

KASHUNAMIUT SCHOOL DISTRICT

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

Year Ended June 30, 2025

KASHUNAMIUT SCHOOL DISTRICT

Basic Financial Statements, Required Supplementary
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(With Independent Auditor's Reports Thereon)

Year Ended June 30, 2025

KASHUNAMIUT SCHOOL DISTRICT

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Independent Auditor's Report

Members of the School Board
Kashunamiut School District
Chevak, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kashunamiut School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Kashunamiut School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedules of the District's Proportionate Share of Net Pension and OPEB Liabilities and Assets and the District's Schedules of Contributions for the Public Employees' Retirement System and Teachers' Retirement System, and Notes to Required Supplementary Information on pages 41-52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kashunamiut School District's basic financial statements. The accompanying major governmental funds schedule of revenues, expenditures and changes in fund balance – budget and actual (where applicable); other governmental funds combining and individual fund financial statements and schedules; schedule of compliance – AS 14.17.505; schedule of expenditures of federal awards and related notes, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; schedule of state financial assistance and related notes which is presented as required by the *State of Alaska Audit Guide and Compliance Supplement*, 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 auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, on our consideration of the Kashunamiut School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Kashunamiut School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kashunamiut School District's internal control over financial reporting and compliance.

Altman, Rogers & Co.

Anchorage, Alaska
December 1, 2025

KASHUNAMIUT SCHOOL DISTRICT

Statement of Net Position

June 30, 2025

	<u>Governmental Activities</u>
<u>Assets and Deferred Outflows of Resources</u>	
Current assets:	
Cash and cash equivalents	\$ 6,563,072
Accounts receivable	462,384
Inventory	373,935
Total current assets	<u>7,399,391</u>
Noncurrent assets:	
Capital assets	34,471,503
Accumulated depreciation	(15,181,521)
Net OPEB asset	2,233,895
Total noncurrent assets	<u>21,523,877</u>
Deferred outflows of resources -	
Pension/OPEB deferrals	<u>651,888</u>
Total assets and deferred outflows of resources	<u>\$ 29,575,156</u>
<u>Liabilities, Deferred Inflows of Resources</u>	
Current liabilities:	
Accounts payable	9,086
Payroll accruals and liabilities	146,153
Unearned revenue	132,643
Due to student groups	206,338
Total current liabilities	<u>494,220</u>
Long-term liabilities -	
Compensated absences	308,858
Net pension liability	4,592,920
Total long term liabilities	<u>4,901,778</u>
Deferred inflows of resources -	
Pension/OPEB deferrals	<u>125,423</u>
Total liabilities and deferred inflows of resources	<u>5,521,421</u>
<u>Net Position</u>	
Net investment in capital assets	19,289,982
Restricted - scholarships	27,348
Unrestricted	4,736,405
Total net position	<u>24,053,735</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 29,575,156</u>

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

KASHUNAMIUT SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental activities:				
Instruction	\$ 4,732,302	-	1,635,881	(3,096,421)
Special education instruction	847,842	-	145,227	(702,615)
Special education - support services - students	65,650	-	-	(65,650)
Support services - students	41,922	-	3,549	(38,373)
Support services - instruction	2,115,901	-	58,923	(2,056,978)
School administration	298,532	-	28,392	(270,140)
School administration support services	111,927	-	11,657	(100,270)
District administration	657,860	-	43,884	(613,976)
District administration support services	608,769	-	99,093	(509,676)
Operations and maintenance of plant	2,037,560	120,776	128,552	(1,788,232)
Student activities	515,467	-	15,182	(500,285)
Student transportation services - to and from school	990	-	1,688	698
Community services	270,879	-	268,311	(2,568)
Food services	596,163	10,160	428,326	(157,677)
Total governmental activities	\$ 12,901,764	130,936	2,868,665	(9,902,163)
General revenues:				
Unrestricted investment and interest earnings			\$ 28,912	
E-rate			1,544,330	
Grants not restricted to specific programs			8,271,111	
Other			32,008	
Total general revenues			9,876,361	
Change in net position				(25,802)
Net position, beginning of year, as previously reported				24,332,463
Change in accounting principle - compensated absences				(252,926)
Net position, beginning of year, as restated				24,079,537
Net position, ending				\$ 24,053,735

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

KASHUNAMIUT SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2025

	School Operating Fund	District Office Construction Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 6,490,965	-	72,107	6,563,072
Accounts receivable	-	-	462,384	462,384
Due from other funds	507,143	1,129,384	1,146,884	2,783,411
Inventory	373,935	-	-	373,935
Total assets	<u>\$ 7,372,043</u>	<u>1,129,384</u>	<u>1,681,375</u>	<u>10,182,802</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	7,754	-	1,332	9,086
Payroll accruals and liabilities	146,153	-	-	146,153
Due to other funds	2,276,268	-	507,143	2,783,411
Due to student groups	206,338	-	-	206,338
Unearned revenue	-	-	132,643	132,643
Total liabilities	<u>2,636,513</u>	<u>-</u>	<u>641,118</u>	<u>3,277,631</u>
Fund balances:				
Nonspendable	373,935	-	-	373,935
Restricted - scholarships	-	-	27,348	27,348
Assigned	-	1,129,384	1,012,909	2,142,293
Unassigned	4,361,595	-	-	4,361,595
Total fund balances	<u>4,735,530</u>	<u>1,129,384</u>	<u>1,040,257</u>	<u>6,905,171</u>
Total liabilities and fund balances	<u>\$ 7,372,043</u>	<u>1,129,384</u>	<u>1,681,375</u>	<u>10,182,802</u>

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

KASHUNAMIUT SCHOOL DISTRICT

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

June 30, 2025

Total fund balance - governmental funds		\$	6,905,171
Amounts reported for governmental activities in the statement of net position are different because:			
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:			
Proportionate share of the collective net pension liability:			
PERS	\$	(3,190,307)	
TRS		(1,402,613)	
			(4,592,920)
Proportionate share of the collective net pension/OPEB asset:			
PERS		1,354,538	
TRS		879,357	
			2,233,895
Compensated absences			(308,858)
Deferred inflows and outflows of resources are the results of timing differences in the actuarial report.			
Pension/OPEB related assets in the current fiscal year:			
Deferred outflows of resources:			
PERS		512,458	
TRS		139,430	
			651,888
Deferred inflows of resources:			
PERS		(40,863)	
TRS		(84,560)	
			(125,423)
Capital assets used in governmental activities are not financial resources and are not reported in the funds.			19,289,982
Net position of governmental activities	\$		<u>24,053,735</u>

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

KASHUNAMIUT SCHOOL DISTRICT

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

Year Ended June 30, 2025

	School Operating Fund	District Office Construction Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Charges for services	\$ -	-	130,936	130,936
Earnings on investment	28,334	-	578	28,912
E-rate	1,544,330	-	-	1,544,330
Other	32,008	-	274,370	306,378
Intergovernmental:				
State of Alaska	4,796,119	-	42,300	4,838,419
Federal sources	3,808,362	-	1,952,686	5,761,048
Total revenues	10,209,153	-	2,400,870	12,610,023
Expenditures:				
Current:				
Instruction	2,560,999	-	1,315,904	3,876,903
Special education instruction	764,028	-	82,949	846,977
Special education - support services - students	65,650	-	-	65,650
Support services - students	43,445	-	2,000	45,445
Support services - instruction	2,068,585	-	39,733	2,108,318
School administration	277,657	-	-	277,657
School administration support services	123,502	-	-	123,502
District administration	621,317	-	-	621,317
District administration support services	556,897	-	68,407	625,304
Operations and maintenance of plant	1,455,664	119,198	367,059	1,941,921
Student activities	493,708	-	6,467	500,175
Student transportation - to and from school	-	-	990	990
Community services	-	-	259,211	259,211
Food services	-	-	575,818	575,818
Total expenditures	9,031,452	119,198	2,718,538	11,869,188
Excess (deficiency) of revenues over expenditures	1,177,701	(119,198)	(317,668)	740,835
Other financing sources (uses):				
Transfers in	-	430,000	784,908	1,214,908
Transfers out	(1,214,908)	-	-	(1,214,908)
Net other financing sources (uses)	(1,214,908)	430,000	784,908	-
Net change in fund balances	(37,207)	310,802	467,240	740,835
Fund balances, beginning of year	4,772,737	818,582	573,017	6,164,336
Fund balances, end of year	\$ 4,735,530	1,129,384	1,040,257	6,905,171

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

KASHUNAMIUT SCHOOL DISTRICT

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

Year Ended June 30, 2025

Net change in fund balance - total governmental funds \$ 740,835

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.

Net change in unfunded net pension liability/assets:

PERS	\$ 271,556	
TRS	<u>(289,026)</u>	(17,470)

Changes in deferred inflows and outflows of resources are the result 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	53,518	
TRS	<u>(57,606)</u>	(4,088)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense		(689,147)
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Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the funds. The liability is recorded in the government-wide financial statements.

Change in compensated absences		<u>(55,932)</u>
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Change in net position of governmental activities	\$	<u><u>(25,802)</u></u>
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The notes to the financial statements are an integral part of this statement.

KASHUNAMIUT SCHOOL DISTRICT
Statement of Fiduciary Net Position - Fiduciary Fund
Student Activity Custodial Fund
June 30, 2025

<u>Assets</u>	
Due from School Operating Fund	\$ <u>206,338</u>
<u>Liabilities and Fund Balances</u>	
Liabilities	-
Fiduciary net position - held for student groups	<u>206,338</u>
Total liabilities and fund balances	\$ <u>206,338</u>

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

KASHUNAMIUT SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position
Fiduciary Fund

Student Activity Custodial Fund

Year Ended June 30, 2025

Additions -		
Contributions	\$	126,115
Deductions -		
Instruction		1,087
Student activities		<u>75,291</u>
Total deductions		<u>76,378</u>
Change in net position		49,737
Net position, beginning of the year		<u>156,601</u>
Net position end of the year	\$	<u><u>206,338</u></u>

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements

June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Kashunamiut School District (District) operates a public school system under an elected school board, as permitted by Alaska State Statutes 14.14.060 and 29.35.160. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District is not included in any other governmental reporting entity as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards since the School Board Members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. The District does not have any component units.

The ESSER III Special Revenue Fund was previously reported as a major fund. The 2025 financial statements report this fund as other governmental funds because it did not meet the quantitative threshold for major fund presentation.

B. Government-wide and Fund Financial Statements

The Government-wide Financial Statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. *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 are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as "other governmental funds."

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

The *School Operating Fund* is the District's primary operating fund. Major revenue sources include the State of Alaska Public School Foundation Program and other state and federal revenues. Expenditures are authorized in the annual budget and are made for such activities as student instruction, support services, administration, operations and maintenance of plant, and student activities.

The *District Office Construction Capital Project Fund* accounts for construction project funding to the District.

Additionally, the District reports the following fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes.

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

The *Permanent Fund* is used to account for a scholarship endowment-type activity in which the original principal is not available for spending.

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

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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 and the applicable revenue recognition policies:

Intergovernmental revenue – State of Alaska Foundation, tuition, and federal aid for the school lunch program are all recorded in the year to which they relate, including accrual at year end of final payments due within approximately two months after year end.

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

Federal Impact Aid funds are recorded in the year to which the entitlement is received, including accrual at year end of final payments due within approximately two months after year end.

The United States Department of Agriculture provides commodities and supplies to the District. These commodities are recorded as revenue and expenditures as utilized.

Local revenue – Interest earnings associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available if received within 60 days of year end. Proceeds from the sale of lunches and other miscellaneous revenues are recognized in the year received.

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

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

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

1. Cash and Cash Equivalents

The District maintains all bank accounts in the School Operating Fund except for separate accounts maintained for the permanent fund. Accounts recorded in the School Operating Fund are available for use by all funds except the Permanent Fund.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Cash and cash equivalents include cash on-hand and demand deposits. The District requires all deposits to be insured or collateralized. The District holds no investments and as such has no investment policy. There are no statutory limitations on the type of investments allowed.

2. *Short-term Interfund Receivables and Payables*

In the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from 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 therefore, no allowance for uncollectible accounts has been established.

3. *Inventory and Prepaid Items*

The consumption method is used to account for the inventories of teaching and maintenance supplies, food inventories and fuel. These inventories are valued at the lower of cost or market, which approximates fair value, 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 assets.

Payments made to vendors for services that are applicable to future accounting periods are recorded as prepaid items. The prepaid items recorded in governmental fund types do not reflect current available resources and thus, are classified as nonspendable fund balance in the fund financial statements.

4. *Capital Assets*

Capital assets, which consist of equipment and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when the original cost is not available. Donated capital assets are recorded at acquisition value or estimated fair market value at the date of donation.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. The District uses the straight-line depreciation method over the following estimated useful lives:

Furniture and equipment	3 - 7 years
Buildings	40 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

5. *Deferred Inflows and Deferred Outflows of Resources*

Deferred inflows of resources are the acquisition of fund balance / net position by the District that are applicable to a future reporting period. Deferred outflows of resources are the consumption of fund balance / net position by the District that are applicable to a future reporting period.

6. *Unearned Revenues*

Unearned revenues arise when resources are received before the District has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when there is a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized. Unearned revenues represent the amounts for which asset recognition have been met, but for which revenue recognition criteria have not been met.

7. *Compensated Absences*

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

8. *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. The carrying amount of the District's investments are determined based on quoted market prices.

9. *Pensions/Other Post-Employment Benefits (OPEB)*

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

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.

11. *Fund Balance*

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

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

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

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

Budgets for the various Special Revenue Funds are prepared on a modified accrual basis of accounting in connection with the application for the special program's funding and are reviewed and approved by the School Board. Expenditure authority for Special Revenue Fund programs is limited to actual combined revenues and transfers from other funds. Unexpended balances of grants from State and federal governments for Special Revenue Funds lapse at June 30 with the exception of certain federal funding.

While appropriations lapse at the end of the fiscal year, the succeeding year's budget specifically provides for the re-appropriation of year-end encumbrances which have been approved in the fiscal year to which they relate.

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. Encumbrances outstanding at year end are reported as assigned fund balances since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Project budgets are adopted for the various Capital Project Funds based on the lives of the construction projects. Because an annual budget for these funds is not adopted, the Capital Project Funds do not have a presentation of budget to actual expenditures. Expenditure authority is limited to the actual combined revenues, transfers from other funds, and available fund balance within the fund.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents

The District maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is reported on the balance sheet or statement of net position as "cash and cash equivalents" or amounts "due to/from other funds." The District's bank accounts are insured by the Federal Depository Insurance Corporation (FDIC) to a maximum of \$250,000 per financial institution.

Custodial Credit Risk – Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits will not be returned to the School District. The School District limits its custodial credit risk in its deposit by requiring all deposits to be fully insured or collateralized.

B. Accounts Receivable

Accounts receivable as of June 30, 2025 for the District's individual major funds and other governmental funds are as follows:

		Other Governmental Funds
Grants	\$	<u>462,384</u>

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

C. Interfund Payables and Receivables

Interfund receivables and payables are shown as "due from other funds" and "due to other funds" in each of the individual funds.

At June 30, 2025, the interfund status of payables and receivables (all current) of the various funds of the School District are as follows:

Receivable Fund	Payable Fund	Amount
District Office Construction Capital Project Fund	School Operating Fund	\$ 1,129,384
School Operating Fund	Other Governmental Funds	507,143
Other Governmental Funds	School Operating Fund	<u>1,146,884</u>
		\$ <u>2,783,411</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

These balances resulted from the time lag between the dates that payments between funds are made. All balances are expected to be settled within the next fiscal year.

D. Interfund Transfers

Transfers Out	Transfers In	Amount
	District Office Construction	
School Operating Fund	Capital Project Fund	\$ 430,000
School Operating Fund	Other Governmental Funds	784,908
		<u>\$ 1,214,908</u>

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

E. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, being depreciated:				
Buildings	\$ 32,634,141	-	-	32,634,141
Equipment	1,837,362	-	-	1,837,362
Total capital assets being depreciated	<u>34,471,503</u>	<u>-</u>	<u>-</u>	<u>34,471,503</u>
Less:				
Accumulated depreciation:				
Buildings	(13,049,807)	(614,157)	-	(13,663,964)
Equipment	(1,442,567)	(74,990)	-	(1,517,557)
Total accumulated depreciation	<u>(14,492,374)</u>	<u>(689,147)</u>	<u>-</u>	<u>(15,181,521)</u>
Total net governmental activities capital assets	<u>\$ 19,979,129</u>	<u>(689,147)</u>	<u>-</u>	<u>19,289,982</u>

Depreciation expense was charged to the governmental activities functions as follows:

Instruction	\$ 506,561
District administration support services	12,857
Operations and maintenance of plant	135,744
Student activities	3,755
Community services	11,207
Food services	19,023
Total	<u>\$ 689,147</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

F. Long-term Debt

The following is a summary of changes in long-term liabilities for the District for the year ended June 30, 2025:

	Balance July 1, 2024	Change	Balance June 30, 2025
Compensated absences	\$ 252,926	55,932	308,858
Net pension liability	4,326,564	266,356	4,592,920
Total long-term liabilities	<u>\$ 4,579,490</u>	<u>322,288</u>	<u>4,901,778</u>

G. Fund Balances

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

	School Operating Fund	District Office Construction Capital Project Fund	Other Governmental Funds	Totals
Nonspendable - Inventory	\$ 373,935	-	-	373,935
Restricted - Scholarships - expendable	-	-	27,348	27,348
Assigned:				
Pupil Transportation	-	-	17,407	17,407
Food Service	-	-	65,601	65,601
AK Public Broadcasting	-	-	47,816	47,816
KCUK Fundraising	-	-	8,438	8,438
Teacher Housing	-	-	798,444	798,444
Employee Scholarship	-	-	4,991	4,991
District Office Construction	-	1,129,384	-	1,129,384
Impact Aid Construction	-	-	70,212	70,212
	<u>-</u>	<u>1,129,384</u>	<u>1,012,909</u>	<u>2,142,293</u>
Unassigned	4,361,595	-	-	4,361,595
Total fund balances	<u>\$ 4,735,530</u>	<u>1,129,384</u>	<u>1,040,257</u>	<u>6,905,171</u>

IV. 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' compensations; i.e., employee injuries, and (f) medical insurance 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. Worker's compensation is also purchased as required by statute. Coverage limits and the deductibles on the commercial policies have stayed relatively constant for the last several years. No settlements in excess of insurance coverage have 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.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

Plan Memberships

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

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

Other Postemployment Benefit Plans (OPEB)

Alaska Retiree Healthcare Trust Plan (ARHCT)

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

Occupational Death and Disability Plan (ODD)

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Retiree Medical Plan (RMP)

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

Health Reimbursement Arrangement Plan (HRA)

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

Investments

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

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

Rate of Return

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

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

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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 2025 are as follows:

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

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	<u>318,819</u>	<u>14,652</u>	<u>333,471</u>

Public Employees' Retirement Plans

For the year ended June 30, 2025 the State of Alaska contributed \$93,639 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2024 to a total of \$210,029 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

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

Defined Benefit:		Pension
District's proportionate share of the net pension liability	\$	<u>3,190,307</u>
State's proportionate share of the net pension liability		<u>1,190,430</u>
Total	\$	<u>4,380,737</u>
		OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$	<u>(1,283,199)</u>
State's proportionate share of the ARHCT OPEB liability (asset)		<u>(474,921)</u>
Total	\$	<u>1,758,120</u>
District's proportionate share of the ODD OPEB liability (asset)	\$	<u>(36,819)</u>
District's proportionate share of the RMP OPEB liability (asset)	\$	<u>(34,520)</u>
Total District's share of net pension and OPEB liabilities and (assets)	\$	<u>1,835,769</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

	June 30, 2024 Measurement	June 30, 2023 Measurement	Change
Pension	0.05817%	0.07582%	(0.01765%)
OPEB:			
ARHCT	0.05827%	0.07560%	(0.01733%)
ODD	0.06167%	0.07712%	(0.01545%)
RMP	0.07405%	0.09237%	(0.01832%)

Based on the measurement date of June 30, 2024, the District recognized pension and OPEB expense of (\$177,177) and \$405,758, respectively, for the year ended June 30, 2025. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	30,711	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	318,819	-
Total	\$ 349,530	-

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 695	-
Changes of assumptions	34,452	-
Net difference between projected and actual earnings on OPEB plan investments	19,541	-
Changes in proportion and differences between District contributions and proportionate share of contributions	68,878	-
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 123,566</u>	<u>-</u>

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	8,625
Changes of assumptions	-	91
Net difference between projected and actual earnings on OPEB plan investments	117	-
Changes in proportion and differences between District contributions and proportionate share of contributions	7,145	4,582
District contributions subsequent to the measurement date	3,286	-
Total	<u>\$ 10,548</u>	<u>13,298</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 869	3,837
Changes of assumptions	11,681	23,206
Net difference between projected and actual earnings on OPEB plan investments	487	-
Changes in proportion and differences between District contributions and proportionate share of contributions	4,411	522
District contributions subsequent to the measurement date	11,366	-
Total	<u>\$ 28,814</u>	<u>27,565</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

\$318,819 and \$14,652 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended June 30, 2026, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,		Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2025	\$	(85,506)	31,892	(2,122)	(4,265)
2026		159,184	129,426	(1,017)	823
2027		(23,498)	(20,744)	(1,789)	(4,200)
2028		(19,469)	(17,008)	(1,414)	(2,848)
2029		-	-	(555)	(1,463)
Thereafter		-	-	861	1,838
Total	\$	<u>30,711</u>	<u>123,566</u>	<u>(6,036)</u>	<u>(10,117)</u>

For the year ended June 30, 2025, the District recognized (\$881,350) and \$333,440 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	\$	<u>4,249,790</u>	<u>3,190,307</u>	<u>2,293,731</u>
Net OPEB ARHCT liability (asset)	\$	<u>(812,502)</u>	<u>(1,283,199)</u>	<u>(1,679,301)</u>
Net OPEB ODD liability (asset)	\$	<u>(34,583)</u>	<u>(36,819)</u>	<u>(38,571)</u>
Net OPEB RMP liability (asset)	\$	<u>5,980</u>	<u>(34,520)</u>	<u>(65,476)</u>

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)	\$	<u>(1,724,522)</u>	<u>(1,283,199)</u>	<u>(758,937)</u>
Net OPEB ODD liability (asset)	\$	<u>N/A</u>	<u>(36,819)</u>	<u>N/A</u>
Net OPEB RMP liability (asset)	\$	<u>(69,561)</u>	<u>(34,520)</u>	<u>12,497</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

Plan members are 100% vested with their contributions.

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 \$149,933 for the year ended June 30, 2025, which included forfeitures of \$21,724 which have been applied as employer contributions.

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

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

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

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

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

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

	Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$	<u>52,270</u>	<u>11,336</u>	<u>63,606</u>

Teachers' Retirement Plans

For the year ended June 30, 2025 the State of Alaska contributed \$239,731 (100% pension cost) on-behalf of the District, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2024 to a total of \$389,280 to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

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

Defined Benefit:	Pension
District's proportionate share of the net pension liability	\$ 1,402,613
State's proportionate share of the net pension liability	2,409,450
Total	<u>\$ 3,812,063</u>
	OPEB
District's proportionate share of the ARHCT OPEB liability (asset)	\$ (781,035)
State's proportionate share of the ARHCT OPEB liability (asset)	(1,271,372)
Total	<u>\$ (2,052,407)</u>
District's proportionate share of the ODD OPEB liability (asset)	<u>\$ (25,736)</u>
District's proportionate share of the RMP OPEB liability (asset)	<u>\$ (72,586)</u>
Total District's share of net pension and OPEB liabilities and (assets)	<u>\$ 523,256</u>

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

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

	June 30, 2024 Measurement	June 30, 2023 Measurement	Change
Pension	0.07582%	0.04395%	0.03187%
OPEB:			
ARHCT	0.07829%	0.04510%	0.03319%
ODD	0.32299%	0.28479%	0.03820%
RMP	0.32281%	0.28511%	0.03770%

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2024, the District recognized pension and OPEB expense of \$1,037,456 and (\$237,101), respectively, for the year ended June 30, 2025. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ -	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	23,385	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	52,270	-
Total	\$ 75,655	-
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	191
Changes of assumptions	9,223	-
Net difference between projected and actual earnings on OPEB plan investments	9,895	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	31,450
District contributions subsequent to the measurement date	-	-
Total	\$ 19,118	31,641

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	4,067
Changes of assumptions	-	37
Net difference between projected and actual earnings on OPEB plan investments	110	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,928	4,895
District contributions subsequent to the measurement date	1,193	-
Total	<u>\$ 5,231</u>	<u>8,999</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,134	4,944
Changes of assumptions	13,542	28,166
Net difference between projected and actual earnings on OPEB plan investments	1,033	-
Changes in proportion and differences between District contributions and proportionate share of contributions	4,574	10,810
District contributions subsequent to the measurement date	10,143	-
Total	<u>\$ 39,426</u>	<u>43,920</u>

\$52,270 and \$11,336 are reported as deferred outflows of resources related to pension and OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended June 30, 2026, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,		Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2025	\$	(64,480)	(58,829)	(798)	(5,414)
2026		117,549	66,127	(86)	1,771
2027		(16,047)	(10,890)	(757)	(4,372)
2028		(13,637)	(8,931)	(683)	(4,077)
2029		-	-	(1,078)	(1,886)
Thereafter		-	-	(1,559)	(659)
Total	\$	<u>23,385</u>	<u>(12,523)</u>	<u>(4,961)</u>	<u>(14,637)</u>

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2025, the District recognized \$462,192 and (\$279,246) 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	\$ 2,034,815	1,402,613	867,449
Net OPEB ARHCT liability (asset)	\$ (538,290)	(781,035)	(984,172)
Net OPEB ODD liability (asset)	\$ (25,820)	(25,736)	(25,684)
Net OPEB RMP liability (asset)	\$ (19,159)	(72,586)	(112,930)

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)	\$ (1,006,350)	(781,035)	(511,844)
Net OPEB ODD liability (asset)	\$ N/A	(25,736)	N/A
Net OPEB RMP liability (asset)	\$ (117,805)	(72,586)	(11,366)

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

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

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

KASHUNAMIUT SCHOOL DISTRICT

Notes to Basic Financial Statements, Continued

The District contributed \$149,339 for the year ended June 30, 2025, which included forfeitures of \$60,537 which have been applied as employer contributions.

C. Subsequent Accounting Pronouncements

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

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

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

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

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

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

		Governmental Activities
Net position, beginning of year as previously reported	\$	24,332,463
Change in accounting principle:		
Compensated absences		(252,926)
Net position, beginning of year, as restated	\$	<u>24,079,537</u>

REQUIRED SUPPLEMENTARY INFORMATION

KASHUNAMIUT SCHOOL DISTRICT

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

Year Ended June 30, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Local sources:	\$			
Earnings on investment	35,000	-	28,334	28,334
E-rate	1,559,790	1,559,790	1,544,330	(15,460)
Other	35,000	35,000	32,008	(2,992)
Intergovernmental:				
State of Alaska	5,162,700	4,890,112	4,796,119	(93,993)
Federal sources	3,626,619	3,711,414	3,808,362	96,948
Total revenues	<u>10,419,109</u>	<u>10,196,316</u>	<u>10,209,153</u>	<u>12,837</u>
Expenditures:				
Current:				
Instruction	2,818,078	2,837,575	2,560,999	276,576
Special education instruction	864,691	842,834	764,028	78,806
Special education support services - students	65,000	67,000	65,650	1,350
Support services - students	140,000	147,878	43,445	104,433
Support services - instruction	1,838,946	1,831,207	2,068,585	(237,378)
School administration	246,579	250,331	277,657	(27,326)
School administration support services	142,082	139,906	123,502	16,404
District administration	562,534	576,034	621,317	(45,283)
District administration support services	545,336	561,541	556,897	4,644
Operations and maintenance of plant	1,862,798	1,912,661	1,455,664	456,997
Student activities	398,157	408,157	493,708	(85,551)
Total expenditures	<u>9,484,201</u>	<u>9,575,124</u>	<u>9,031,452</u>	<u>543,672</u>
Excess of revenues over expenditures	<u>934,908</u>	<u>621,192</u>	<u>1,177,701</u>	<u>556,509</u>
Other financing sources (uses):				
Transfers out	<u>(934,908)</u>	<u>(934,908)</u>	<u>(1,214,908)</u>	<u>(280,000)</u>
Net change in fund balance	\$ <u>-</u>	<u>(313,716)</u>	<u>(37,207)</u>	<u>276,509</u>
Fund balance, beginning of year			<u>4,772,737</u>	
Fund balance, end of year			\$ <u>4,735,530</u>	

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2025

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0644%	\$ 3,122,644	\$ 837,874	\$ 3,960,518	\$ 1,722,745	181.26%	63.96%
2017	0.0688%	\$ 3,847,718	\$ 487,488	\$ 4,335,206	\$ 1,593,223	241.51%	59.55%
2018	0.0552%	\$ 2,854,559	\$ 1,060,183	\$ 3,914,742	\$ 1,556,255	183.42%	63.37%
2019	0.0521%	\$ 2,590,865	\$ 750,429	\$ 3,341,294	\$ 1,468,545	176.42%	65.19%
2020	0.0498%	\$ 2,723,379	\$ 1,080,503	\$ 3,803,882	\$ 1,420,527	191.72%	63.42%
2021	0.0478%	\$ 2,812,862	\$ 1,164,350	\$ 3,977,212	\$ 1,736,400	161.99%	61.61%
2022	0.0720%	\$ 2,642,591	\$ 356,813	\$ 2,999,404	\$ 2,007,650	131.63%	76.46%
2023	0.0725%	\$ 3,696,889	\$ 1,022,761	\$ 4,719,650	\$ 2,404,855	153.73%	67.97%
2024	0.0758%	\$ 3,931,193	\$ 1,310,031	\$ 5,241,224	\$ 2,374,141	165.58%	68.23%
2025	0.0582%	\$ 3,190,307	\$ 1,190,430	\$ 4,380,737	\$ 2,142,873	148.88%	67.81%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

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

Public Employees' Retirement System (PERS)

June 30, 2025

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.0551%	\$ 465,749	\$ 173,902	\$ 639,651	\$ 1,556,255	29.93%	89.68%
2019	0.0519%	\$ 533,615	\$ 156,386	\$ 690,001	\$ 1,468,545	36.34%	88.12%
2020	0.0497%	\$ 73,793	\$ 29,333	\$ 103,126	\$ 1,420,527	5.19%	98.13%
2021	0.0478%	\$ (216,284)	\$ (89,358)	\$ (305,642)	\$ 1,736,400	-12.46%	106.15%
2022	0.0723%	\$ (1,853,959)	\$ (238,768)	\$ (2,092,727)	\$ 2,007,650	-92.34%	135.54%
2023	0.0721%	\$ (1,417,720)	\$ (407,068)	\$ (1,824,788)	\$ 2,404,855	-58.95%	128.51%
2024	0.0756%	\$ (1,740,439)	\$ (581,800)	\$ (2,322,239)	\$ 2,374,141	-73.31%	133.96%
2025	0.0527%	\$ (1,283,199)	\$ (474,921)	\$ (1,758,120)	\$ 2,142,873	-59.88%	130.59%
Occupational Death and Disability (ODD):							
2018	0.0482%	\$ (9,485)	\$ -	\$ (9,485)	\$ 1,556,255	-0.61%	212.97%
2019	0.0655%	\$ (12,718)	\$ -	\$ (12,718)	\$ 1,468,545	-0.87%	270.62%
2020	0.0442%	\$ (10,709)	\$ -	\$ (10,709)	\$ 1,420,527	-0.75%	297.43%
2021	0.0523%	\$ (14,266)	\$ -	\$ (14,266)	\$ 1,736,400	-0.82%	283.80%
2022	0.0618%	\$ (27,231)	\$ -	\$ (27,231)	\$ 2,007,650	-1.36%	374.22%
2023	0.0825%	\$ (36,155)	\$ -	\$ (36,155)	\$ 2,404,855	-1.50%	348.80%
2024	0.0771%	\$ (39,567)	\$ -	\$ (39,567)	\$ 2,374,141	-1.67%	349.24%
2025	0.0617%	\$ (36,819)	\$ -	\$ (36,819)	\$ 2,142,873	-1.72%	346.81%
Retiree Medical Plan (RMP):							
2018	0.0669%	\$ 3,486	\$ -	\$ 3,486	\$ 616,628	0.57%	93.98%
2019	0.0655%	\$ 8,333	\$ -	\$ 8,333	\$ 743,082	1.12%	88.71%
2020	0.0517%	\$ 12,356	\$ -	\$ 12,356	\$ 328,232	3.76%	83.17%
2021	0.0650%	\$ 4,614	\$ -	\$ 4,614	\$ 388,727	1.19%	92.23%
2022	0.0727%	\$ (19,525)	\$ -	\$ (19,525)	\$ 503,577	-3.88%	115.10%
2023	0.0977%	\$ (33,940)	\$ -	\$ (33,940)	\$ 682,614	-4.97%	120.08%
2024	0.0924%	\$ (43,862)	\$ -	\$ (43,862)	\$ 737,568	-5.95%	124.29%
2025	0.0741%	\$ (34,520)	\$ -	\$ (34,520)	\$ 710,009	-4.86%	119.87%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT
Schedule of District's Contributions (Pensions)
Public Employees' Retirement System (PERS)
June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 147,955	\$ (147,955)	\$ -	\$ 1,593,223	9.29%
2017	\$ 171,744	\$ (171,744)	\$ -	\$ 1,556,255	11.04%
2018	\$ 178,774	\$ (178,774)	\$ -	\$ 1,468,545	12.17%
2019	\$ 174,274	\$ (174,274)	\$ -	\$ 1,420,527	12.27%
2020	\$ 210,335	\$ (202,912)	\$ 7,423	\$ 1,736,400	12.11%
2021	\$ 246,980	\$ (246,807)	\$ 173	\$ 2,007,650	12.30%
2022	\$ 296,510	\$ (296,510)	\$ -	\$ 2,404,855	12.33%
2023	\$ 335,354	\$ (334,826)	\$ 528	\$ 2,374,141	14.13%
2024	\$ 296,747	\$ (296,747)	\$ -	\$ 2,142,873	13.85%
2025	\$ 315,059	\$ (318,819)	\$ (3,760)	\$ 2,197,291	14.34%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 50,975	\$ (50,975)	\$ -	\$ 1,468,545	3.47%
2019	\$ 58,167	\$ (58,167)	\$ -	\$ 1,420,527	4.09%
2020	\$ 83,639	\$ (81,151)	\$ 2,488	\$ 1,736,400	4.82%
2021	\$ 66,404	\$ (66,404)	\$ -	\$ 2,007,650	3.31%
2022	\$ 58,868	\$ (58,868)	\$ -	\$ 2,404,855	2.45%
2023	\$ -	\$ -	\$ -	\$ 2,374,141	0.00%
2024	\$ -	\$ -	\$ -	\$ 2,142,873	0.00%
2025	\$ -	\$ -	\$ -	\$ 2,197,291	0.00%
Occupational Death and Disability (ODD):					
2018	\$ 1,169	\$ (1,169)	\$ -	\$ 1,468,545	0.08%
2019	\$ 1,803	\$ (1,803)	\$ -	\$ 1,420,527	0.13%
2020	\$ 2,331	\$ (2,262)	\$ 69	\$ 1,736,400	0.13%
2021	\$ 3,470	\$ (3,470)	\$ -	\$ 2,007,650	0.17%
2022	\$ 4,584	\$ (4,584)	\$ -	\$ 2,404,855	0.19%
2023	\$ 4,724	\$ (4,724)	\$ -	\$ 2,374,141	0.20%
2024	\$ 4,232	\$ (4,232)	\$ -	\$ 2,142,873	0.20%
2025	\$ 3,286	\$ (3,286)	\$ -	\$ 2,197,291	0.15%
Retiree Medical Plan (RMP):					
2018	\$ 7,525	\$ (7,525)	\$ -	\$ 743,082	1.01%
2019	\$ 6,061	\$ (6,061)	\$ -	\$ 328,232	1.85%
2020	\$ 11,734	\$ (11,485)	\$ 249	\$ 388,727	3.02%
2021	\$ 14,215	\$ (14,215)	\$ -	\$ 503,577	2.82%
2022	\$ 15,820	\$ (15,820)	\$ -	\$ 682,614	2.32%
2023	\$ 17,323	\$ (17,323)	\$ -	\$ 737,568	2.35%
2024	\$ 14,251	\$ (14,251)	\$ -	\$ 710,009	2.01%
2025	\$ 11,366	\$ (11,366)	\$ -	\$ 681,514	1.67%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2025

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0911%	\$ 1,694,787	\$ 2,706,897	\$ 4,401,684	\$ 1,688,376	100.38%	73.82%
2017	0.1158%	\$ 2,643,911	\$ 3,143,458	\$ 5,787,369	\$ 1,871,162	141.30%	68.40%
2018	0.1121%	\$ 1,888,466	\$ 3,297,713	\$ 5,186,179	\$ 1,885,963	100.13%	72.39%
2019	0.0932%	\$ 1,819,584	\$ 2,707,416	\$ 4,527,000	\$ 1,977,341	92.02%	74.09%
2020	0.0885%	\$ 1,653,965	\$ 2,455,325	\$ 4,109,290	\$ 1,964,570	84.19%	74.68%
2021	0.0449%	\$ 911,798	\$ 1,587,409	\$ 2,499,207	\$ 1,329,546	68.58%	72.81%
2022	0.0742%	\$ 590,862	\$ 502,485	\$ 1,093,347	\$ 1,433,033	41.23%	89.43%
2023	0.0680%	\$ 1,132,744	\$ 1,512,470	\$ 2,645,214	\$ 1,428,439	79.30%	78.33%
2024	0.0440%	\$ 772,848	\$ 1,220,503	\$ 1,993,351	\$ 1,755,629	44.02%	77.62%
2025	0.0758%	\$ 1,402,613	\$ 2,409,450	\$ 3,812,063	\$ 1,832,898	76.52%	77.07%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

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

Teachers' Retirement System (TRS)

June 30, 2025

Year	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.0929%	\$ 170,815	\$ 300,006	\$ 470,821	\$ 1,885,963	9.06%	93.75%
2019	0.0929%	\$ 294,707	\$ 440,142	\$ 734,849	\$ 1,977,341	14.90%	90.23%
2020	0.0884%	\$ (135,044)	\$ (200,699)	\$ (335,743)	\$ 1,964,570	-6.87%	105.50%
2021	0.0447%	\$ (159,736)	\$ (279,538)	\$ (439,274)	\$ 1,329,546	-12.01%	113.78%
2022	0.0447%	\$ (898,953)	\$ (703,192)	\$ (1,602,145)	\$ 1,433,033	-62.73%	145.41%
2023	0.0692%	\$ (606,522)	\$ (783,491)	\$ (1,390,013)	\$ 1,428,439	-42.46%	134.84%
2024	0.0451%	\$ (455,760)	\$ (687,286)	\$ (1,143,046)	\$ 1,755,629	-25.96%	140.49%
2025	0.0783%	\$ (781,035)	\$ (1,271,372)	\$ (2,052,407)	\$ 1,832,898	-42.61%	137.40%
Occupational Death and Disability (ODD):							
2018	0.3649%	\$ (11,926)	\$ -	\$ (11,926)	\$ 1,885,963	-0.63%	1342.59%
2019	0.3649%	\$ (14,174)	\$ -	\$ (14,174)	\$ 1,977,341	-0.72%	1304.81%
2020	0.3739%	\$ (15,239)	\$ -	\$ (15,239)	\$ 1,964,570	-0.78%	1409.77%
2021	0.2227%	\$ (9,568)	\$ -	\$ (9,568)	\$ 1,329,546	-0.72%	931.08%
2022	0.2669%	\$ (16,482)	\$ -	\$ (16,482)	\$ 1,433,033	-1.15%	1254.36%
2023	0.2477%	\$ (14,960)	\$ -	\$ (14,960)	\$ 1,428,439	-1.05%	1268.28%
2024	0.2848%	\$ (19,704)	\$ -	\$ (19,704)	\$ 1,755,629	-1.12%	1410.42%
2025	0.3230%	\$ (25,736)	\$ -	\$ (25,736)	\$ 1,832,898	-1.40%	1600.56%
Retiree Medical Plan (RMP):							
2018	0.3649%	\$ (17,298)	\$ -	\$ (17,298)	\$ 1,147,033	-1.51%	118.16%
2019	0.3649%	\$ (12,929)	\$ -	\$ (12,929)	\$ 1,400,637	-0.92%	109.56%
2020	0.3805%	\$ (14,597)	\$ -	\$ (14,597)	\$ 1,331,887	-1.10%	110.03%
2021	0.2235%	\$ (22,048)	\$ -	\$ (22,048)	\$ 779,984	-2.83%	125.59%
2022	0.2704%	\$ (54,201)	\$ -	\$ (54,201)	\$ 950,104	-5.70%	142.54%
2023	0.2476%	\$ (47,951)	\$ -	\$ (47,951)	\$ 961,139	-4.99%	140.73%
2024	0.2851%	\$ (63,154)	\$ -	\$ (63,154)	\$ 1,133,591	-5.57%	140.71%
2025	0.3228%	\$ (72,586)	\$ -	\$ (72,586)	\$ 1,435,151	-5.06%	134.72%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT
Schedule of District's Contributions (Pensions)
Teachers' Retirement System (TRS)
June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 4,083	\$ (4,083)	\$ -	\$ 1,871,162	0.22%
2017	\$ 64,881	\$ (64,881)	\$ -	\$ 1,885,963	3.44%
2018	\$ 65,094	\$ (65,094)	\$ -	\$ 1,977,341	3.29%
2019	\$ 42,981	\$ (42,981)	\$ -	\$ 1,964,570	2.19%
2020	\$ 35,980	\$ (36,071)	\$ (91)	\$ 1,329,546	2.71%
2021	\$ 32,614	\$ (37,747)	\$ (5,133)	\$ 1,433,033	2.28%
2022	\$ 39,884	\$ (36,772)	\$ 3,112	\$ 1,428,439	2.79%
2023	\$ 49,694	\$ (63,194)	\$ (13,500)	\$ 1,755,629	2.83%
2024	\$ 50,922	\$ (33,798)	\$ 17,124	\$ 1,832,898	2.78%
2025	\$ 48,249	\$ (52,270)	\$ (4,021)	\$ 1,695,422	2.85%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

Schedule of District's Contributions (OPEB)

Teachers' Retirement System (TRS)

June 30, 2025

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 32,185	\$ (32,185)	\$ -	\$ 1,977,341	1.63%
2019	\$ 23,562	\$ (23,562)	\$ -	\$ 1,964,570	1.20%
2020	\$ 20,176	\$ (19,331)	\$ 845	\$ 1,329,546	1.52%
2021	\$ 10,421	\$ (10,421)	\$ -	\$ 1,433,033	0.73%
2022	\$ 10,957	\$ (10,957)	\$ -	\$ 1,428,439	0.77%
2023	\$ -	\$ -	\$ -	\$ 1,755,629	0.00%
2024	\$ -	\$ -	\$ -	\$ 1,832,898	0.00%
2025	\$ -	\$ -	\$ -	\$ 1,695,422	0.00%
Occupational Death and Disability (ODD):					
2018	\$ -	\$ -	\$ -	\$ 1,977,341	0.00%
2019	\$ 11,739	\$ (11,739)	\$ -	\$ 1,964,570	0.60%
2020	\$ 765	\$ (732)	\$ 33	\$ 1,329,546	0.06%
2021	\$ 989	\$ (989)	\$ -	\$ 1,433,033	0.07%
2022	\$ 964	\$ (964)	\$ -	\$ 1,428,439	0.07%
2023	\$ 1,171	\$ (1,171)	\$ -	\$ 1,755,629	0.07%
2024	\$ 1,436	\$ (1,436)	\$ -	\$ 1,832,898	0.08%
2025	\$ 1,193	\$ (1,193)	\$ -	\$ 1,695,422	0.07%
Retiree Medical Plan (RMP):					
2018	\$ 12,787	\$ (12,787)	\$ -	\$ 1,400,637	0.91%
2019	\$ 11,739	\$ (11,739)	\$ -	\$ 1,331,887	0.88%
2020	\$ 10,300	\$ (9,971)	\$ 329	\$ 779,984	1.32%
2021	\$ 11,499	\$ (11,499)	\$ -	\$ 950,104	1.21%
2022	\$ 10,000	\$ (10,000)	\$ -	\$ 961,139	1.04%
2023	\$ 12,735	\$ (12,735)	\$ -	\$ 1,133,591	1.12%
2024	\$ 14,723	\$ (14,723)	\$ -	\$ 1,435,151	1.03%
2025	\$ 10,143	\$ (10,143)	\$ -	\$ 1,189,005	0.85%

See accompanying notes to Required Supplementary Information.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Required Supplementary Information

June 30,2025

1. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to November 15, the Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain public comments.
3. Prior to December 20, the budget is legally enacted through passage of a resolution. If no Council action is taken, the Superintendent's budget becomes the actual budget. Annual budgets are legally adopted for the School Operating, most Special Revenue, and Capital Project Funds.
4. The Superintendent is authorized to transfer budgeted amounts within departments; however, any revisions that alter the total expenditures of any fund or department within a fund must be approved by the School Board.
5. Formal budgetary integration is employed as a management control device during the year for the School Operating Fund and Special Revenue Funds.
6. Appropriations lapse at the end of the year except for capital expenditures, certain contractual appropriations and reserves.

Excess of Expenditures over Appropriations

For the year ended June 30, 2025, the following functions had expenditures in excess of appropriations in the School Operating Fund:

	Amount in Excess of Appropriation
Support services – instruction	\$ 237,378
School administration	\$ 27,326
District administration	\$ 45,283
Student activities	\$ 85,551

Excess of expenditures over appropriations were funded through available revenues and fund balance or transfers in from available resources from other funds.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the School Operating Fund. 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. Public Employees' Retirement System

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

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

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

Defined Benefit Pension and Postemployment Healthcare Benefit Plan

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

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

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

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

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

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

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plan

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

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

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

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

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

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

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

Schedule of District Contributions (Pension) and (OPEB)

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

3. Teachers' Retirement System***Schedule of District's Proportionate Share of Net Pension and OPEB Liability (Asset)***

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

Changes in Actuarial Assumptions, Methods, and Benefits Since the Prior Valuation***Defined Benefit Pension and Postemployment Healthcare Benefit Plan*****a) Changes in Methods Since the Prior Valuation – June 30, 2022 to June 30, 2023**

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

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

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

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

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

Defined Contribution Occupational Death and Disability and Retiree Medical Benefits Plans**a) Changes in Methods Since the Prior Valuation – June 30, 2022 to June 30, 2023**

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

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

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

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

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

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

Schedule of District Contributions (Pension) and (OPEB)

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

SUPPLEMENTARY INFORMATION

KASHUNAMIUT SCHOOL DISTRICT

School Operating Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Earnings on investments	\$ -	28,334	28,334
E-rate	1,559,790	1,544,330	(15,460)
Other	35,000	32,008	(2,992)
Total local sources	1,594,790	1,604,672	9,882
Intergovernmental:			
State of Alaska:			
Foundation program	3,834,963	3,722,044	(112,919)
TRS On-behalf payments	239,731	239,731	-
PERS On-behalf payments	93,639	93,639	-
House Bill 268	721,779	721,779	-
Other	-	1,943	1,943
Quality schools	-	16,983	16,983
Total State of Alaska	4,890,112	4,796,119	(93,993)
Federal sources -			
Impact Aid	3,711,414	3,808,362	96,948
Total revenues	10,196,316	10,209,153	12,837
Expenditures:			
Instruction:			
Certificated salaries	1,602,174	1,384,282	217,892
Non-certificated salaries	83,500	188,682	(105,182)
Employee benefits	885,451	809,423	76,028
Transportation allowance	25,000	22,777	2,223
Professional and technical services	60,000	60,906	(906)
Staff travel	10,750	8,494	2,256
Student travel	6,450	6,376	74
Utility services	2,500	-	2,500
Other purchased services	22,000	22,349	(349)
Supplies, materials and media	137,250	57,710	79,540
Other	2,500	-	2,500
Total instruction	\$ 2,837,575	2,560,999	276,576

(continued)

KASHUNAMIUT SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Special education instruction:			
Certificated salaries	\$ 128,125	125,835	2,290
Non-certificated salaries	272,203	253,301	18,902
Employee benefits	224,256	196,860	27,396
Transportation allowance	2,000	-	2,000
Professional and technical services	195,000	171,616	23,384
Staff travel	5,250	7,189	(1,939)
Supplies, materials and media	15,000	8,563	6,437
Other purchased services	1,000	664	336
Total special education instruction	842,834	764,028	78,806
Special education support services - students -			
Professional and technical services	67,000	65,650	1,350
Support services - students:			
Certificated salaries	69,976	-	69,976
Non-certificated salaries	21,769	26,075	(4,306)
Employee benefits	45,683	13,777	31,906
Professional and technical services	-	3,593	(3,593)
Transportation allowance	2,000	-	2,000
Staff travel	1,050	-	1,050
Student travel	2,000	-	2,000
Utility services	900	-	900
Other purchased services	1,500	-	1,500
Supplies, materials and media	2,500	-	2,500
Other	500	-	500
Total support services - students	147,878	43,445	104,433
Support services - instruction:			
Certificated salaries	55,000	66,202	(11,202)
Non-certificated salaries	55,713	58,128	(2,415)
Employee benefits	41,727	86,390	(44,663)
Professional and technical services	81,000	98,131	(17,131)
Staff travel	2,500	2,878	(378)
Utility services	1,499,267	1,704,567	(205,300)
Other purchased services	49,000	12,832	36,168
Supplies, materials and media	42,500	34,928	7,572
Other	4,500	4,529	(29)
Total support services - instruction	1,831,207	2,068,585	(237,378)
School administration:			
Certificated salaries	101,550	102,017	(467)
Non-certificated salaries	52,000	52,000	-
Employee benefits	78,506	91,258	(12,752)
Transportation allowance	-	-	-
Professional and technical services	450	570	(120)
Staff travel	3,500	3,216	284
Utility services	5,500	10,193	(4,693)
Other purchased services	500	-	500
Supplies, materials and media	6,500	10,679	(4,179)
Other	1,825	7,724	(5,899)
Total school administration	\$ 250,331	277,657	(27,326)

(continued)

KASHUNAMIUT SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
School administration support services:			
Non-certificated salaries	\$ 99,406	85,484	13,922
Employee benefits	35,500	38,018	(2,518)
Supplies, materials and media	5,000	-	5,000
Total school administration support services	<u>139,906</u>	<u>123,502</u>	<u>16,404</u>
District administration:			
Certificated salaries	146,385	155,000	(8,615)
Non-certificated salaries	92,063	84,815	7,248
Employee benefits	163,961	166,531	(2,570)
Transportation allowance	2,500	-	2,500
Professional and technical services	76,800	123,981	(47,181)
Staff travel	54,750	62,025	(7,275)
Utility services	11,200	2,880	8,320
Other purchased services	-	600	(600)
Supplies, materials and media	5,500	3,768	1,732
Other	22,875	21,717	1,158
Total district administration	<u>576,034</u>	<u>621,317</u>	<u>(45,283)</u>
District administration support services:			
Non-certificated salaries	214,195	224,956	(10,761)
Employee benefits	94,130	108,521	(14,391)
Housing allowance/subsidy	3,600	3,600	-
Professional and technical services	143,000	140,275	2,725
Staff travel	15,000	8,572	6,428
Utility services	10,000	-	10,000
Other purchased services	24,000	13,479	10,521
Insurance and bond premiums	73,000	72,083	917
Supplies, materials and media	46,100	45,203	897
Other	15,000	8,613	6,387
Indirect cost recovery	(76,484)	(68,405)	(8,079)
Total district administration support services	<u>561,541</u>	<u>556,897</u>	<u>4,644</u>
Operations and maintenance of plant:			
Non-certificated salaries	568,372	526,569	41,803
Employee benefits	165,982	186,638	(20,656)
Professional and technical services	20,000	1,622	18,378
Staff travel	8,650	2,175	6,475
Utility services	136,100	95,857	40,243
Energy	475,000	371,732	103,268
Other purchased services	147,000	8,104	138,896
Insurance and bond premiums	135,000	134,367	633
Supplies, materials and media	175,276	128,600	46,676
Equipment	81,281	-	81,281
Total operations and maintenance of plant	<u>\$ 1,912,661</u>	<u>1,455,664</u>	<u>456,997</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

School Operating Fund

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

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Expenditures, continued:			
Student activities:			
Certificated salaries	\$ 55,000	51,332	3,668
Non-certificated salaries	15,000	15,590	(590)
Employee benefits	14,557	19,896	(5,339)
Professional and technical services	9,000	10,549	(1,549)
Staff travel	25,200	21,312	3,888
Student travel	265,000	323,641	(58,641)
Other purchased services	900	9,965	(9,065)
Supplies, materials and media	20,000	36,471	(16,471)
Other	3,500	4,952	(1,452)
Total student activities	<u>408,157</u>	<u>493,708</u>	<u>(85,551)</u>
Total expenditures	<u>9,575,124</u>	<u>9,031,452</u>	<u>543,672</u>
Excess of revenues over expenditures	<u>621,192</u>	<u>1,177,701</u>	<u>556,509</u>
Other financing sources (uses):			
Transfers out:			
Food Service Special Revenue Fund	(115,429)	(150,000)	(34,571)
Teacher Housing Special Revenue Fund	(488,581)	(634,908)	(146,327)
Distance Learning Special Revenue Fund	(330,898)	(430,000)	(99,102)
Total other financing uses	<u>(934,908)</u>	<u>(1,214,908)</u>	<u>(280,000)</u>
Net change in fund balance	\$ <u>(313,716)</u>	<u>(37,207)</u>	<u>276,509</u>
Fund balance, beginning of year		<u>4,772,737</u>	
Fund balance, end of year		\$ <u><u>4,735,530</u></u>	

KASHUNAMIUT SCHOOL DISTRICT

District Office Construction Capital Project Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2025

	Actual Amounts
Revenues	\$ -
Expenditures:	
Current:	
Operations and maintenance of plant -	
Other capital outlay	119,198
Excess (deficiency) of revenues over expenditures	(119,198)
Other financing sources -	
Transfers in - School Operating Fund	430,000
Net change in fund balance	310,802
Fund balance, beginning of year	818,582
Fund balance, end of year	\$ 1,129,384

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet

June 30, 2025

Special Revenue Funds

<u>Assets</u>	<u>Pupil Transportation</u>	<u>Carrs Safeway</u>	<u>No Hungry Kids</u>	<u>Title I-A School Improvement</u>	<u>Title I-A Basic</u>	<u>Title VI-B</u>	<u>Title I-C Migrant Book</u>
Cash and cash equivalents	\$ -	-	-	-	-	-	-
Accounts receivable	-	-	-	19,377	193,735	17,684	5,950
Due from School Operating Fund	17,407	1,697	3,002	-	-	-	-
\$	<u>17,407</u>	<u>1,697</u>	<u>3,002</u>	<u>19,377</u>	<u>193,735</u>	<u>17,684</u>	<u>5,950</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	-	-	-	-	-	-	-
Due to School Operating Fund	-	-	-	19,377	193,735	17,684	5,950
Unearned revenue	-	1,697	3,002	-	-	-	-
Total liabilities	<u>-</u>	<u>1,697</u>	<u>3,002</u>	<u>19,377</u>	<u>193,735</u>	<u>17,684</u>	<u>5,950</u>
Fund balances:							
Restricted - scholarships	-	-	-	-	-	-	-
Assigned	17,407	-	-	-	-	-	-
Total fund balances	<u>17,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>17,407</u>	<u>1,697</u>	<u>3,002</u>	<u>19,377</u>	<u>193,735</u>	<u>17,684</u>	<u>5,950</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

	Special Revenue Funds						
<u>Assets</u>	Title I-C Migrant Education	Carl Perkins	Food Service	Comprehensive Literacy State Development	AK Public Broadcasting	KCUK Fundraising	Johnson O'Malley
Cash and cash equivalents	\$ -	-	-	-	-	-	-
Accounts receivable	202,430	18,452	-	4,756	-	-	-
Due from School Operating Fund	-	-	65,601	-	47,816	8,438	9,336
	<u>\$ 202,430</u>	<u>18,452</u>	<u>65,601</u>	<u>4,756</u>	<u>47,816</u>	<u>8,438</u>	<u>9,336</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	-	-	-	-	-	-	-
Due to School Operating Fund	202,430	18,452	-	4,756	-	-	-
Unearned revenue	-	-	-	-	-	-	9,336
Total liabilities	<u>202,430</u>	<u>18,452</u>	<u>-</u>	<u>4,756</u>	<u>-</u>	<u>-</u>	<u>9,336</u>
Fund balances:							
Restricted - scholarships	-	-	-	-	-	-	-
Assigned	-	-	65,601	-	47,816	8,438	-
Total fund balances	<u>-</u>	<u>-</u>	<u>65,601</u>	<u>-</u>	<u>47,816</u>	<u>8,438</u>	<u>-</u>
	<u>\$ 202,430</u>	<u>18,452</u>	<u>65,601</u>	<u>4,756</u>	<u>47,816</u>	<u>8,438</u>	<u>9,336</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Balance Sheet, continued

<u>Assets</u>	Special Revenue Funds				Total Special Revenue Funds	Permanent Fund	Capital Project Fund	Total Other Governmental Funds
	Teacher Housing	CPB Operating	Green House	Employee Scholarship		B.A. Weinberg Scholarship	Impact Aid Construction	
Cash and cash equivalents	\$ -	-	-	-	-	72,107	-	72,107
Accounts receivable	-	-	-	-	462,384	-	-	462,384
Due from School Operating Fund	799,776	113,608	5,000	4,991	1,076,672	-	70,212	1,146,884
	<u>\$ 799,776</u>	<u>113,608</u>	<u>5,000</u>	<u>4,991</u>	<u>1,539,056</u>	<u>72,107</u>	<u>70,212</u>	<u>1,681,375</u>
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	1,332	-	-	-	1,332	-	-	1,332
Due to School Operating Fund	-	-	-	-	462,384	44,759	-	507,143
Unearned revenue	-	113,608	5,000	-	132,643	-	-	132,643
Total liabilities	<u>1,332</u>	<u>113,608</u>	<u>5,000</u>	<u>-</u>	<u>596,359</u>	<u>44,759</u>	<u>-</u>	<u>641,118</u>
Fund balances:								
Restricted - scholarships	-	-	-	-	-	27,348	-	27,348
Assigned	798,444	-	-	4,991	942,697	-	70,212	1,012,909
Total fund balances	<u>798,444</u>	<u>-</u>	<u>-</u>	<u>4,991</u>	<u>942,697</u>	<u>27,348</u>	<u>70,212</u>	<u>1,040,257</u>
	<u>\$ 799,776</u>	<u>113,608</u>	<u>5,000</u>	<u>4,991</u>	<u>1,539,056</u>	<u>72,107</u>	<u>70,212</u>	<u>1,681,375</u>

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Year Ended June 30, 2025

	Special Revenue Funds					
	Broadband Assistance Grant	Pupil Transportation	Fresh Fruit and Vegetables	Title I-A School Improvement	Title I-A Basic	Title VI-B
Revenues:						
Local sources:						
Charges for services	\$ -	-	-	-	-	-
Earnings on investment	-	-	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental:						
State of Alaska	39,733	1,688	-	-	-	-
Federal sources:						
Passed through	-	-	9,055	26,220	794,406	87,022
Direct	-	-	-	-	-	-
Total revenues	<u>39,733</u>	<u>1,688</u>	<u>9,055</u>	<u>26,220</u>	<u>794,406</u>	<u>87,022</u>
Expenditures:						
Instruction	-	-	-	24,993	757,226	-
Special education instruction	-	-	-	-	-	82,949
Support services - students	-	-	-	-	-	-
Support services - instruction	39,733	-	-	-	-	-
District administration support services	-	-	-	1,227	37,180	4,073
Operations and maintenance of plant	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Student transportation - to and from school	-	990	-	-	-	-
Community services	-	-	-	-	-	-
Food services	-	-	9,055	-	-	-
Total expenditures	<u>39,733</u>	<u>990</u>	<u>9,055</u>	<u>26,220</u>	<u>794,406</u>	<u>87,022</u>
Excess (deficiency) of revenues over expenditures	-	698	-	-	-	-
Other financing sources -						
Transfers in (out):						
School Operating Fund	-	-	-	-	-	-
Net other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	698	-	-	-	-
Fund balances, beginning of year	-	16,709	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>17,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds							
	Title I-C Migrant Book	Title I-C Migrant Education	Carl Perkins	Food Service	Homeless	Safety and Well Being	Comprehensive Literacy State Development	AK Public Broadcasting
Revenues:								
Local sources:								
Charges for services	\$ -	-	-	10,160	-	-	-	-
Earnings on investment	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	8,300
Intergovernmental:								
State of Alaska	-	-	-	-	-	-	-	879
Federal sources:								
Passed through	5,950	247,866	28,265	419,271	6,317	9,000	76,582	2,635
Direct	-	-	-	-	-	-	-	-
Total revenues	<u>5,950</u>	<u>247,866</u>	<u>28,265</u>	<u>429,431</u>	<u>6,317</u>	<u>9,000</u>	<u>76,582</u>	<u>11,814</u>
Expenditures:								
Instruction	5,672	236,265	26,941	-	6,021	8,579	72,998	-
Special education - instruction	-	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-	-
District administration support services	278	11,601	1,324	-	296	421	3,584	-
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Food services	-	-	-	566,763	-	-	-	-
Total expenditures	<u>5,950</u>	<u>247,866</u>	<u>28,265</u>	<u>566,763</u>	<u>6,317</u>	<u>9,000</u>	<u>76,582</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	(137,332)	-	-	-	11,814
Other financing sources -								
Transfers in (out):								
School Operating Fund	-	-	-	150,000	-	-	-	-
Net other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	12,668	-	-	-	11,814
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,002</u>
Fund balances, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>65,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,816</u>

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds						
	KCUK Fundraising	Indian Education	REAP	Johnson O'Malley	Teacher Housing	CPB Operating	Alaska Seafood
Revenues:							
Local sources:							
Charges for services	\$ -	-	-	-	120,776	-	-
Earnings on investment	-	-	-	-	-	-	-
Other	800	-	-	-	569	255,711	7,500
Intergovernmental:							
State of Alaska	-	-	-	-	-	-	-
Federal sources:							
Passed through	-	-	-	-	-	-	-
Direct	-	126,144	12,284	49,671	-	-	-
Total revenues	800	126,144	12,284	49,671	121,345	255,711	7,500
Expenditures:							
Instruction	-	120,240	11,709	41,260	-	-	4,000
Special education instruction	-	-	-	-	-	-	-
Support services - students	-	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-
District administration support services	-	5,904	575	1,944	-	-	-
Operations and maintenance of plant	-	-	-	-	367,059	-	-
Student activities	-	-	-	6,467	-	-	-
Student transportation - to and from school	-	-	-	-	-	-	-
Community services	-	-	-	-	-	255,711	3,500
Food services	-	-	-	-	-	-	-
Total expenditures	-	126,144	12,284	49,671	367,059	255,711	7,500
Excess (deficiency) of revenues over expenditures	800	-	-	-	(245,714)	-	-
Other financing sources -							
Transfers in (out):							
School Operating Fund	-	-	-	-	634,908	-	-
Net other financing sources	-	-	-	-	634,908	-	-
Net change in fund balances	800	-	-	-	389,194	-	-
Fund balances, beginning of year	7,638	-	-	-	409,250	-	-
Fund balances, end of year	\$ 8,438	-	-	-	798,444	-	-

(continued)

KASHUNAMIUT SCHOOL DISTRICT

Other Governmental Funds

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

	Special Revenue Funds	Total Special Revenue Funds	Permanent Fund	Capital Project Fund	Total Other Governmental Funds
	Employee Scholarship		B.A. Weinberg Scholarship	Impact Aid Construction	
Revenues:					
Local sources:					
Charges for services	\$ -	130,936	-	-	130,936
Earnings on investment	-	-	578	-	578
Other	1,490	274,370	-	-	274,370
Intergovernmental:					
State of Alaska	-	42,300	-	-	42,300
Federal sources:					
Passed through	-	1,712,589	-	-	1,712,589
Direct	-	188,099	-	51,998	240,097
Total revenues	1,490	2,348,294	578	51,998	2,400,870
Expenditures:					
Instruction	-	1,315,904	-	-	1,315,904
Special education instruction	-	82,949	-	-	82,949
Support services - students	2,000	2,000	-	-	2,000
Support services - instruction	-	39,733	-	-	39,733
District administration support services	-	68,407	-	-	68,407
Operations and maintenance of plant	-	367,059	-	-	367,059
Student activities	-	6,467	-	-	6,467
Student transportation - to and from school	-	990	-	-	990
Community services	-	259,211	-	-	259,211
Food services	-	575,818	-	-	575,818
Total expenditures	2,000	2,718,538	-	-	2,718,538
Excess (deficiency) of revenues over expenditures	(510)	(370,244)	578	51,998	(317,668)
Other financing sources -					
Transfers in (out):					
School Operating Fund	-	784,908	-	-	784,908
Net other financing sources	-	784,908	-	-	784,908
Net change in fund balances	(510)	414,664	578	51,998	467,240
Fund balances, beginning of year	5,501	528,033	26,770	18,214	573,017
Fund balances, end of year	\$ 4,991	942,697	27,348	70,212	1,040,257

KASHUNAMIUT SCHOOL DISTRICT

Broadband Assistance Grant Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - State of Alaska	\$ 39,733	39,733	-
Expenditures:			
Current:			
Support services - instruction - Utility services	39,733	39,733	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Pupil Transportation Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - State of Alaska	\$ 1,688	1,688	-
Expenditures:			
Current:			
Student transportation - to and from school - In-lieu of agreements	1,540	990	550
Excess of revenues over expenditures	\$ 148	698	550
Fund balance, beginning of year		16,709	
Fund balance, end of year		\$ 17,407	

KASHUNAMIUT SCHOOL DISTRICT

Fresh Fruit and Vegetables Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 14,726	9,055	(5,671)
Expenditures: Current: Food services - Supplies, materials and media	14,726	9,055	5,671
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Title I-A School Improvement Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 40,864	26,220	(14,644)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	200	-	200
Non-certificated salaries	300	300	-
Employee benefits	100	32	68
Professional and technical services	36,924	23,767	13,157
Staff travel	1,000	894	106
Total instruction	38,524	24,993	13,531
District administration support services - Indirect costs	2,340	1,227	1,113
Total expenditures	40,864	26,220	14,644
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year	\$	-	

KASHUNAMIUT SCHOOL DISTRICT

Title I-A Basic Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 863,230	794,406	(68,824)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	102,405	94,807	7,598
Non-certificated salaries	179,295	179,295	-
Employee benefits	122,126	118,141	3,985
Professional and technical services	23,500	24,998	(1,498)
Staff travel	68,400	61,742	6,658
Student travel	150,300	150,699	(399)
Tuition - students and stipends	5,000	-	5,000
Supplies, materials and media	172,037	127,544	44,493
Total instruction	823,063	757,226	65,837
District administration support services - Indirect cost	40,167	37,180	2,987
Total expenditures	863,230	794,406	68,824
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Title VI-B Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 107,696	87,022	(20,674)
Expenditures:			
Current:			
Special education instruction:			
Non-certificated salaries	70,004	52,999	17,005
Employee benefits	30,231	27,530	2,701
Professional and technical services	2,420	2,420	-
Total special education instruction	102,655	82,949	19,706
District administration support services - Indirect costs	5,041	4,073	968
Total expenditures	107,696	87,022	20,674
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Title I-C Migrant Book Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 5,950	5,950	-
Expenditures:			
Current:			
Instruction - Supplies, materials and media	5,672	5,672	-
District administration support services - Indirect cost	278	278	-
Total expenditures	5,950	5,950	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Title I-C Migrant Education Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 299,338	247,866	(51,472)
Expenditures:			
Current:			
Instruction:			
Certificated salaries	96,000	96,000	-
Non-certificated salaries	53,990	38,052	15,938
Employee benefits	38,004	38,004	-
Student travel	64,406	64,007	399
Supplies, material and media	32,928	202	32,726
Total instruction	285,328	236,265	49,063
District administration support services - Indirect costs	14,010	11,601	2,409
Total expenditures	299,338	247,866	51,472
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Carl Perkins Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 28,265	28,265	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	5,000	5,000	-
Employee benefits	898	898	-
Staff travel	3,900	3,849	51
Supplies, material, and media	17,144	17,194	(50)
Total instruction	26,942	26,941	1
District administration support services - Indirect costs	1,323	1,324	(1)
Total expenditures	28,265	28,265	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Food Service Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources -			
Charges for services - meal sales	\$ 15,000	10,160	(4,840)
Intergovernmental - Federal sources passed through the State of Alaska -			
Type A lunch reimbursement	425,000	419,271	(5,729)
Total revenues	440,000	429,431	(10,569)
Expenditures:			
Food services:			
Non-certificated salaries	157,300	176,109	(18,809)
Employee benefits	41,300	57,912	(16,612)
Professional and technical services	2,800	651	2,149
Staff travel	4,500	5,875	(1,375)
Other purchased services	5,000	9,084	(4,084)
Supplies, materials and media	440,000	316,608	123,392
Other	600	524	76
Equipment	15,000	-	15,000
Total expenditures	666,500	566,763	99,737
Excess (deficiency) of revenues over expenditures	(226,500)	(137,332)	89,168
Other financing sources - transfers in - School Operating Fund	150,000	150,000	-
Net change in fund balance	\$ (76,500)	12,668	89,168
Fund balance, beginning of year		52,933	
Fund balance, end of year		\$ 65,601	

KASHUNAMIUT SCHOOL DISTRICT

Homeless Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 6,317	6,317	-
Expenditures:			
Current:			
Instruction:			
Staff travel	880	880	-
Professional and technical services	5,141	5,141	-
Total instruction	6,021	6,021	-
District administration support services - Indirect costs	296	296	-
Total expenditures	6,317	6,317	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Safety and Well Being Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 9,000	9,000	-
Expenditures:			
Current:			
Instruction - Student travel	9,000	8,579	421
District administration support services - Indirect costs	-	421	(421)
Total expenditures	9,000	9,000	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Comprehensive Literacy State Development Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - Federal sources passed through the State of Alaska	\$ 76,582	76,582	-
Expenditures:			
Current:			
Instruction:			
Certificated salaries	41,662	41,662	-
Employee benefits	14,880	14,880	-
Professional and technical services	16,456	16,456	-
Total instruction	72,998	72,998	-
District administration support services - Indirect costs	3,584	3,584	-
Total expenditures	76,582	76,582	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

AK Public Broadcasting Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Donations	\$ -	400	400
Other	11,400	7,900	(3,500)
Total local sources	<u>11,400</u>	<u>8,300</u>	<u>(3,100)</u>
Intergovernmental:			
Federal sources passed through the State of Alaska	2,636	2,635	(1)
State of Alaska	879	879	-
Total intergovernmental	<u>3,515</u>	<u>3,514</u>	<u>(1)</u>
Total revenues	<u>14,915</u>	<u>11,814</u>	<u>(3,101)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ 14,915</u>	11,814	<u>(3,101)</u>
Fund balance, beginning of year		<u>36,002</u>	
Fund balance, end of year		<u>\$ 47,816</u>	

KASHUNAMIUT SCHOOL DISTRICT

KCUK Fundraising Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - other	\$ 800	800	-
Expenditures	-	-	-
Excess of revenues over expenditures	\$ 800	800	-
Fund balance, beginning of year		7,638	
Fund balance, end of year		\$ 8,438	

KASHUNAMIUT SCHOOL DISTRICT

Indian Education Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - federal sources - direct	\$ 126,144	126,144	-
Expenditures:			
Current:			
Instruction:			
Non-certificated salaries	109,283	89,733	19,550
Employee benefits	10,957	30,507	(19,550)
Total instruction	120,240	120,240	-
District administration support services - Indirect costs	5,904	5,904	-
Total expenditures	126,144	126,144	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

REAP Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - intergovernmental - federal sources - direct	\$ 12,284	12,284	-
Expenditures:			
Current:			
Instruction -			
Professional and technical services	11,709	11,709	-
District administration support services -			
Indirect costs	575	575	-
Total expenditures	12,284	12,284	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Johnson O'Malley Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues -intergovernmental - federal sources - direct	\$ 44,939	49,671	4,732
Expenditures:			
Current:			
Instruction:			
Staff travel	-	231	(231)
Student travel	33,345	38,231	(4,886)
Supplies, materials and media	11,594	2,798	8,796
Total instruction	44,939	41,260	3,679
District administration support services -			
Indirect costs	-	1,944	(1,944)
Student activities -			
Student travel	-	6,467	(6,467)
Total expenditures	44,939	49,671	(4,732)
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Teacher Housing Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:			
Local sources:			
Charges for services - rental	\$ 125,000	120,776	(4,224)
Other	300	569	269
Total revenues	<u>125,300</u>	<u>121,345</u>	<u>(3,955)</u>
Expenditures:			
Current:			
Operations and maintenance of plant:			
Non-certificated salaries	34,400	35,282	(882)
Employee benefits	8,900	14,001	(5,101)
Utility services	100,000	133,526	(33,526)
Energy	85,900	91,382	(5,482)
Other purchased services	90,000	-	90,000
Supplies, materials, and media	163,000	92,868	70,132
Other	500	-	500
Total expenditures	<u>482,700</u>	<u>367,059</u>	<u>115,641</u>
Excess (deficiency) of revenues over expenditures	<u>(357,400)</u>	<u>(245,714)</u>	<u>111,686</u>
Other financing sources - transfers in - School Operating Fund	<u>434,908</u>	<u>634,908</u>	<u>200,000</u>
Net change in fund balance	\$ <u>77,508</u>	389,194	<u>311,686</u>
Fund balance, beginning of year		<u>409,250</u>	
Fund balance, end of year		\$ <u>798,444</u>	

KASHUNAMIUT SCHOOL DISTRICT

CPB Operating Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local - other	\$ 255,865	255,711	(154)
Expenditures:			
Current:			
Community services:			
Non-certificated salaries	152,500	161,178	(8,678)
Employee benefits	45,000	49,706	(4,706)
Professional and technical services	20,300	11,678	8,622
Staff travel	-	4,131	(4,131)
Utility services	6,000	5,918	82
Supplies, materials and media	2,750	4,637	(1,887)
Other	16,500	18,463	(1,963)
Total expenditures	243,050	255,711	(12,661)
Excess of revenues over expenditures	\$ 12,815	-	12,815
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Alaska Seafood Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local - other	\$ 7,500	7,500	-
Expenditures:			
Current:			
Instruction:			
Staff travel	2,000	2,000	-
Other purchased services	2,000	2,000	-
Total instruction	4,000	4,000	-
Community services -			
Staff travel	3,500	3,500	-
Total expenditures	7,500	7,500	-
Excess of revenues over expenditures	\$ -	-	-
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

KASHUNAMIUT SCHOOL DISTRICT

Employee Scholarship Special Revenue Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources -			
Other	\$ 1,500	1,490	(10)
Expenditures:			
Current:			
Support services - students -			
Tuition - students and stipends	2,000	2,000	-
Excess (deficiency) of revenues over expenditures	\$ (500)	(510)	(10)
Fund balance, beginning of year		5,501	
Fund balance, end of year		\$ 4,991	

KASHUNAMIUT SCHOOL DISTRICT

B.A. Weinberg Scholarship Permanent Fund

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

Year Ended June 30, 2025

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues - local sources - Earnings on investment	\$ 578	578	-
Expenditures	-	-	-
Excess of revenues over expenditures	\$ 578	578	-
Fund balance, beginning of year		26,770	
Fund balance, end of year		\$ 27,348	

KASHUNAMIUT SCHOOL DISTRICT

Impact Aid Construction Capital Project Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance

Year Ended June 30, 2025

Revenues - intergovernmental - federal sources - direct	\$	<u>51,998</u>
Expenditures		<u>-</u>
Excess of revenues over expenditures		51,998
Fund balance, beginning of year		<u>18,214</u>
Fund balance, end of year	\$	<u><u>70,212</u></u>

KASHUNAMIUT SCHOOL DISTRICT

Schedule of Compliance AS 14.17.505

Year Ended June 30, 2025

Total fund balance - School Operating Fund	\$	4,735,530
less exemptions per 4 AAC 09.160(a)		
Exemptions:		
Inventory		373,935
Impact Aid		3,808,362
Fund Balance Subject to 10% Limitation	\$	<u>553,233</u>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	\$	<u>553,233</u>	=	<u>6.13%</u>
Current year expenditures		9,031,452		

KASHUNAMIUT SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

<u>Federal Grant Title</u>	<u>Grant Number / ID</u>	<u>Assistance Listing Number</u>	<u>Total Grant Award</u>	<u>Total Federal Expended</u>
U.S. Department of Education:				
Direct programs:				
REAP - RLIS Special Qualified Agencies	S358C240004	84.358C	\$ 12,284	12,284
Indian Education	S060A240616	84.060A	126,144	126,144
Impact Aid	11-AK-2025-3702	84.041	1,989,845	1,989,845
Impact Aid	11-AK-2025-3702	84.041	17,196	17,196
Impact Aid	11-AK-2025-3702	84.041	1,591,876	1,591,876
Impact Aid	11-AK-2025-3702	84.041	18,915	18,915
Impact Aid	11-AK-2025-3702	84.041	184,657	184,657
Impact Aid	11-AK-2025-3702	84.041	5,873	5,873
Impact Aid Construction	11-AK-2025-3702	84.041	51,998	51,998
Total ALN 84.041			3,860,360	3,860,360
Total direct programs			3,998,788	3,998,788
Passed through the State of Alaska -				
Department of Education and Early Development:				
Title I-A Consolidated	IP 25.KASH.01	84.010	863,230	794,407
Title I-A	SI 25.KASH.01	84.010	50,000	26,220
Total ALN 84.010			913,230	820,626
Migrant Literacy	MB 25.KASH.01	84.011	5,950	5,950
Title I-C Migrant	IP 25.KASH.01	84.011	299,338	247,866
Total ALN 84.011			305,288	253,816
AK Literacy	AL 25.KASH.01	84.371C	76,582	76,582
Special Education Cluster (IDEA):				
Title VI-B	SE 25.KASH.01	84.027	105,157	84,483
Pre-school Disabled	SE 25.KASH.01	84.173	2,539	2,539
Total Special Education Cluster (IDEA)			107,696	87,022
Carl Perkins	EK 25.KASH.01	84.048	28,265	28,265
ARP Homeless	AH 25.KASH.01	84.048	6,317	6,317
Total 84.048			34,582	34,582
Total U.S. Department of Education passed through the State of Alaska			1,437,377	1,272,628
Total U.S. Department of Education			5,436,165	5,271,416
U.S. Department of Health and Social Services -				
Passed through State of Alaska Department of Education and Early Development -				
Safety & Well Being	SW 25.KASH.01	93.243	9,000	9,000
U.S. Department of Agriculture:				
Passed through the State of Alaska				
Department of Education and Early Development:				
Child Nutrition Cluster:				
National School Breakfast Program	None	10.553	93,348	93,348
National School Lunch Program	None	10.555	307,505	307,505
Commodities	None	10.555	15,241	15,241
Local Food for Schools	LF 24.KASH.01	10.555	3,177	3,177
Fresh Fruit & Vegetables	FF 25.KASH.01	10.582	2,231	2,231
Fresh Fruit & Vegetables	FF 25.KASH.02	10.582	12,495	6,824
Total Child Nutrition Cluster			433,997	428,326
U.S. Department of Homeland Security -				
Passed through the State of Alaska				
Department of Military & Veteran Affairs				
Division of Homeland Security & Emergency -				
710924 - Radio Tower Debris	DR-4672-AK	97.036	3,514	2,635
U.S. Department of Interior:				
Direct:				
Johnson O'Malley	A22AV0041100061	15.130	7,500	7,500
Johnson O'Malley	A22AV0041100061	15.130	4,251	4,251
Johnson O'Malley	A22AV0041100061	15.130	16,594	16,594
Johnson O'Malley	A22AV0041100061	15.130	21,326	21,326
Total ALN 15.130			49,671	49,671
Total Expenditures of Federal Awards			\$ 5,932,348	5,761,048

See accompanying notes to the Schedule.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Kashunamiut School District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Kashunamiut School District, it is not intended to and does not present the basic financial statements of Kashunamiut 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. Kashunamiut School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Passed Through Awards

No amounts were passed through to subrecipients.

Note 4. Non-monetary Assistance

Non-monetary assistance is reported in the schedule at fair market value of commodities received and disbursed. For the year ended June 30, 2025, the District received \$15,241 in commodities.

KASHUNAMIUT SCHOOL DISTRICT

Schedule of State Financial Assistance

Year Ended June 30, 2025

<u>Name of Award</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>Total State Expended</u>
State of Alaska:			
Department of Education and Early Development:			
* Foundation	None	\$ 3,722,044	3,722,044
Pupil Transportation	None	1,688	1,688
Quality Schools	None	16,983	16,983
Dividend Raffle	None	1,943	1,943
* One Time HB 268 Funding	FY2025	721,779	721,779
Alaska Broadband Assistance Grant (BAG)	None	39,733	39,733
Total Department of Education and Early Development		<u>4,504,170</u>	<u>4,504,170</u>
Department of Military and Veteran Affairs -			
710924 - Radio Tower Debris	DR-4672-AK	<u>879</u>	<u>879</u>
Total State of Alaska Financial Assistance		\$ <u><u>4,505,049</u></u>	<u><u>4,505,049</u></u>

See accompanying notes to the Schedule.

KASHUNAMIUT SCHOOL DISTRICT

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2025

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Kashunamiut School District under programs of the State of Alaska for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Kashunamiut School District, it is not intended to and does not present the basic financial statements of Kashunamiut School District.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Subrecipients

No state funds were passed through to subrecipients.

Note 4. Major Programs

* Denotes a major program for compliance audit purposes.

Note 5. Reconciliations

Reconciliation to Basic Financial Statements:

State expenditures per previous page	\$ 4,505,049
Adjustments:	
TRS On-Behalf Relief	239,731
PERS On-Behalf Relief	<u>93,639</u>
Total revenue from State of Alaska per basic financials	\$ <u>4,838,419</u>

COMPLIANCE REPORTS

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

Independent Auditor's Report

Members of the School Board
Kashunamiut School District
Chevak, 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 Kashunamiut School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Kashunamiut School District's basic financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in cursive script that reads "Altman, Rogers & Co.".

Anchorage, Alaska
December 1, 2025

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

Members of the School Board
Kashunamiut School District
Chevak, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kashunamiut School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Kashunamiut School District's major federal programs for the year ended June 30, 2025. Kashunamiut School 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, Kashunamiut School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Kashunamiut School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Kashunamiut School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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
December 1, 2025

KASHUNAMIUT SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Is a going concern emphasis-of-matter paragraph included in the audit report?

____ Yes X No

Internal control over financial reporting:

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified?

____ Yes X None Reported

Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards

Internal control over major federal programs (2CFR 200.516 (a)(1)):

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified?

____ Yes X None Reported

Any material noncompliance with provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516 (a)(2))?

____ Yes X No

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR 200.516 (a)(3) or (4)?

____ Yes X No

Identification of major programs:

Assistance Listing Number(s)

84.010

84.041

84.011

Name of Federal Program or Cluster

Title I-A

Impact Aid

Migrant Education

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

\$ 750,000

Auditee qualified as low-risk auditee?

X Yes ____ No

KASHUNAMIUT SCHOOL DISTRICT

Federal Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

The Kashunamiut School District did not have any findings related to the financial statements.

Section III – Federal Award Findings and Questioned Costs

The Kashunamiut School District did not have any findings related to the federal awards.

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

Independent Auditor's Report

Members of the School Board
Kashunamiut School District
Chevak, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



Anchorage, Alaska
December 1, 2025

KASHUNAMIUT SCHOOL DISTRICT

State Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified?

____ Yes X None reported

Noncompliance material to financial statements noted?

____ Yes X No

State Awards

Internal control over major programs:

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified?

____ Yes X None reported

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?

X Yes ____ No

Section II – Financial Statement Findings

The Kashunamiut School District did not have any findings related to the financial statements.

Section III – State Award Findings and Questioned Costs

The Kashunamiut School District did not have any findings related to the state awards.