229%	$ 4,957,937	$ 4,209,260	$ 9,167,197	$ 9,017,648	54.98%	89.43%
2023	0.4877%	$ 8,128,723	$ 10,832,934	$ 18,961,657	$ 9,494,196	85.62%	78.33%
2024	0.4789%	$ 8,421,062	$ 13,309,251	$ 21,730,313	$ 9,727,619	86.57%	77.62%
2025	0.4458%	$ 8,247,147	$ 14,172,916	$ 22,420,063	$ 9,883,607	83.44%	77.07%
2026	0.5083%	$ 7,901,327	$ 12,140,378	$ 20,041,705	$ 9,733,670	81.18%	80.65%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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

Teachers' Retirement System (TRS)

June 30, 2026

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.4302%	$ 791,247	$ 1,386,547	$ 2,177,794	$ 9,076,883	8.72%	93.75%
2019	0.4637%	$ 1,441,796	$ 2,151,883	$ 3,593,679	$ 10,090,645	14.29%	90.23%
2020	0.5083%	$ (776,847)	$ (1,156,228)	$ (1,933,075)	$ 9,339,817	-8.32%	105.50%
2021	0.4578%	$ (1,637,771)	$ (2,854,334)	$ (4,492,105)	$ 9,157,572	-17.88%	113.78%
2022	0.6473%	$ (7,526,477)	$ (5,862,513)	$ (13,388,990)	$ 9,017,648	-83.46%	145.41%
2023	0.4877%	$ (4,363,096)	$ (5,609,924)	$ (9,973,020)	$ 9,494,196	-45.96%	134.84%
2024	0.4930%	$ (4,982,365)	$ (7,510,920)	$ (12,493,285)	$ 9,727,619	-51.22%	140.49%
2025	0.4625%	$ (4,614,414)	$ (7,474,124)	$ (12,088,538)	$ 9,883,607	-46.69%	137.40%
2026	0.5428%	$ (6,489,752)	$ (8,926,050)	$ (15,415,802)	$ 9,733,670	-66.67%	144.35%
Occupational Death and Disability (ODD):							
2018	1.0731%	$ (35,069)	$ -	$ (35,069)	$ 9,076,883	-0.39%	1342.59%
2019	1.0581%	$ (37,097)	$ -	$ (37,097)	$ 10,090,645	-0.37%	1304.81%
2020	1.0728%	$ (43,139)	$ -	$ (43,139)	$ 9,339,817	-0.46%	1409.77%
2021	1.0110%	$ (43,526)	$ -	$ (43,526)	$ 9,157,572	-0.48%	931.08%
2022	0.9979%	$ (60,820)	$ -	$ (60,820)	$ 9,017,648	-0.67%	1254.36%
2023	0.9963%	$ (60,174)	$ -	$ (60,174)	$ 9,494,196	-0.63%	1268.28%
2024	0.9998%	$ (69,176)	$ -	$ (69,176)	$ 9,727,619	-0.71%	1410.42%
2025	0.9825%	$ (78,286)	$ -	$ (78,286)	$ 9,883,607	-0.79%	1600.56%
2026	0.8973%	$ (83,788)	$ -	$ (83,788)	$ 9,733,670	-0.86%	1826.06%
Retiree Medical Plan (RMP):							
2018	1.0731%	$ (50,865)	$ -	$ (50,865)	$ 2,755,454	-1.85%	118.16%
2019	1.0581%	$ (33,838)	$ -	$ (33,838)	$ 2,903,471	-1.17%	109.56%
2020	1.0718%	$ (41,114)	$ -	$ (41,114)	$ 3,895,446	-1.06%	110.03%
2021	1.0145%	$ (100,082)	$ -	$ (100,082)	$ 3,343,296	-2.99%	125.59%
2022	0.9961%	$ (200,011)	$ -	$ (200,011)	$ 3,410,843	-5.86%	142.54%
2023	0.9943%	$ (192,554)	$ -	$ (192,554)	$ 3,685,478	-5.22%	140.73%
2024	1.0006%	$ (221,640)	$ -	$ (221,640)	$ 3,869,514	-5.73%	140.71%
2025	0.9820%	$ (220,814)	$ -	$ (220,814)	$ 4,123,774	-5.35%	134.72%
2026	0.8950%	$ (240,886)	$ -	$ (240,886)	$ 3,936,218	-6.12%	136.41%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of District's Contributions (Pensions)

Teachers' Retirement System (TRS)

June 30, 2026

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	$ 456,554	$ (456,554)	$ -	$ 9,076,883	5.03%
2018	$ 507,918	$ (507,918)	$ -	$ 10,090,645	5.03%
2019	$ 437,223	$ (437,223)	$ -	$ 9,339,817	4.68%
2020	$ 431,579	$ (438,217)	$ (6,638)	$ 9,157,572	4.71%
2021	$ 351,061	$ (344,183)	$ 6,878	$ 9,017,648	3.89%
2022	$ 374,811	$ (398,669)	$ (23,858)	$ 9,494,196	3.95%
2023	$ 694,880	$ (686,974)	$ 7,906	$ 9,727,619	7.14%
2024	$ 672,493	$ (674,278)	$ (1,785)	$ 9,883,607	6.80%
2025	$ 690,695	$ (687,508)	$ 3,187	$ 9,733,670	7.10%
2026	$ 629,279	$ (612,152)	$ 17,127	$ 10,194,005	6.17%

See accompanying notes to Required Supplementary Information.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2026

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	$ 251,550	$ (251,550)	$ -	$ 10,090,645	2.49%
2019	$ 210,624	$ (210,624)	$ -	$ 9,339,817	2.26%
2020	$ 243,391	$ (243,391)	$ -	$ 9,157,572	2.66%
2021	$ 314,420	$ (314,420)	$ -	$ 9,017,648	3.49%
2022	$ 286,361	$ (286,361)	$ -	$ 9,494,196	3.02%
2023	$ -	$ -	$ -	$ 9,727,619	0.00%
2024	$ -	$ -	$ -	$ 9,883,607	0.00%
2025	$ -	$ -	$ -	$ 9,733,670	0.00%
2026	$ 90	$ (90)	$ -	$ 10,194,005	0.00%
Occupational Death and Disability (ODD):					
2018	$ -	$ -	$ -	$ 10,090,645	0.00%
2019	$ 3,349	$ (3,349)	$ -	$ 9,339,817	0.04%
2020	$ 3,329	$ (3,329)	$ -	$ 9,157,572	0.04%
2021	$ 3,612	$ (3,612)	$ -	$ 9,017,648	0.04%
2022	$ 3,916	$ (3,916)	$ -	$ 9,494,196	0.04%
2023	$ 4,110	$ (4,110)	$ -	$ 9,727,619	0.04%
2024	$ 4,369	$ (4,369)	$ -	$ 9,883,607	0.04%
2025	$ 4,280	$ (4,280)	$ -	$ 9,733,670	0.04%
2026	$ 4,559	$ (4,559)	$ -	$ 10,194,005	0.04%
Retiree Medical Plan (RMP):					
2018	$ 34,609	$ (34,609)	$ -	$ 2,903,471	1.19%
2019	$ 33,065	$ (33,065)	$ -	$ 3,895,446	0.85%
2020	$ 45,336	$ (45,336)	$ -	$ 3,343,296	1.36%
2021	$ 42,000	$ (42,000)	$ -	$ 3,410,843	1.23%
2022	$ 40,629	$ (40,629)	$ -	$ 3,685,478	1.10%
2023	$ 44,695	$ (44,695)	$ -	$ 3,869,514	1.16%
2024	$ 44,788	$ (44,788)	$ -	$ 4,123,774	1.09%
2025	$ 36,372	$ (36,372)	$ -	$ 3,936,218	0.92%
2026	$ 42,171	$ (42,171)	$ -	$ 4,947,412	0.85%

See accompanying notes to Required Supplementary Information

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Notes to Required Supplementary Information

June 30, 2026

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

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the school operating fund. All annual appropriations lapse at fiscal yearend.

The adopted School Operating Fund budget is submitted to the City for approval of the local appropriations. The approved budget is also 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 originally adopted budget and the final revised and approved budget are presented in these financial statements. Expenditure authority for the School Operating Fund is limited to the total approved budget and functional areas of expenditures are not to be overspent. Annual appropriations for the School Operating Fund lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and object. The District's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the School Board.

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. Encumbrances outstanding at year end are reported as unassigned fund balances since they do not constitute expenditures or liabilities. The amount of encumbrances, if significant, are disclosed as commitments.

2. Actual Budget Results

Differences – Original Budget to Final Budget	School Operating Fund Positive (Negative)
Revenues:	
The final budgeted amount of State of Alaska revenue exceeded the original budgeted amount primarily due to adjusted ADM and increased BSA notifications from DEED and an increase in Quality Schools revenue.	$ 539,446
Expenditures:	
The final budgeted amount for Instruction exceeded the original budgeted amount primarily due to higher-than-expected student count justified additional teachers, including SPED instruction.	(1,961,333)
The final budgeted amount for Special Education Instruction exceeded the original budgeted amount primarily due to higher intensive students than anticipated making more funding available.	$ (485,203)

FINAL DRAFT

		School Operating Fund Positive (Negative)
Differences – Original Budget to Final Budget, Continued		
Expenditures Continued:		
The final budgeted amount for School Administration exceeded the original budgeted amount primarily due to the fact that we originally budget to cut two school secretaries but were able to keep them due to higher-than-expected ADM and an increased BSA.	$	(276,810)
The final budgeted amount for District Administration Support Services exceeded the original budgeted amount primarily due to higher-than-expected ADM and increased BSA allowed for the ability to maintain the assistant superintendent position.		(237,212)
The final budgeted amount for Operations and Maintenance of Plant was lower than the original budgeted amount primarily due to a shared expenses for CBS use of the buildings after school and during the summer, as well as refunds from insurance due to strategic training, safety incentives taken advantage of.		560,718
Differences – Final Budget to Actual		
Revenues:		
Actual Local Sources – Other revenue exceeded budgeted amounts due to increased efforts to collect aged lunch balances.		222,177
Actual Forest Receipts-passed through City and Borough of Sitka exceeded budgeted amounts due to CBS assembly voted to pass through more of the Forest Receipts than expected.		1,044,820
Actual State of Alaska revenues exceeded budgeted amounts due to increase ADM and higher BSA.		661,518
Expenditures:		
Actual Special Education Instruction expenditures exceeded budgeted due to more SPED students than initially expected.		(280,574)
Actual Operations and Maintenance of Plant expenditures exceeded budgeted due to increased utility costs and an increase in janitorial services contract.		(326,382)
Other Financing Sources (Uses) -		
Actual Transfers in (out) exceeded budgeted due to new in-house food services program requiring setup and the purchase of equipment taken by the previous service provider.	$	211,022

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FOR DISCUSSION PURPOSES ONLY

3. Public Employee's Retirement System

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

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

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

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

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

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

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

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

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

The amounts included in the Normal Cost for administrative expenses were changed from $8,440,000 to $8,201,000 for pension, and from $3,866,000 to $4,759,000 for healthcare (based on the most recent two years of actual administrative expenses paid from plan assets).

There were no other changes in actuarial assumptions since the prior valuation.

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

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

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan

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

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

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FOR DISCUSSION PURPOSES ONLY

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

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

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

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

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

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

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

Schedule of District Contributions (Pension) and (OPEB)

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

4. Teachers' Retirement System

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

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

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

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

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

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

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

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

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

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

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan

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

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

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

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

The amounts included in the Normal Cost for administrative expenses were updated based on the last two years of actual administrative expenses paid from plan assets.

There were no other changes in actuarial assumptions since the prior valuation.

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

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

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

Schedule of District Contributions (Pension) and (OPEB)

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

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SUPPLEMENTARY INFORMATION

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SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

School Operating Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Local sources:			
Other	$ 60,000	282,177	222,177
E-rate	69,076	74,567	5,491
Intergovernmental:			
City and Borough appropriations	7,972,424	7,982,616	10,192
Forest receipts - passed through City and Borough of Sitka	125,000	1,169,820	1,044,820
State of Alaska:			
Foundation Program	12,711,101	12,710,423	(678)
Quality Schools	40,625	40,625	-
On-behalf TRS	1,121,045	1,701,109	580,064
On-behalf PERS	84,005	167,579	83,574
Other State sources	7,000	5,558	(1,442)
Federal sources -			
Impact Aid	3,932	47,308	43,376
Total revenues	22,194,208	24,181,782	1,987,574
Expenditures:			
Current:			
Instruction:			
Certificated salaries	5,699,411	5,719,971	(20,560)
Non-certificated salaries	90,000	177,057	(87,057)
Employee benefits	3,390,000	3,428,110	(38,110)
Housing allowance/subsidy	-	1,032	(1,032)
Professional and technical services	117,650	91,549	26,101
Staff travel	45,500	11,371	34,129
Student travel	7,550	5,942	1,608
Utility services	15,000	6,100	8,900
Other purchased services	54,046	37,686	16,360
Supplies, materials and media	557,474	261,381	296,093
Other	28,365	133,368	(105,003)
Equipment	5,000	754	4,246
Total instruction	10,009,996	9,874,321	135,675
Special education instruction:			
Certificated salaries	1,396,951	1,450,150	(53,199)
Non-certificated salaries	1,450,000	1,502,028	(52,028)
Employee benefits	2,300,000	2,435,786	(135,786)
Professional and technical services	31,500	50,031	(18,531)
Staff travel	6,000	6,922	(922)
Student travel	40,650	68,384	(27,734)
Other purchased services	8,500	7,830	670
Supplies, materials and media	16,000	15,044	956
Equipment	6,000	-	6,000
Total special education instruction	5,255,601	5,536,175	(280,574)
Special education support services - students:			
Certificated salaries	500,000	748,940	(248,940)
Non-certificated salaries	500,000	81,359	418,641
Employee benefits	75,434	437,131	(361,697)
Professional and technical services	30,000	10,419	19,581
Staff travel	13,000	14,776	(1,776)
Other purchased services	45,000	2,514	42,486
Supplies, materials and media	19,000	18,392	608
Total special education support services - students	1,182,434	1,313,531	(131,097)

(Continued)

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FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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:			
Support services - students:			
Certificated salaries	$ 786,909	400,104	386,805
Non-certificated salaries	137,772	50,856	86,916
Employee benefits	1,771	332,063	(330,292)
Professional and technical services	5,500	-	5,500
Student travel	3,500	-	3,500
Supplies, materials and media	1,800	260	1,540
Total support services - students	937,252	783,283	153,969
Support services - instruction:			
Professional and technical services	8,000	5,297	2,703
Staff travel	10,000	680	9,320
Utility services	52,800	150,403	(97,603)
Supplies, materials and media	43,000	3,534	39,466
Other	1,000	-	1,000
Total support services - instruction	114,800	159,914	(45,114)
School administration:			
Certificated salaries	1,281,956	827,653	454,303
Employee benefits	2,000	501,698	(499,698)
Professional and technical services	350	-	350
Supplies, materials and media	15,000	9,168	5,832
Total school administration	1,299,306	1,338,519	(39,213)
School administration support services:			
Non-certificated salaries	867,698	451,449	416,249
Employee benefits	8,830	431,588	(422,758)
Total school administration support services	876,528	883,037	(6,509)
District administration:			
Certificated salaries	331,469	195,951	135,518
Non-certificated salaries	96,601	103,691	(7,090)
Employee benefits	2,382	186,887	(184,505)
Professional and technical services	136,750	165,650	(28,900)
Staff travel	34,400	27,744	6,656
Student travel	5,000	2,545	2,455
Other purchased services	26,920	30,364	(3,444)
Supplies, materials and media	9,500	12,112	(2,612)
Other	15,000	15,290	(290)
Total district administration	658,022	740,234	(82,212)

(Continued)

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SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

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:			
Certificated salaries	$ 173,560	739	172,821
Non-certificated salaries	695,768	538,849	156,919
Employee benefits	3,367	368,302	(364,935)
Professional and technical services	80,000	46,953	33,047
Other purchased services	24,000	39,266	(15,266)
Insurance and bond premiums	215,000	132,311	82,689
Supplies, materials and media	122,380	91,487	30,893
Total district administration support services	1,314,075	1,217,907	96,168
Indirect cost recovery	(50,000)	(52,106)	2,106
Net district administration support services	1,264,075	1,165,801	98,274
Operations and maintenance of plant:			
Non-certificated salaries	-	2,304	(2,304)
Employee benefits	-	174	(174)
Professional and technical services	-	2,280	(2,280)
Utility services	181,946	232,548	(50,602)
Energy	829,670	1,003,351	(173,681)
Other purchased services	534,279	640,392	(106,113)
Insurance and bond premiums	232,023	250,031	(18,008)
Supplies, materials and media	72,614	45,834	26,780
Total operations and maintenance of plant	1,850,532	2,176,914	(326,382)
Student activities:			
Certificated salaries	245,117	198,514	46,603
Non-certificated salaries	66,307	67,822	(1,515)
Employee benefits	2,774	63,124	(60,350)
Student travel	8,000	-	8,000
Supplies, materials and media	450	-	450
Other	5,660	5,845	(185)
Total student activities	328,308	335,305	(6,997)
Total expenditures	23,776,854	24,307,034	(530,180)
Excess (deficiency) of revenues over expenditures	(1,582,646)	(125,252)	1,457,394
Other financing sources (uses) -			
Transfers in (out) -			
Student Transportation Special Revenue Fund	(150,000)	-	150,000
Community Schools Special Revenue Fund	-	61,022	61,022
Net other financing sources (uses)	(150,000)	61,022	211,022
Net change in fund balance	$ (1,732,646)	(64,230)	1,668,416
Fund balance, beginning of year		1,646,328	
Fund balance, end of year		$ 1,582,098	

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SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

Combining Balance Sheet

June 30, 2026

Assets	Special Revenue Funds							
	Student Transportation	Community Schools	Alternative Schools Grant	Kapor Foundation	Team Nutrition Alaska	Micro Grants for Food	Food Service Program	Fresh Fruit and Vegetable FY26
Accounts receivable	$ -	-	17,897	-	3,440	-	26,324	10,149
Due from other funds	-	72,015	-	8,233	-	3,363	-	-
Inventories	-	-	-	-	-	-	15,036	-
Total assets	$ -	72,015	17,897	8,233	3,440	3,363	41,360	10,149
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	4,549	-	-	-	-	1,939	-	-
Due to other funds	78,309	-	17,897	-	3,440	-	247,234	10,149
Unearned revenues	-	-	-	-	-	1,424	-	-
Total liabilities	82,858	-	17,897	-	3,440	3,363	247,234	10,149
Fund balances:								
Nonspendable	-	-	-	-	-	-	15,036	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	72,015	-	8,233	-	-	-	-
Unassigned	(82,858)	-	-	-	-	-	(220,910)	-
Total fund balances	(82,858)	72,015	-	8,233	-	-	(205,874)	-
Total liabilities and fund balances	$ -	72,015	17,897	8,233	3,440	3,363	41,360	10,149

(Continued)

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SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds							
Assets	Title I-A	Title VI-B Special Education	Title IV-A ESEA Consolidated	Title I-C	School Improvement	CTE	Title II - A	Sitka AmeriCorps
Accounts receivable	$ 87,247	147,330	-	69,659	21,972	30,012	26,944	11,230
Due from other funds	-	-	256	-	-	-	-	10,124
Inventories	-	-	-	-	-	-	-	-
Total assets	$ 87,247	147,330	256	69,659	21,972	30,012	26,944	21,354
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	-	-	256	17,794	-	-	-	122
Due to other funds	87,247	147,330	-	51,865	21,972	30,012	26,944	-
Unearned revenues	-	-	-	-	-	-	-	-
Total liabilities	87,247	147,330	256	69,659	21,972	30,012	26,944	122
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	21,232
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	21,232
Total liabilities and fund balances	$ 87,247	147,330	256	69,659	21,972	30,012	26,944	21,354

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

Combining Balance Sheet, Continued

	Special Revenue Funds							
Assets	Serve Alaska, Sitka AmeriCorps Program 25	Hunter Education	SEALASKA Heritage Institute	SEALASKA Heritage Institute TCL	STEAM-Making	Raven Writes	SHI Language	Youth Cultural
Accounts receivable	$ -	-	28,422	3,015	94,091	96,140	-	-
Due from other funds	257	1,353	-	-	-	-	39	2,336
Inventories	-	-	-	-	-	-	-	-
Total assets	$ 257	1,353	28,422	3,015	94,091	96,140	39	2,336
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	257	1,353	-	-	960	2,132	39	-
Due to other funds	-	-	28,422	3,015	93,131	94,008	-	-
Unearned revenues	-	-	-	-	-	-	-	2,336
Total liabilities	257	1,353	28,422	3,015	94,091	96,140	39	2,336
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-
Total liabilities and fund balances	$ 257	1,353	28,422	3,015	94,091	96,140	39	2,336

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

Combining Balance Sheet, Continued

Assets	Special Revenue Funds							
	Project Achieve	SNEP In Schools	Walking Together	Equipment and Textbooks	Charitable Trust	Citizens Donation	Project Transform	Reuben E. Crossett
Accounts receivable	$ 189,701	48,733	-	-	-	-	2,852	-
Due from other funds	-	-	30,876	8,954	18,084	330,496	-	20,127
Inventories	-	-	-	-	-	-	-	-
Total assets	$ 189,701	48,733	30,876	8,954	18,084	330,496	2,852	20,127
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	26,029	-	1,536	-	-	-	24	-
Due to other funds	163,672	48,733	-	-	-	-	2,828	-
Unearned revenues	-	-	29,340	-	-	-	-	-
Total liabilities	189,701	48,733	30,876	-	-	-	2,852	-
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	20,127
Committed	-	-	-	8,954	18,084	330,496	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	8,954	18,084	330,496	-	20,127
Total liabilities and fund balances	$ 189,701	48,733	30,876	8,954	18,084	330,496	2,852	20,127

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

Combining Balance Sheet, Continued

Assets	Special Revenue Funds: Safeway - Albertson's Foundation	Community Schools Recycling Project	Swimming Pool	Ventures	Performing Arts Center	Student Activities	Total Other Governmental Funds
Accounts receivable	$ -	-	138,727	30,915	-	5,701	1,090,501
Due from other funds	4,620	25,515	-	217,475	101,277	373,554	1,228,954
Inventories	-	-	-	-	-	-	15,036
Total assets	$ 4,620	25,515	138,727	248,390	101,277	379,255	2,334,491
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	-	-	-	2,870	750	400	61,010
Due to other funds	-	-	167,266	-	-	-	1,323,474
Unearned revenues	-	-	-	-	-	-	33,100
Total liabilities	-	-	167,266	2,870	750	400	1,417,584
Fund balances:							
Nonspendable	-	-	-	-	-	-	15,036
Restricted	-	-	-	-	-	-	20,127
Committed	4,620	25,515	-	245,520	100,527	378,855	1,214,051
Unassigned	-	-	(28,539)	-	-	-	(332,307)
Total fund balances	4,620	25,515	(28,539)	245,520	100,527	378,855	916,907
Total liabilities and fund balances	$ 4,620	25,515	138,727	248,390	101,277	379,255	2,334,491

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

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

Year Ended June 30, 2026

	Special Revenue Funds									
	Student Transportation	Community Schools	Alternative Schools Grant	Kapor Foundation	Preschool Development	AK Literacy Program	Positive Behavioral Intervention and Supports	Team Nutrition Alaska	Farm to School	Whole Kids
Revenues:										
Local sources:										
Charges for services	$ -	-	-	-	-	-	-	-	-	-
Other local revenues	-	-	-	11,266	-	-	-	-	-	4,500
Intergovernmental:										
City and Borough appropriations	-	-	-	-	-	-	-	-	-	-
State of Alaska	511,826	-	-	-	25,000	-	-	-	-	-
Federal sources	-	-	25,673	-	-	43,654	1,862	3,440	3,687	-
Total revenues	511,826	-	25,673	11,266	25,000	43,654	1,862	3,440	3,687	4,500
Expenditures:										
Current:										
Instruction	-	-	25,673	3,033	25,000	42,639	1,819	3,440	3,529	4,500
Special education instruction	-	-	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-	-	-
District administration support services	-	-	-	-	-	1,015	43	-	158	-
Student activities	-	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	594,684	-	-	-	-	-	-	-	-	-
Community services	-	28,446	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-
Total expenditures	594,684	28,446	25,673	3,033	25,000	43,654	1,862	3,440	3,687	4,500
Excess (deficiency) of revenues over expenditures	(82,858)	(28,446)	-	8,233	-	-	-	-	-	-
Other financing uses -										
Transfers out	-	(61,022)	-	-	-	-	-	-	-	-
Net change in fund balances	(82,858)	(89,468)	-	8,233	-	-	-	-	-	-
Fund balances (deficit), beginning of year	-	161,483	-	-	-	-	-	-	-	-
Fund balances (deficit), end of year	$ (82,858)	72,015	-	8,233	-	-	-	-	-	-

(Continued)

FINAL DRAFT

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

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

	Special Revenue Funds								
	Local Foods for Schools	Micro Grants for Food	Food Service Program	Fresh Fruit and Vegetable FY25	Fresh Fruit and Vegetable FY26	Title I-A	Title VI-B	Section 619 Special Education	Title IV-A ESEA Consolidated
Revenues:									
Local sources:									
Charges for services	$ -	-	150,252	-	-	-	-	-	-
Other local revenues	-	-	-	-	-	-	-	-	-
Intergovernmental:									
City and Borough appropriations	-	-	-	-	-	-	-	-	-
State of Alaska	-	3,576	-	-	-	-	-	-	-
Federal sources	1,440	-	268,796	4,087	25,451	170,052	346,605	15,469	15,800
Total revenues	1,440	3,576	419,048	4,087	25,451	170,052	346,605	15,469	15,800
Expenditures:									
Current:									
Instruction	-	-	-	-	3,137	166,166	-	-	-
Special education instruction	-	-	-	-	-	-	338,550	15,109	-
Support services - students	-	-	-	-	-	-	-	-	15,432
Support services - instruction	-	3,576	-	-	-	-	-	-	-
District administration support services	-	-	-	-	-	3,886	8,055	360	368
Student activities	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Food services	1,440	-	620,831	4,087	22,314	-	-	-	-
Total expenditures	1,440	3,576	620,831	4,087	25,451	170,052	346,605	15,469	15,800
Excess (deficiency) of revenues over expenditures	-	-	(201,783)	-	-	-	-	-	-
Other financing uses -									
Transfers out	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	(201,783)	-	-	-	-	-	-
Fund balances (deficit), beginning of year	-	-	(4,091)	-	-	-	-	-	-
Fund balances (deficit), end of year	$ -	-	(205,874)	-	-	-	-	-	-

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

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

	Special Revenue Funds								
	Title VI-B Discretionary Special Education	Title I-C	Consolidated Admin Pool	School Improvement	CTE	Title II-A	Safety and Well-Being	New Visions FY26	New Visions FY25
Revenues:									
Local sources:									
Charges for services	$ -	-	-	-	-	-	-	-	-
Other local revenues	-	-	-	-	-	-	-	-	-
Intergovernmental:									
City and Borough appropriations	-	-	-	-	-	-	-	-	-
State of Alaska	-	-	-	-	-	-	-	3,000	5,000
Federal sources	8,000	128,375	42,137	26,774	39,639	61,420	7,244	1,000	5,000
Total revenues	8,000	128,375	42,137	26,774	39,639	61,420	7,244	4,000	10,000
Expenditures:									
Current:									
Instruction	-	-	42,137	26,152	38,731	59,992	7,075	4,000	10,000
Special education instruction	8,000	-	-	-	-	-	-	-	-
Support services - students	-	125,993	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-	-
District administration support services	-	2,382	-	622	908	1,428	169	-	-
Student activities	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-
Total expenditures	8,000	128,375	42,137	26,774	39,639	61,420	7,244	4,000	10,000
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-
Other financing uses -									
Transfers out	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-
Fund balances (deficit), beginning of year	-	-	-	-	-	-	-	-	-
Fund balances (deficit), end of year	$ -	-	-	-	-	-	-	-	-

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

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

	Special Revenue Funds							
	STEPS	Sitka AmeriCorps	Serve Alaska, Sitka AmeriCorps Program 25	AmeriCorps Mini-Grant	Hunter Education	SEALASKA Heritage Institute	SEALASKA Heritage Institute TCL	STEAM-Making
Revenues:								
Local sources:								
Charges for services	$ -	-	-	-	-	-	-	-
Other local revenues	4,806	29,750	-	-	-	75,161	6,345	272,126
Intergovernmental:								
City and Borough appropriations	-	-	-	-	-	-	-	-
State of Alaska	-	-	-	-	17,522	-	-	-
Federal sources	-	197,112	20,936	948	-	-	-	-
Total revenues	4,806	226,862	20,936	948	17,522	75,161	6,345	272,126
Expenditures:								
Current:								
Instruction	-	-	-	-	17,115	73,820	6,345	265,804
Special education instruction	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-
District administration support services	-	4,855	-	-	407	1,341	-	6,322
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Community services	-	205,773	20,936	948	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Total expenditures	-	210,628	20,936	948	17,522	75,161	6,345	272,126
Excess (deficiency) of revenues over expenditures	4,806	16,234	-	-	-	-	-	-
Other financing uses -								
Transfers out	-	-	-	-	-	-	-	-
Net change in fund balances	4,806	16,234	-	-	-	-	-	-
Fund balances (deficit), beginning of year	(4,806)	4,998	-	-	-	-	-	-
Fund balances (deficit), end of year	$ -	21,232	-	-	-	-	-	-

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

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

	Special Revenue Funds								
	Raven Writes	SHI Language	Youth Cultural	Indian Education	Project Achieve	SNEP In Schools	Walking Together	Equipment and Textbooks	Charitable Trust
Revenues:									
Local sources:									
Charges for services	$ -	-	-	-	-	-	-	-	-
Other local revenues	150,184	20,969	3,954	-	-	119,599	20,660	-	31,235
Intergovernmental:									
City and Borough appropriations	-	-	-	-	-	-	-	-	-
State of Alaska	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	118,473	370,601	-	-	-	-
Total revenues	150,184	20,969	3,954	118,473	370,601	119,599	20,660	-	31,235
Expenditures:									
Current:									
Instruction	146,693	20,969	-	115,732	359,825	116,819	20,660	-	25,755
Special education instruction	-	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-	-
Support services - instruction	-	-	3,954	-	-	-	-	-	-
District administration support services	3,491	-	-	2,741	10,776	2,780	-	-	-
Student activities	-	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-
Total expenditures	150,184	20,969	3,954	118,473	370,601	119,599	20,660	-	25,755
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	5,480
Other financing uses -									
Transfers out	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	5,480
Fund balances (deficit), beginning of year	-	-	-	-	-	-	-	8,954	12,604
Fund balances (deficit), end of year	$ -	-	-	-	-	-	-	8,954	18,084

(Continued)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Other Governmental Funds

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

	Special Revenue Funds									
	Citizens Donation	Project Transform	Reuben E. Crossett	Safeway - Albertson's Foundation	Community Schools Recycling Project	Swimming Pool	Ventures	Performing Arts Center	Student Activities	Total Other Governmental Funds
Revenues:										
Local sources:										
Charges for services	$ -	-	-	-	-	-	315,083	-	-	465,335
Other local revenues	251,038	2,852	-	-	-	-	-	-	254,453	1,258,898
Intergovernmental:										
City and Borough appropriations	-	-	-	-	-	138,727	-	192,000	484,432	815,159
State of Alaska	-	-	-	-	-	-	104,816	-	-	670,740
Federal sources	-	-	-	-	-	-	-	-	-	1,953,675
Total revenues	251,038	2,852	-	-	-	138,727	419,899	192,000	738,885	5,163,807
Expenditures:										
Current:										
Instruction	222,993	2,852	-	-	-	-	-	-	2,277	1,864,682
Special education instruction	-	-	-	-	-	-	-	-	-	361,659
Support services - students	-	-	-	-	-	-	-	-	-	141,425
Support services - instruction	-	-	-	-	-	-	-	-	-	7,530
District administration support services	-	-	-	-	-	-	-	-	-	52,107
Student activities	-	-	-	-	-	-	-	-	784,046	784,046
Student transportation - to and from school	-	-	-	-	-	-	-	-	-	594,684
Community services	-	-	-	-	-	141,417	462,579	192,000	-	1,052,099
Food services	-	-	-	-	-	-	-	-	-	648,672
Total expenditures	222,993	2,852	-	-	-	141,417	462,579	192,000	786,323	5,506,904
Excess (deficiency) of revenues over expenditures	28,045	-	-	-	-	(2,690)	(42,680)	-	(47,438)	(343,097)
Other financing uses - Transfers out	-	-	-	-	-	-	-	-	-	(61,022)
Net change in fund balances	28,045	-	-	-	-	(2,690)	(42,680)	-	(47,438)	(404,119)
Fund balances (deficit), beginning of year	302,451	-	20,127	4,620	25,515	(25,849)	288,200	100,527	426,293	1,321,026
Fund balances (deficit), end of year	$ 330,496	-	20,127	4,620	25,515	(28,539)	245,520	100,527	378,855	916,907

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Student Transportation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit)

Year Ended June 30, 2026

Revenues -		
Intergovernmental - State of Alaska	$	511,826
Expenditures -		
Student transportation - to and from school -		
Student travel		594,684
Excess (deficiency) of revenues over expenditures		(82,858)
Fund balance, beginning of year		-
Fund balance (deficit), end of year	$	(82,858)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Community Schools Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues	$	-
Expenditures -		
Community services -		
Other purchased services		28,446
Excess (deficiency) of revenues over expenditures		(28,446)
Other financing uses - Transfer out -		
School Operating Fund		(61,022)
Net change in fund balance		(89,468)
Fund balance, beginning of year		161,483
Fund balance, end of year	$	72,015

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Alternative Schools Grant Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - Federal sources passed through the State of Alaska	$	25,673
Expenditures:		
Instruction:		
Certificated salaries		2,500
Non-certificated salaries		1,500
Employee benefits		527
Other purchased services		3,659
Supplies, materials and media		17,487
Total expenditures		25,673
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Kapor Foundation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	11,266
Expenditures -		
Instruction -		
Supplies, materials and media		3,033
Excess of revenues over expenditures		8,233
Fund balance, beginning of year		-
Fund balance, end of year	$	8,233

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Preschool Development Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - State of Alaska	$	25,000
Expenditures -		
Instruction:		
Non-certificated salaries		16,879
Employee benefits		4,602
Supplies, materials and media		3,519
Total expenditures		25,000
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

AK Literacy Program Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 43,654	43,654	-
Expenditures:			
Instruction:			
Certificated salaries	41,790	41,790	-
Supplies, materials and media	849	849	-
Total instruction	42,639	42,639	-
District administration support services -			
Indirect costs	1,015	1,015	-
Total expenditures	43,654	43,654	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Positive Behavioral Intervention and Supports Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 4,500	1,862	(2,638)
Expenditures:			
Instruction:			
Professional and technical services	1,165	515	650
Staff travel	1,500	1,304	196
Supplies, materials and media	1,730	-	1,730
Total instruction	4,395	1,819	2,576
District administration support services -			
Indirect costs	105	43	62
Total expenditures	4,500	1,862	2,638
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Team Nutrition Alaska Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 3,500	3,440	(60)
Expenditures -			
Instruction -			
Supplies, materials and media	3,500	3,440	60
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Farm to School Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 4,994	3,687	(1,307)
Expenditures:			
Instruction -			
Supplies, materials and media	4,770	3,529	1,241
District administration support services -			
Indirect costs	224	158	66
Total expenditures	4,994	3,687	1,307
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Whole Kids Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Local sources - Other	$ 4,500	4,500	-
Expenditures -			
Instruction -			
Supplies, materials and media	4,500	4,500	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Local Foods for Schools Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 2,109	1,440	(669)
Expenditures -			
Food services -			
Supplies, materials and media	2,109	1,440	669
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Micro Grants for Food Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - State of Alaska	$ 10,000	3,576	(6,424)
Expenditures -			
Support services - instruction:			
Non-certificated salaries	5,096	-	5,096
Professional and technical services	3,242	1,939	1,303
Supplies, materials and media	1,662	1,637	25
Total expenditures	10,000	3,576	6,424
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Food Service Program Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Local sources - Charges for services	$ 23,000	150,252	127,252
Intergovernmental - Federal sources passed through the State of Alaska	399,027	268,796	(130,231)
Total revenues	422,027	419,048	(2,979)
Expenditures -			
Food services:			
Certificated salaries	70,000	112,206	(42,206)
Non-certificated salaries	177,850	156,615	21,235
Employee benefits	197,081	124,835	72,246
Professional and technical services	-	179	(179)
Staff travel	3,700	827	2,873
Other purchased services	300	13,695	(13,395)
Supplies, materials and media	294,000	198,189	95,811
Other	700	5,485	(4,785)
Equipment	-	8,800	(8,800)
Total expenditures	743,631	620,831	122,800
Excess (deficiency) of revenues over expenditures	$ (321,604)	(201,783)	119,821
Fund balance (deficit), beginning of year		(4,091)	
Fund balance (deficit), end of year		$ (205,874)	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Fresh Fruit and Vegetable FY25 Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 4,097	4,087	(10)
Expenditures -			
Food services -			
Supplies, materials and media	4,097	4,087	10
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Fresh Fruit and Vegetable FY26 Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - Federal sources passed through the State of Alaska	$	25,451
Expenditures:		
Instruction:		
Non-certificated salaries		2,916
Employee benefits		221
Total instruction		3,137
Food services -		
Supplies, materials and media		22,314
Total expenditures		25,451
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Title I-A Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 170,173	170,052	(121)
Expenditures:			
Instruction:			
Certificated salaries	162,018	162,018	-
Staff travel	1,357	1,239	118
Supplies, materials and media	800	800	-
Tuition-students and stipends	2,054	2,054	-
Other	56	55	1
Total instruction	166,285	166,166	119
District administration support services - Indirect costs	3,888	3,886	2
Total expenditures	170,173	170,052	121
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Title VI-B Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 359,664	346,605	(13,059)
Expenditures:			
Special education instruction:			
Certificated salaries	55,000	55,000	-
Non-certificated salaries	96,000	96,000	-
Employee benefits	192,353	179,600	12,753
Other purchased services	7,950	7,950	-
Total special education instruction	351,303	338,550	12,753
District administration support services - Indirect costs	8,361	8,055	306
Total expenditures	359,664	346,605	13,059
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Section 619 Special Education Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 15,469	15,469	-
Expenditures:			
Special education instruction:			
Non-certificated salaries	3,399	3,399	-
Other purchased services	11,710	11,710	-
Total special education instruction	15,109	15,109	-
District administration support services - Indirect costs	360	360	-
Total expenditures	15,469	15,469	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Title IV-A ESEA Consolidated Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 15,800	15,800	-
Expenditures:			
Support services - students:			
Certificated salaries	14,599	14,599	-
Employee benefits	833	833	-
Total support services - students	15,432	15,432	-
District administration support services - Indirect costs	368	368	-
Total expenditures	15,800	15,800	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Title VI-B Discretionary Special Education Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 8,000	8,000	-
Expenditures -			
Special education instruction - Non-certificated salaries	8,000	8,000	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Title I-C Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 197,660	128,375	(69,285)
Expenditures:			
Support services - students:			
Certificated salaries	11,500	3,655	7,845
Non-certificated salaries	35,919	35,321	598
Employee benefits	21,626	20,636	990
Professional and technical services	20,500	12,828	7,672
Staff travel	-	1,853	(1,853)
Student travel	26,600	6,979	19,621
Supplies, materials and media	47,325	18,800	28,525
Tuition-students and stipends	30,300	25,921	4,379
Total support services - students	193,770	125,993	67,777
District administration support services - Indirect costs	3,890	2,382	1,508
Total expenditures	197,660	128,375	69,285
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Consolidated Admin Pool Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 42,137	42,137	-
Expenditures -			
Instruction:			
Certificated salaries	37,152	37,152	-
Employee benefits	4,985	4,985	-
Total expenditures	42,137	42,137	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

School Improvement Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 31,300	26,774	(4,526)
Expenditures:			
Instruction:			
Certificated salaries	11,644	11,584	60
Employee benefits	1,855	1,587	268
Professional and technical services	1,750	1,750	-
Staff travel	3,086	2,765	321
Student travel	3,000	1,450	1,550
Supplies, materials and media	9,237	7,016	2,221
Total instruction	30,572	26,152	4,420
District administration support services -			
Indirect costs	728	622	106
Total expenditures	31,300	26,774	4,526
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Career Technical Education (CTE) Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 39,640	39,639	(1)
Expenditures:			
Instruction:			
Certificated salaries	9,250	9,250	-
Employee benefits	1,296	1,296	-
Professional and technical services	2,341	2,340	1
Other purchased services	245	245	-
Supplies, materials and media	25,040	25,040	-
Tuition-students and stipends	560	560	-
Total instruction	38,732	38,731	1
District administration support services -			
Indirect costs	908	908	-
Total expenditures	39,640	39,639	1
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Title II - A Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 61,420	61,420	-
Expenditures:			
Instruction:			
Professional and technical services	10,623	10,623	-
Staff travel	34,119	34,119	-
Supplies, materials and media	7,114	7,114	-
Other	8,136	8,136	-
Total instruction	59,992	59,992	-
District administration support services - Indirect costs	1,428	1,428	-
Total expenditures	61,420	61,420	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Safety and Well-Being Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Intergovernmental - Federal sources passed through the State of Alaska	$ 9,497	7,244	(2,253)
Expenditures:			
Instruction -			
Staff travel	9,276	7,075	2,201
District administration support services -			
Indirect cost	221	169	52
Total expenditures	9,497	7,244	2,253
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

New Visions FY26 Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska	$ 3,000	3,000	-
Federal sources passed through the State of Alaska	1,000	1,000	-
Total revenues	4,000	4,000	-
Expenditures -			
Instruction:			
Certificated salaries	1,102	1,102	-
Non-certificated salaries	631	631	-
Employee benefits	724	724	-
Staff travel	1,131	1,131	-
Supplies, materials and media	412	412	-
Total expenditures	4,000	4,000	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

New Visions FY25 Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental:			
State of Alaska	$ 5,000	5,000	-
Federal sources passed through the State of Alaska	5,000	5,000	-
Total revenues	10,000	10,000	-
Expenditures -			
Instruction -			
Non-certificated salaries	10,000	10,000	-
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

STEPS Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenue	$	4,806
Expenditures		-
Excess of revenues over expenditures		4,806
Fund balance, beginning of year		(4,806)
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Sitka AmeriCorps Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues:		
Local sources - Other local revenue	$	29,750
Intergovernmental - Federal sources passed through the State of Alaska		197,112
Total revenues		226,862
Expenditures:		
District administration support services - Indirect costs		4,855
Community services:		
Non-certificated salaries		54,662
Employee benefits		72,751
Housing allowance/subsidy		64,470
Professional and technical services		5,878
Other purchased services		1,570
Supplies, materials and media		6,442
Total community services		205,773
Total expenditures		210,628
Excess of revenues over expenditures		16,234
Fund balance, beginning of year		4,998
Fund balance, end of year	$	21,232

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Serve Alaska, Sitka AmeriCorps Program 25 Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - Federal sources passed through the State of Alaska	$	20,936
Expenditures -		
Community services:		
Employee benefits		1,457
Housing allowance/subsidy		19,479
Total expenditures		20,936
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

AmeriCorps Mini-Grant Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - Federal sources passed through the State of Alaska	$	948
Expenditures -		
Community services -		
Professional and technical services		948
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Hunter Education Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - State of Alaska	$	17,522
Expenditures:		
Instruction:		
Certificated salaries		5,220
Employee benefits		1,941
Staff travel		3,183
Supplies, materials and media		6,332
Other		439
Total instruction		17,115
District administration support services -		
Indirect costs		407
Total expenditures		17,522
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

SEALASKA Heritage Institute Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	75,161
Expenditures:		
Instruction:		
Certificated salaries		43,568
Non-certificated salaries		5,428
Employee benefits		24,824
Total instruction		73,820
District administration support services -		
Indirect costs		1,341
Total expenditures		75,161
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

SEALASKA Heritage Institute TCL Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	6,345
Expenditures -		
Instruction:		
Certificated salaries		2,550
Staff travel		3,795
Total expenditures		6,345
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

STEAM-Making Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	272,126
Expenditures:		
Instruction:		
Certificated salaries		187,736
Employee benefits		77,000
Staff travel		344
Supplies, materials and media		724
Total instruction		265,804
District administration support services -		
Indirect costs		6,322
Total expenditures		272,126
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Raven Writes Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	150,184
Expenditures:		
Instruction:		
Certificated salaries		99,598
Non-certificated salaries		900
Employee benefits		43,883
Professional and technical services		1,746
Student travel		280
Supplies, materials and media		286
Total instruction		146,693
District administration support services -		
Indirect costs		3,491
Total expenditures		150,184
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

SHI Language Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	20,969
Expenditures -		
Instruction:		
Certificated salaries		19,135
Employee benefits		1,834
Total expenditures		20,969
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Youth Cultural Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	3,954
Expenditures -		
Support services - instruction:		
Non-certificated salaries		1,459
Employee benefits		111
Professional and technical services		714
Staff travel		599
Supplies, materials and media		1,071
Total expenditures		3,954
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Indian Education Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues:		
Intergovernmental - Federal sources - Direct	$	118,473
Expenditures:		
Instruction:		
Non-certificated salaries		67,877
Employee benefits		47,855
Total instruction		115,732
District administration support services -		
Indirect costs		2,741
Total expenditures		118,473
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Project Achieve Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - Federal sources - Direct	$	370,601
Expenditures:		
Instruction:		
Certificated salaries		120,618
Non-certificated salaries		10,000
Employee benefits		42,731
Professional and technical services		94,965
Staff travel		27,763
Student travel		3,075
Other purchased services		22,729
Supplies, materials and media		32,944
Tuition-students and stipends		5,000
Total instruction		359,825
District administration support services -		
Indirect costs		10,776
Total expenditures		370,601
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

SNEP In Schools Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	119,599
Expenditures:		
Instruction:		
Certificated salaries		74,190
Employee benefits		37,075
Staff travel		1,345
Other purchased services		336
Supplies, materials and media		3,873
Total instruction		116,819
District administration support services -		
Indirect costs		2,780
Total expenditures		119,599
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Walking Together Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	20,660
Expenditures -		
Instruction:		
Certificated salaries		9,828
Employee benefits		745
Professional and technical services		3,148
Staff travel		986
Supplies, materials and media		5,953
Total expenditures		20,660
Excess of revenues over expenditures		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Equipment and Textbooks Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues	$	-
Expenditures		-
Excess of revenues over expenditures		-
Fund balance, beginning of year		8,954
Fund balance, end of year	$	8,954

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Charitable Trust Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues -		
Local sources - Other local revenues	$	31,235
Expenditures -		
Instruction:		
Certificated salaries		1,000
Employee benefits		140
Supplies, materials and media		24,615
Total expenditures		25,755
Excess of revenues over expenditures		5,480
Fund balance, beginning of year		12,604
Fund balance, end of year	$	18,084

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Citizens Donation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues:		
Local sources - Other local revenues	$	251,038
Expenditures -		
Instruction:		
Certificated salaries		500
Employee benefits		38
Professional and technical services		55
Student travel		58,358
Supplies, materials and media		163,675
Other		367
Total expenditures		222,993
Excess of revenues over expenditures		28,045
Fund balance, beginning of year		302,451
Fund balance, end of year	$	330,496

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Project Transform Special Revenue Fund

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

Year Ended June 30, 2026

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues -			
Local sources - Other local revenues	$ 3,000	2,852	(148)
Expenditures:			
Instruction:			
Certificated salaries	2,250	2,299	(49)
Employee benefits	-	26	(26)
Supplies, materials and media	750	527	223
Total expenditures	3,000	2,852	148
Excess of revenues over expenditures	$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		$ -	

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Reuben E. Crossett Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues	$	-
Expenditures		-
Excess of revenues over expenditures		-
Fund balance, beginning of year		20,127
Fund balance, end of year	$	20,127

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Safeway - Albertson's Foundation Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues	$	-
Expenditures		-
Excess of revenues over expenditures		-
Fund balance, beginning of year		4,620
Fund balance, end of year	$	4,620

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Community Schools Recycling Project Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues	$	-
Expenditures		-
Excess of revenues over expenditures		-
Fund balance, beginning of year		25,515
Fund balance, end of year	$	25,515

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Swimming Pool Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit)

Year Ended June 30, 2026

Revenues -		
Intergovernmental -		
City and Borough appropriations	$	138,727
Expenditures -		
Community services:		
Non-certificated salaries		2,141
Employee benefits		162
Energy		100,000
Other purchased services		39,114
Total expenditures		141,417
Excess (deficiency) of revenues over expenditures		(2,690)
Fund balance (deficit), beginning of year		(25,849)
Fund balance (deficit), end of year	$	(28,539)

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Ventures Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues:		
Local sources -		
Charges for services	$	315,083
Intergovernmental -		
State of Alaska		104,816
Total revenues		419,899
Expenditures:		
Community services:		
Certificated salaries		3,383
Non-certificated salaries		309,866
Employee benefits		96,989
Professional and technical services		451
Student travel		1,680
Other purchased services		13,934
Supplies, materials and media		31,074
Other		5,202
Total expenditures		462,579
Excess (deficiency) of revenues over expenditures		(42,680)
Fund balance, beginning of year		288,200
Fund balance, end of year	$	245,520

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Performing Arts Center Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

Revenues -		
Intergovernmental - City and Borough appropriations	$	192,000
Expenditures -		
Community services:		
Professional and technical services		125,000
Utility services		67,000
Total expenditures		192,000
Excess of revenues over expenditures		-
Fund balance, beginning of year		100,527
Fund balance, end of year	$	100,527

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Student Activities Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes
in Fund Balance

Year Ended June 30, 2026

Revenues:		
Intergovernmental - City and Borough appropriations	$	484,432
Local - Other local revenues		254,453
Total revenues		738,885
Expenditures:		
Instruction:		
Certificated salaries		2,000
Employee benefits		277
Total instruction		2,277
Student activities:		
Professional and technical services		51,504
Student travel		626,775
Supplies, materials and media		105,767
Total student activities		784,046
Total expenditures		786,323
Excess (deficiency) of revenues over expenditures		(47,438)
Fund balance, beginning of year		426,293
Fund balance, end of year	$	378,855

FINAL DRAFT
FOR DISCUSSION PURPOSES ON

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of Compliance - AS 14.17.505

June 30, 2026

Total fund balance - School Operating Fund	$	1,582,098
less exemptions per 4 AAC 09.160(a)		
Prepaid items		22,615
Reserved for Impact Aid		47,308
Fund Balance Subject to 10% Limitation	$	1,512,175

Nonexempt fund balance as a percentage of current year expenditures:

Fund balance subject to limitation	$	1,512,175	=	6.22%
Current year expenditures		24,307,034		

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2026

Federal Agency / Pass-Through Agency / Program Name	Federal Grantor / Pass-Through Number	Assistance Listing Number	Award Amount	Federal Share of Expenditures
U.S. Department of Agriculture:				
Passed through the State of Alaska, Department of Education and Early Development:				
Child Nutrition Cluster:				
School Breakfast Program	0421	10.553	$ 57,089	57,089
National School Lunch Program	0421	10.555	191,635	191,635
Commodities	None	10.555	18,206	18,206
Fruit and Vegetable Program 2025	FF 25.SISD.01	10.582	4,097	4,087
Fruit and Vegetable Program 2026	FF 26.SISD.01	10.582	28,678	25,451
Total Child Nutrition Cluster			299,705	296,468
Food Distribution Admin Fee Reimbursement	FD 26.SISD.01	10.560	1,866	1,866
Local Food for Schools	LF 26.SISD.01	10.185	2,109	1,440
Team Nutrition Alaska School Nutrition Culinary Arts Program	TN 26.SISD.01	10.574	3,500	3,440
Farm to School	FS 25.SISD.01	10.645	4,994	3,687
Total U.S. Department of Agriculture			312,174	306,901
National Endowment for the Humanities:				
Passed through the State of Alaska, Department of Education and Early Development:				
New Visions	FY26NV004	45.025	1,000	1,000
New Visions	FY25NV008	45.025	5,000	5,000
Total ALN 45.025			6,000	6,000
U.S. Department of Education:				
Passed through the State of Alaska, Department of Education and Early Development:				
Title I-A Basic	IP 26.SISD.01	84.010A	168,784	168,783
Consolidated Administrative Pool	IP 26.SISD.01	84.010A	11,318	11,318
Title I School Improvement Program	SI 26.SISD.01	84.010A	31,300	26,774
Safety and Well-Being	SW 26.SISD.01	84.010A	4,500	3,431
Total ALN 84.010A			215,902	210,306
Title I-C	IP 26.SISD.01	84.011A	197,660	122,072
Migrant Literacy	MB 26.SISD.01	84.011A	4,410	1,897
Migrant Travel	MB 26.SISD.01	84.011A	4,500	4,406
Consolidated Administrative Pool	IP 26.SISD.01	84.011A	20,819	20,819
Total ALN 84.011A			227,389	149,194
Carl Perkins - CTE	EK 26.SISD.01	84.048A	39,640	39,639
Special Education Cluster (IDEA):				
Positive Behavioral Intervention and Supports	PB 26.SISD.01	84.027A	4,500	1,862
Title VI-B	SE 26.SISD.01	84.027A	359,664	346,605
Title VI-B Discretionary Special Education	DS 26.SISD.01	84.027A	8,000	8,000
Section 619	SE 26.SISD.01	84.173A	15,469	15,469
Total Special Education Cluster (IDEA)			387,633	371,936
Homeless EHCY Travel	AH 26.SISD.01	84.196A	1,390	1,269
Title II-A Improving Teacher Quality	IP 26.SISD.01	84.367A	61,420	61,420
Consolidated Administrative Pool	IP 26.SISD.01	84.367A	10,000	10,000
Total ALN 84.367A			71,420	71,420
Title IV-A - ESEA Consolidated	IP 26.SISD.01	84.424A	24,800	15,800
Safety and Well-Being	SW 26.SISD.01	84.424A	5,000	3,813
Total ALN 84.424A			29,800	19,613
AK Literacy Program	AL 26.SISD.01	84.371C	43,654	43,654
Total passed through the State of Alaska, Department of Education and Early Development			1,016,828	907,031
Direct:				
Impact Aid	110002	84.041	47,308	47,308
Indian Education Grants to Local Educational Agencies	S060A250986	84.060A	118,473	118,473
Demonstration Grants for Indian Children and Youth Program	S299A250053	84.299A	1,000,000	370,601
Total direct			1,165,781	536,382
Total U.S. Department of Education			2,182,609	1,443,413
U.S. Department of Health and Human Services:				
Passed through the State of Alaska, Department of Education and Early Development:				
Alternative Schools Program	BH 26.SISD.01	93.243	36,750	25,673
Corporation for National and Community Service:				
Passed through State of Alaska, Department of Commerce, Community and Economic Development:				
AmeriCorps Mini-Grant	22CAIAK001	94.003	6,000	948
Serve Alaska, Sitka AmeriCorps	24FXIAK0010001	94.006	405,000	20,936
Sitka AmeriCorps	24FIAK0010002	94.006	301,796	197,112
Total ALN 94.006			706,796	218,048
Total Corporation for National and Community Service			712,796	218,996
Total Expenditures of Federal Awards			$ 3,250,329	2,000,983

See accompanying notes to Schedule.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2026

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Sitka School District under programs of the federal government for the year ended June 30, 2026. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).* Because the Schedule presents only a selected portion of the operations of Sitka School District, it is not intended to and does not present the basic financial statements of Sitka 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. Sitka School District has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Subrecipients

No federal funds were passed through to subrecipients.

Note 4. Nonmonetary Assistance

Non-monetary assistance is reported on the Schedule of fair value of the commodities received and disbursed. For the year ended June 30, 2026 the District received $18,206 in food commodities.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Schedule of State Financial Assistance

Year Ended June 30, 2026

State of Alaska Awarding Agency	Award Number	Award	State Share of Expenditures
Department of Education and Early Development:			
* Public School Funding Program:			
Foundation	None	$ 12,710,423	12,710,423
Quality Schools	None	40,625	40,625
Total Public School Funding Program		12,751,048	12,751,048
Dividend Raffle Funds	None	5,058	5,058
Hunter Education	HE 26.SISD.01	17,522	17,522
Pupil Transportation	FY2026	511,826	511,826
Alaska State Council on the Arts:			
New Visions	FY26NV004	3,000	3,000
New Visions	FY25NV008	5,000	5,000
New Visions	FY26NV004	2,000	500
Total Department of Education and Early Development		13,295,454	13,293,954
Department of Natural Resources -			
Micro Grant for Food	None	5,096	3,576
Department of Health -			
Preschool Development Grant B-5 Funds	None	25,000	25,000
Total State financial assistance		$ 13,325,550	13,322,530

See accompanying notes to Schedule.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2026

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Sitka School District (the District) under programs of the State of Alaska for the year ended June 30, 2026. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits.* Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the basic financial statements of the District.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Subrecipients

No state funds were passed through to subrecipients.

Note 4. Major Programs

* Denotes a major program for compliance audit purposes.

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

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

Total Schedule of State Financial Assistance	$ 13,322,530
PERS On-Behalf	167,579
TRS On-Behalf	1,701,109
State Contract Services	104,816
Total State of Alaska per Statement of Revenues, Expenditures and Changes in Fund Balances	$ 15,296,034

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

COMPLIANCE SECTION

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

Independent Auditor's Report

Members of the School Board
Sitka School District
Sitka, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sitka School District (the District), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated Month XX, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying federal schedule of findings and questioned costs as Finding 2026-001 that we consider to be a material weakness.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Members of the School Board
Sitka School District

Report on Compliance and Other Matters

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

Sitka School District's Response to Findings

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

Purpose of This Report

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

Anchorage, Alaska
Month XX, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

Independent Auditor's Report

Members of the School Board
Sitka School District
Sitka, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Members of the School Board
Sitka 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.

Anchorage, Alaska
Month XX, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2026

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP:	*Unmodified*			
Is a going concern emphasis-of-matter paragraph included in the audit report?	____	Yes	X	No
Internal control over financial reporting:				
Significant deficiency(ies) identified?	____	Yes	X	None reported
Material weakness(es) identified?	X	Yes	____	No
Noncompliance material to financial statements noted?	____	Yes	X	No

Federal Awards

Internal control over major programs (2 CFR 200.516 (a)(1)):				
Significant deficiency(ies) identified?	____	Yes	X	None reported
Material weakness(es) identified?	____	Yes	X	No
Any material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516 (a)(2))?	____	Yes	X	No
Type of auditor's report issued on compliance for major program:	*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	X	No

Identification of major programs:

Assistance Listing Number(s)/Cluster	Name of Federal Program or Cluster
10.553/10.555/10.582	Child Nutrition Cluster
84.027/84.173	Special Education Cluster (IDEA
84.299	Indian Education Demonstration Grants for Indian Children and Youth Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,000,000			
Auditee qualified as low-risk auditee?	____	Yes	X	No

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Section II - Financial Statement Findings

Finding 2026-001 **Internal Control over Financial Close and Reporting**
Material Weakness

Criteria: An effective internal control system over financial reporting provides reasonable assurance that assets are safeguarded against loss and theft, and that reliable financial statements are prepared in accordance with the appropriate accounting standards and in compliance with applicable laws and regulations. Internal controls should be in place to ensure timely reconciliation and review of all general ledger accounts to ensure financial statement amounts are properly stated.

Condition and Context: During our audit we noted that the District's year-end financial statement closing procedures were ineffective to meet these objectives. The District did not timely reconcile the special revenue funds, accounts payable, accounts receivable, and payroll liability accounts prior to the start of the audit. As a result, the auditors proposed multiple material adjusting journal entries.

Cause: Lack of internal control over financial reporting and year end close procedures.

Effect: Misstatements were not prevented, detected, or corrected by management in a timely manner.

Recommendation: To improve the year-end financial closing process, we recommend that the District establish a more efficient and effective responsibilities matrix for its close process. This will ensure timely and accurate reconciliations for all general ledger accounts, as well as timely review and approval by management. Support for the reconciliations and management review should be maintained and be available for review and the audit process.

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

Section III - Federal Award Findings

Sitka School District did not have any findings related the Federal Awards.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

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

Independent Auditor's Report

Members of the School Board
Sitka School District
Sitka, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Sitka School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the State of Alaska Audit Guide and Compliance Supplements that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2026. The District's major state programs are identified on the Schedule of State Financial Assistance.

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and 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 the District's compliance with the requirements of each major state program as a whole.

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the State of Alaska Audit Guide and is described in the accompanying state schedule of findings and questioned costs as Finding 2026-002. Our opinion on each major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Sitka School District's response to the noncompliance finding identified in our audit and described in the accompanying state schedule of findings and questioned costs. The Sitka 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.

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Members of the School Board
Sitka School District

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying state schedule of findings and questioned costs as Finding 2026-002 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 the Sitka School District's response to the internal control over compliance finding identified in our audit and described in the accompanying state schedule of findings and questioned costs. The Sitka School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Anchorage, Alaska
Month XX, 2026

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

SITKA SCHOOL DISTRICT
(A Component Unit of the City and Borough of Sitka, Alaska)

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2026

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	*Unmodified*			
Internal control over financial reporting:				
Significant deficiency identified?	____	Yes	X	None reported
Material weakness identified?	X	Yes	____	No
Noncompliance material to the financial statements noted?	____	Yes	X	No

State Financial Assistance

Internal control over major programs:				
Significant deficiency identified?	X	Yes	X	None reported
Material weakness identified?	____	Yes	____	No
Type of auditor's report issued on compliance for major programs:	*Unmodified*			
Dollar threshold used to distinguish between a type A and B program:	$ 750,000			
Auditee qualified as low-risk auditee?	____	Yes	X	No

Section II – Financial Statement Findings

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

FINAL DRAFT
FOR DISCUSSION PURPOSES ONLY

Section III – State Award Findings and Questioned Costs

Finding 2026-002 — **Lack of Internal Control over Matching, Level of Effort and/or Earmarking**

State Agency: State of Alaska, Department of Education and Early Development
State Program: Public School Funding Program
Award Number: None
Award year: 2026
Type of Finding: Significant deficiency in internal control over compliance and noncompliance.

Criteria:

A city or borough school district must fund its required local contribution every fiscal year under AS 14.17.410. Where in-kind services are used to meet part of the required local contribution, the goods and services reported must meet the criteria for recognition under U.S. GAAP and follow the guidelines specified in DEED's Chart of Accounts. Under 4 AAC 09.990(b)(2), "value of in-kind services," as used in the definition of "local contribution" in AS 14.17.990, means the documented fair market value of insurance, utilities, energy, audits, and maintenance of facilities that the city or borough provides at no charge to a district.

Condition and Context:

The City and Borough of Sitka's appropriation letter to the Sitka School District for FY26 budgeted $772,942 of in-kind maintenance of facilities as part of the local contribution. The District did not report any in-kind maintenance revenue or expenditures in its School Operating Fund. The District also could not get documentation from the City and Borough supporting the actual fair market value of the maintenance services provided during the year, such as invoices, work orders, or labor and materials cost records. A budgeted amount in an appropriation letter is not considered itself to be sufficient documentation of fair market value of services actually provided. The in-kind maintenance also was not reported in the School Operating Fund. For both reasons, none of the $772,942 qualifies as "value of in-kind services" under 4 AAC 09.990(b)(2), and none of it can be counted toward the required local contribution under AS 14.17.410.

The required local level of effort was met through cash contributions included in the City and Borough's annual appropriation commitment.

Cause:

The District does not have procedures in place to get documentation of in-kind services the City and Borough actually performed, or to record those services in the School Operating Fund. The District relied on the budgeted amount in the appropriation letter and did obtain supporting documentation on the actual services provided.

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FOR DISCUSSION PURPOSES ONLY

Effect: Without the budgeted in-kind maintenance, the District's documented local contribution consists only of cash appropriations. Because the in-kind maintenance was not recorded, the School Operating Fund also understates any in-kind contribution revenue and the related maintenance expenditures the City and Borough actually provided. A shortfall in the required local contribution could lead DEED to adjust the District's public school funding.

Questioned Costs: Undetermined. The City and Borough did not provide support for the in-kind maintenance it actually performed, so the fair market value of the services provided, and the resulting effect on the District's required local contribution, could not be determined. The budgeted amount was $772,942.

Repeat Finding: No.

Recommendation: We recommend the District work with the City and Borough of Sitka on a written agreement requiring the City and Borough to provide, at least annually, documented fair market value support for the in-kind insurance, utilities, energy, audit, and facilities maintenance services provided at no charge.

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

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FOR DISCUSSION PURPOSES ONLY

SITKA
SCHOOL DISTRICT
DISCOVER | NURTURE | INSPIRE

300 Kostrometinoff Street
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Summary Schedule of Prior Audit Findings

June 30, 2026

Financial Statement Findings

Finding 2025-001 **Material Weakness**	**Internal Control over Financial Close and Reporting**
Condition:	During our audit we noted that the District's year-end financial statement closing procedures were ineffective to meet these objectives. The District did not timely reconcile their special revenue funds, bank accounts, or payroll liability accounts prior to the start of the audit. As a result, the auditors proposed multiple material adjusting journal entries.
Status:	This finding has not been resolved and is repeated as finding 2026-001.
Finding 2025-002 **Significant Deficiency**	**Lack of Internal Control over Payroll**
Condition:	The payroll system of the District lacks the internal control necessary to ensure proper managerial approval of payroll transactions. During our testing of payroll transactions, we noted four substitute employees who had no personnel action forms or equivalent documentation and one employee whose payrate lacked necessary documentation of managerial approval.
Status:	This finding has been resolved.

State Award Findings and Questioned Costs

Finding 2025-003	**Lack of Internal Control over Activities Allowed or Unallowed and Allowable Costs/Cost Principles**
State Agency:	State of Alaska, Department of Education and Early Development
State Program:	Foundation
Award Number:	None
Award year:	2025
Type of Finding:	Significant deficiency in internal control over compliance.

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FOR DISCUSSION PURPOSES ONLY

Summary Schedule of Prior Audit Findings, continued

Condition: The payroll system of the district lacks internal control necessary to ensure proper managerial approval of payroll transactions. During our testing of payroll transactions, we noted one transaction in which the rate of pay was not properly approved by management and four transactions in which documentation of the rate of pay was missing altogether. Based on the context of the transactions, we did not identify any unallowable expenditures under the program guidelines.

Status: This finding has been resolved.

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Corrective Action Plan

June 30, 2026

Financial Statement Findings

Finding 2026-001 **Lack of Internal Control over Financial Close and Reporting**

Name of Contact Person: Kathrynn Hollis-Buchanan, District Business Manager

Corrective Action Plan: Sitka School District acknowledges the audit finding related to the reporting and documentation of grant information. To strengthen our grant reporting processes and help ensure complete, accurate, and consistent reporting in future periods, the District will implement the following corrective actions:

1. **Additional Training:** District Business Office staff responsible for grant administration, accounting, and financial reporting will pursue additional training related to grant accounting, reporting requirements, and the preparation of grant schedules. Training will be incorporated into ongoing staff development as appropriate to reinforce compliance requirements and strengthen internal knowledge.
2. **Standardized Grant Reporting Template:** The District will implement and use the **grant reporting template already provided by the auditors** as part of our year-end grant reporting and audit preparation process. The template will be maintained for applicable grants and used to document relevant grant information in a consistent format, including grant identification, funding sources, award information, expenditures, revenues, and other information necessary to support financial closing and audit reporting.
3. **Year-End Review:** As part of the fiscal year-end closing process, the Business Manager will review the completed grant information for inclusiveness and reconcile applicable amounts to the District's accounting records before providing information for the annual audit.
4. **Ongoing Process Improvement:** The District will incorporate the template and related review procedures into its annual grant closeout and audit-preparation procedures. The process will be evaluated quarterly and updated as necessary based on changes in grant requirements, guidance, or recommendations from the District's auditors.

Responsible Party: District Business Manager with the assistance of all Business Office Staff.

Implementation Date: Corrective action has been initiated.

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FOR DISCUSSION PURPOSES ONLY

State Award Findings and Questioned Costs

Finding 2026-002	**Lack of Internal Control over Matching, Level of Effort and/or Earmarking**
Name of Contact Person:	Kathrynn Hollis-Buchanan, District Business Manager
Corrective Action Plan:	We have already discussed with CBS how this can be rectified in the future, with a more clear explanation of CBS responsibilities that will help us to accurately document level of local effort in regards to maintenance of the CBS buildings.
Proposed Completion Date:	We have already initiated the discussion, but we will collaborate with CBS upon the drafting of the FY28 appropriations award letter.

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