

Galena City School District
(A Component Unit of the City of Galena, Alaska)

Basic Financial Statements,
Required Supplementary Information,
Additional Supplementary Information, and
Single Audit Reports
Year Ended June 30, 2023

The report accompanying these financial statements was issued by
BDO USA, P.C., a Virginia professional corporation, and the U.S. member of
BDO International Limited, a UK company limited by guarantee.



Galena City School District
(A Component Unit of the City of Galena, Alaska)

Basic Financial Statements, Required Supplementary Information,
Additional Supplementary Information, and Single Audit Reports
Year Ended June 30, 2023

Galena City School District
(A Component Unit of the City of Galena, Alaska)

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Independent Auditor's Report

Members of the School Board
Galena City School District
Galena, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Galena City School District (the "District"), a component unit of the City of Galena, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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 the net pension and net OPEB liability or asset and schedules of the District's contribution 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying combining and individual fund financial statements and schedules, Schedule of Compliance as required by Alaska Statute 14.17.505, Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Schedule of State Financial Assistance as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund financial statements and schedules, Schedule of Compliance, the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance 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 March 13, 2024 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage, Alaska
March 13, 2024

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Basic Financial Statements

Galena City School District

Exhibit A-1

Statement of Net Position

<i>June 30, 2023</i>	Governmental Activities
Assets and Deferred Outflows of Resources	
Cash and cash equivalents	\$ 42,130,431
Accounts receivable:	
Federal	592,515
Other	542,599
Inventory	887,652
Prepaid expenses	365,986
Other assets	60,686
Net other postemployment benefits assets	6,775,024
Capital assets, net of accumulated depreciation	4,677,338
Total Assets	56,032,231
Deferred Outflows of Resources	
Pension related	1,789,825
Other postemployment benefits related	627,643
Total Deferred Outflows of Resources	2,417,468
Total Assets and Deferred Outflows of Resources	\$ 58,449,699
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	\$ 1,093,537
Accrued payroll and related liabilities	1,499,441
Unearned revenue	30,000
Noncurrent liabilities:	
Due in one year:	
Lease liability - due within one year	850,981
Accrued leave	200,000
Due in more than one year:	
Accrued leave	184,802
Lease liability - due in more than one year	3,021,058
Net pension liability	14,013,185
Total Liabilities	20,893,004
Deferred Inflows of Resources	
Pension related	78,433
Other postemployment benefits related	564,969
Total Deferred Inflows of Resources	643,402
Net Position	
Investment in capital assets	805,299
Restricted for IDEA Student Allotments	9,248,718
Unrestricted	26,859,276
Total Net Position	36,913,293
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 58,449,699

See accompanying notes to basic financial statements.

Galena City School District

Statement of Activities

Year Ended June 30, 2023	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities					
Instruction	\$ 20,423,424	\$ -	\$ 431,393	\$ -	\$ (19,992,031)
Special education instruction	1,860,199	-	1,259,656	-	(600,543)
Special education support services - students	190,294	-	15,255	-	(175,039)
Support services - students	3,097,807	-	2,369,717	-	(728,090)
Support services - instruction	4,505,715	-	58,108	-	(4,447,607)
School administration	1,157,134	-	(9,032)	-	(1,166,166)
School administration support services	1,489,773	-	(63,079)	-	(1,552,852)
District administration	1,084,485	-	(11,173)	-	(1,095,658)
District administration support services	1,602,516	-	9,608	-	(1,592,908)
Operations and maintenance of plant	7,627,872	-	892,898	-	(6,734,974)
Student activities	704,399	126,427	(1,127)	-	(579,099)
Student transportation - to and from school	131,030	-	(3,600)	-	(134,630)
Community services	497,993	-	307,253	-	(190,740)
Food services	1,915,524	1,161,175	352,973	-	(401,376)
Construction and facilities acquisition	1,348,435	-	1,042,938	-	(305,497)
Interest on leases	306,062	-	-	-	(306,062)
Total Governmental Activities	\$ 47,942,662	\$ 1,287,602	\$ 6,651,788	\$ -	(40,003,272)
General Revenues					
City in-kind services appropriations					628,611
State grants and entitlements not restricted to a specific purpose					41,278,308
Federal grants and entitlements not restricted to a specific purpose					438,891
Interest income					31,620
E-rate revenue					865,939
Other local revenues					375,112
Total General Revenues					43,618,481
Change in Net Position					3,615,209
Net Position, beginning of year					33,298,084
Net Position, end of year					\$ 36,913,293

See accompanying notes to basic financial statements.

Galena City School District

Balance Sheet
Governmental Funds

	Major Funds					Total Govern- mental Funds
	General	Boarding Home Special Revenue	General Capital Projects	GILA Composite Building Renovation Capital Projects	Nonmajor Govern- mental Funds	
<i>June 30, 2023</i>						
Assets						
Cash and cash equivalents	\$ 24,814,797	\$ 5,960,467	\$ 10,481,372	\$ -	\$ 873,795	\$ 42,130,431
Accounts receivable:						
Federal	-	-	-	-	592,515	592,515
Other	72,162	-	-	470,437	-	542,599
Due from other funds	1,006,667	-	-	-	-	1,006,667
Inventory	830,842	50,011	-	-	6,799	887,652
Prepaid items	365,986	-	-	-	-	365,986
Other assets	53,136	-	-	-	7,550	60,686
Total Assets	\$ 27,143,590	\$ 6,010,478	\$ 10,481,372	\$ 470,437	\$ 1,480,659	\$ 45,586,536
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 953,356	\$ 56,311	\$ -	\$ -	\$ 83,870	\$ 1,093,537
Accrued payroll and related liabilities	1,499,441	-	-	-	-	1,499,441
Unearned revenue	-	-	-	-	30,000	30,000
Due to other funds	-	-	-	470,437	536,230	1,006,667
Total Liabilities	2,452,797	56,311	-	470,437	650,100	3,629,645
Fund Balances						
Nonspendable	1,196,828	50,011	-	-	6,799	1,253,638
Restricted	9,248,718	-	-	-	-	9,248,718
Assigned	824,989	5,904,156	10,481,372	-	830,559	18,041,076
Unassigned (deficit)	13,420,258	-	-	-	(6,799)	13,413,459
Total Fund Balances	24,690,793	5,954,167	10,481,372	-	830,559	41,956,891
Total Liabilities and Fund Balances	\$ 27,143,590	\$ 6,010,478	\$ 10,481,372	\$ 470,437	\$ 1,480,659	\$ 45,586,536

See accompanying notes to basic financial statements.

Galena City School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Total fund balances for governmental funds \$ 41,956,891

Total net position reported for governmental activities in the
Statement of Net Position is different because:

Capital assets, net of accumulated depreciation used in
governmental activities are not financial resources and
therefore are not reported in the funds. These assets,
net of accumulated depreciation, consist of:

Right to use assets	\$ 5,147,446
Equipment	1,814,658
Vehicles	556,631
Accumulated depreciation and amortization	<u>(2,841,397)</u>

Total capital assets, net 4,677,338

Certain OPEB plans have been funded in excess of the required contributions.
These assets are not financial resources and therefore are not reported in
the funds. 6,775,024

Certain changes in pension and OPEB related item are deferred rather than
recognized in the current period. These items are amortized over time
and include the following:

Deferred outflows of resources for pensions	1,789,825
Deferred inflows of resources for pensions	(78,433)
Deferred outflows of resources for OPEB	627,643
Deferred inflows of resources for OPEB	<u>(564,969)</u>

1,774,066

Long-term liabilities are not due and payable in the current
period and therefore are not reported as fund liabilities.

Long-term liabilities reported in these statements are:

Accrued leave	(384,802)
Lease liability	(3,872,039)
Net pension liability	<u>(14,013,185)</u>

Total Net Position of Governmental Activities \$ 36,913,293

See accompanying notes to basic financial statements.

Galena City School District
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds

	Major Funds					Total Governmental Funds
	General	Boarding Home Special Revenue	General Capital Projects	GILA Composite Building Renovation Capital Projects	Nonmajor Govern- mental Funds	
<i>Year Ended June 30, 2023</i>						
Revenues						
Local sources:						
City in-kind services appropriations	\$ 628,611	\$ -	\$ -	\$ -	\$ -	\$ 628,611
Food services	-	4,335	-	-	10,850	15,185
Earnings on investments	27,992	2,054	1,418	-	156	31,620
Other local revenues	375,112	-	-	-	746	375,858
Rental revenue	-	-	-	-	79,550	79,550
E-rate revenue	865,939	-	-	-	-	865,939
State sources	42,331,604	4,333,784	-	1,060,845	240,524	47,966,757
Federal sources:						
Direct	438,891	-	-	-	283,703	722,594
Through the State of Alaska	-	-	-	-	2,287,115	2,287,115
Other sources	-	-	-	-	163,351	163,351
Total Revenues	44,668,149	4,340,173	1,418	1,060,845	3,065,995	53,136,580
Expenditures						
Current:						
Instruction	21,526,154	-	-	-	440,544	21,966,698
Special education instruction	816,355	-	-	-	1,279,751	2,096,106
Special education support services - students	190,294	-	-	-	-	190,294
Support services - students	368,861	2,788,620	-	-	-	3,157,481
Support services - instruction	5,032,705	-	-	-	288,994	5,321,699
School administration	1,333,926	-	-	-	-	1,333,926
School administration support services	1,724,001	-	-	-	-	1,724,001
District administration	1,301,407	-	-	-	-	1,301,407
District administration support services	1,751,522	-	-	23,152	53,173	1,827,847
Operations and maintenance of plant	4,324,730	935,635	1,532,107	-	129,839	6,922,311
Student activities	575,440	-	-	-	145,943	721,383
Student transportation - to and from school	1,365	-	-	-	132,222	133,587
Community services	229,949	-	-	-	268,044	497,993
Food services	-	1,343,909	-	-	556,354	1,900,263
Debt service:						
Principal	616,619	-	-	-	59,572	676,191
Interest	293,297	-	-	-	12,765	306,062
Construction and facilities acquisition	201,240	-	-	1,348,435	-	1,549,675
Total Expenditures	40,287,865	5,068,164	1,532,107	1,371,587	3,367,201	51,626,924
Excess (Deficiency) of Revenues Over Expenditures	4,380,284	(727,991)	(1,530,689)	(310,742)	(301,206)	1,509,656
Other Financing Sources (Uses)						
Transfers in	-	1,450,000	2,000,000	310,742	321,055	4,081,797
Transfers out	(4,081,797)	-	-	-	-	(4,081,797)
Leases (as lessee)	201,240	-	-	-	-	201,240
Net Other Financing Sources (Uses)	(3,880,557)	1,450,000	2,000,000	310,742	321,055	201,240
Net Change in Fund Balances	499,727	722,009	469,311	-	19,849	1,710,896
Fund Balances, beginning of year, restated	24,191,066	5,232,158	10,012,061	-	810,710	40,245,995
Fund Balances, end of year	\$ 24,690,793	\$ 5,954,167	\$ 10,481,372	\$ -	\$ 830,559	\$ 41,956,891

See accompanying notes to basic financial statements.

Galena City 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, 2023**

Net change in fund balances - total governmental funds \$ 1,710,896

The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. Gains and losses on disposal of capital assets are not reflected in the governmental funds, but are included in the Statement of Activities. The net changes are:

Capital outlays	\$ 163,817	
Amortization expense	(768,119)	
Depreciation expense	<u>(322,817)</u>	
		(927,119)

Repayment of the principal of long-term debt consumes current financial resources of governmental funds. However, this does effect net position. This amount is the principal payments on lease liability

676,191

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 the governmental funds.

Increase in net pension liability and related deferred outflows and inflows of resources	279,713
Increase in net other postemployment benefits liability/assets and related deferred outflows and inflows of resources	1,897,649

Annual leave reported in the Statement of Activities

do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The net change is:

(22,121)

Change in Net Position of Governmental Activities

\$ 3,615,209

See accompanying notes to basic financial statements.

Galena City School District
(A Component Unit of the City of Galena, Alaska)

Notes to Basic Financial Statements
June 30, 2023

1. Summary of Significant Accounting Policies

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

Reporting Entity

The accompanying financial statements include all the activities of the Galena City School District. The District is a component unit of the City of Galena, Alaska.

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

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

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. In general, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. The District reports governmental activities, which normally are supported by intergovernmental revenues. The District has no *business-type activities*, which rely primarily on fees and charges to external parties.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end.

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) fees, fines and 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 operational or capital requirements of a particular function or segment.

The City's local appropriation and other items not properly included among program revenues are reported instead as *general revenues*.

Galena City School District
(A Component Unit of the City of Galena, Alaska)

Notes to Basic Financial Statements

Separate financial statements are provided for governmental funds. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. The major funds are presented in separate columns. Nonmajor funds are aggregated and presented in a single column.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide financial statements - The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the District are included on the statement of Net Position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flow. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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, expenditures related to accrued leave are recorded only when payment is due.

The following are the District's major governmental funds:

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

The *Boarding Home Special Revenue Fund* is used to account for the statewide residential educational program's revenues and expenditures.

The *General Capital Projects Fund* is used to account for a multitude of District funded capital projects, major maintenance, and equipment purchases.

The *GILA Composite Building Renovation Capital Project Fund* is used to account for the capital project, major maintenance, and equipment purchases related to GILA building.

The other governmental funds of the District are considered nonmajor.

The School District follows the *Uniform Chart of Accounts for School Districts*, as required by the State of Alaska, Department of Education and Early Development.

Budgets

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

Galena City School District
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Notes to Basic Financial Statements

The adopted General Fund budget is submitted to the City of Galena for approval of the request for local appropriation, then to the State of Alaska, Department of Education and Early Development for review to determine compliance with Alaska statutes and Department regulations.

The School Board authorizes formal budget revisions periodically each year to adjust the revenues and expenditures to available resources and program needs. The final revised and approved budget is presented in these financial statements. Expenditure authority for the General Fund is limited to the total approved budget. There are no specific line item or category limitations.

Annual budgets of the various Special Revenue Funds are prepared in connection with the application for the special programs' funding and are reviewed and approved by the School Board. Expenditure authority for Special Revenue Fund programs is limited to the actual combined revenues and transfers from other funds. Unexpended balances of grants from the State and Federal governments for the Special Revenue Funds generally lapse at June 30.

Project budgets are adopted for the various construction funds based on the lives of the construction projects.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to assign or commit that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds. Encumbrances, if any, outstanding at year end are reported as appropriate constraints of fund balance if they meet the definitions and criteria outlined later in these notes. Encumbrances are included as reductions to fund balance for the purpose of calculating fund balance limits in accordance with state regulations.

Cash and Investments

Cash includes amounts in demand deposits. Investments include short-term certificates of deposit.

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Inventories

Inventories are valued at cost (first-in, first-out). Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. Year-end inventories are recorded as assets and are reported as nonspendable fund balance, indicating that such amounts do not represent "available spendable resources."

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Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of Net Position but are not reported on the balance sheet of the fund financial statements.

All purchased capital assets are valued at cost. Donated capital assets are valued at acquisition value on the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition value. The District has established a capitalization threshold of \$5,000. The District does not possess any infrastructure. School buildings (and the related debt) are owned and capitalized by the City and are not recorded in these financial statements.

All reported capital assets are depreciated. Depreciation is computed on the straight line method over the estimated useful life of the assets, generally 4 to 15 years for equipment and vehicles. Maintenance and repairs of a routine nature that do not add to the value of the asset are charged as expenses as incurred and are not capitalized.

Leases

The district is party to multiple leases of nonfinancial assets as a lessee. The district recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the district initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the district determines the discount rate used to discount the expected lease payments to present value, the lease term, and the lease payments. The district uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the district generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the district is reasonably certain to exercise.

The district monitors changes in circumstances that would require a remeasurement of its leases and will remeasure lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of any lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Unearned Revenue

Amounts received from grantor agencies, which are restricted as to use and have not been expended for their intended use are recorded on the balance sheet as unearned revenue.

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Notes to Basic Financial Statements

Accrued Leave

All permanent twelve-month employees earn and accrue annual leave. Unused annual leave is accrued utilizing average salary cost as earned by employees and recorded as a current liability in the period earned.

All permanent employees accrue sick leave, which is available for use during the year it is accrued. Sick leave pay is recorded as an expenditure during the period it is used. There is no provision for payment or use of sick leave upon separation from employment.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of the net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District reports certain pension and OPEB related items as deferred outflows of resources. These items are amortized to expense over time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports certain pension and OPEB related items as deferred inflows of resources. These items are as a reduction to expense over varying periods of time based on their nature.

Pensions and OPEB

For purposes of measuring the net pension and other postemployment benefits (OPEB) liabilities and assets, and related deferred outflows of resources and deferred inflows of resources, and pension / OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and the Teachers' Retirement Systems (TRS) and additions to/from PERS/TRS fiduciary net position have been determined on the same basis as they are reported by PERS/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.

Fund Balance

The governmental funds financial statements report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

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

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Notes to Basic Financial Statements

Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the School Board—the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the School Board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - This classification reflects the amounts constrained by the District’s “intent” to be used for specific purposes, but are neither restricted nor committed. The School Board and Superintendent have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

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

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

Internal Activity

During the course of normal operations, the District has numerous transactions between funds, including expenditures and transfers of resources to provide services and construct assets. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. Generally, the effect of internal activity has been eliminated in the government-wide statement of activities. Allocations of administrative overhead expenses from one function to another, and within one function, are eliminated in the statement of activities so that allocated expenses are reported only by the function to which they were allocated.

Net Position

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding borrowings used for the acquisition, construction or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. The District has Net Position restricted for IDEA student allotments in the amount of \$9,248,718 at June 30, 2023.

Estimates and Assumptions

The preparation of 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 as the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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Notes to Basic Financial Statements

2. Cash and Cash Equivalents

The District’s cash is accounted for using a central treasury. Negative cash balances have been reclassified to “due to other funds.” All of the District’s cash is held in the form of demand accounts including checking, savings and short-term certificates of deposit held by commercial banks.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District has no written policy with respect to limiting credit risk, however at June 30, 2023 all of the District’s deposits were covered by insurance or collateralization agreements.

Deposits and Investments

The District’s deposits (including certificate of deposit) during the year and at year-end were covered by federal depository insurance or collateral (U.S. government securities) held by the District’s agent. The District also utilizes a central treasury that is available for use by all funds. Each fund’s portion of the central treasury is displayed on the balance sheet as “cash and investments” or in the case of negative equity in the central treasury, is included in “due to other funds.”

3. Receivables

All accounts receivable are considered collectible; therefore, no allowance for uncollectible accounts has been provided.

4. Interfund Receivables, Payables, and Transfers

A schedule of interfund balances and transfers for the year ended June 30, 2023, follows:

All amounts due to other funds are the result of short-term operating advances.

June 30, 2023

Due to Other Fund:

To the General Fund from:

GILA Composite Building Renovation Capital Project Fund	\$ 470,437
Nonmajor Governmental Funds	536,230

Total to the General Fund	\$ 1,006,667
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Year Ended June 30, 2023

Transfers to Other Funds:

From the General Fund to:

Boarding Home Special Revenue Fund for operating subsidies	\$ 1,450,000
General Capital Projects Fund for capital acquisition subsidies	2,000,000
GILA Composite Building Renovation Capital Project Fund for capital acquisition subsidies	310,742
Nonmajor Governmental Funds for operating subsidies	321,055

Total Transfers to Other Funds	\$ 4,081,797
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Notes to Basic Financial Statements

5. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

Governmental Activities	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets being depreciated:				
Equipment	\$ 1,724,042	\$ 163,817	\$ (73,201)	\$ 1,814,658
Vehicles	573,465	-	(16,834)	556,631
Right to use assets	4,996,574	201,240	(50,368)	5,147,446
Total capital assets being depreciated	7,294,081	365,057	(140,403)	7,518,735
Accumulated depreciation	(998,460)	(322,817)	90,035	(1,231,242)
Accumulated amortization of right to use assets	(892,404)	(768,119)	50,368	(1,610,155)
Total Accumulated depreciation and amortization	(1,890,864)	(1,090,936)	140,403	(2,841,397)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	\$ 5,403,217	\$ (725,879)	\$ -	\$ 4,677,338

Depreciation and amortization expense was charged to governmental functions as follows:

Year Ended June 30, 2023

Instruction	\$ 67,761
Support services - students	36,726
Support services - instruction	56,830
School administration support services	7,244
District administration	5,540
District administration support services	24,039
Student transportation	10,580
Food service	15,262
Operations and maintenance of plant	866,954
Total Depreciation and Amortization Allocated to Governmental Functions	\$ 1,090,936

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Notes to Basic Financial Statements

6. Pension and Other Postemployment Benefits Plans

(a) Defined Benefit (DB) Pension Plans

General Information About the Plans

The District participates in two defined benefit pension plans. The Alaska Teachers' Retirement System (TRS) is a cost-sharing multiple-employer plan which covers teachers and other eligible participants. The Alaska Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer plan which covers eligible State and local government employees, other than teachers. Both Plans were established and are administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

Both Plans are included in annual comprehensive financial reports that includes financial statements and other required supplemental information. Those reports are available via the internet at <https://drb.alaska.gov/docs/reports/#pers> and <https://drb.alaska.gov/docs/reports/#trs>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on these websites.

Both Plans provides for retirement, death and disability, and postemployment healthcare benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plans, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. The tiers within the Plans establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other postemployment benefits (OPEB). A complete benefit comparison chart is available at the websites noted above.

Both the PERS and TRS DB Plans were closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS or TRS Defined Contribution (DC) Plans described later in these notes.

Historical Context and Special Funding Situation

Historically, the TRS plan has been a cost-sharing plan, while originally, PERS was an agent-multiple-employer plan. In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from a DB agent-multiple-employer plan to a DB cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate for both plans, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against all PERS/TRS eligible wages, including wages paid to participants of the PERS Tier IV/TRS Tier III defined contribution plans described later in these notes. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

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Alaska Statutes 14.25.085 and 39.35.280 require the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay each Plans' past service liability contribution rate as adopted by the Alaska Retirement Management Board (ARM Board). As such, both Plans are considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

The District recorded the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

Employee Contribution Rates

District PERS employees are required to contribute 6.75% of their annual covered salary (9.60% for employees on a nine-month payment contract). Teachers and other certificated employees are required to contribute 8.65% of their annual covered salary to TRS.

Employer and Other Contribution Rates

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

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% of eligible wages for PERS and 12.56% of eligible wages for TRS, subject to a wage floor, and other termination events. These rates are calculated on all PERS/TRS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

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. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25-year term which ends in 2039. This change results in a lower ARM Board Rates than previously adopted.

State Contribution Rate: This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

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Contribution rates for the year ended June 30, 2023 were determined in the June 30, 2021 actuarial valuations. The District's contribution rates for the 2023 fiscal year were as follows:

<i>PERS</i>	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans - Pension	18.38%	2.79%
Defined contribution - Pension	6.41%	-%
Total Contribution Rates	24.79%	2.79%

Alaska Statue 39.35.255(a) capped the employer rate at 22% with the State of Alaska making a nonemployer contribution for the difference between actuarially required contribution and the cap. For the fiscal year, the employer rate is 22.00% for pension and 0.00% for ARHCT. The contribution requirements for the District are established and may be amended by the ARMB. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the DCR Plan payroll. The DBUL amount is computed as the difference between (a) amount calculated for the statutory employer contribution rate of 22.00% on eligible salary less (b) total of the employer contribution for (1) defined contribution employer matching amount, (2) major medical, (3) occupational death and disability, and (4) health reimbursement arrangement. The difference is deposited based on an actuarial allocation into the defined benefit plan's pension and healthcare funds.

<i>TRS</i>	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans - Pension	17.90%	12.06%
Defined contribution - Pension	6.72%	-%
Total Contribution Rates	24.62%	12.06%

Alaska Statue 14.25.070(a) capped the employer rate at 12.56% with the State of Alaska making a nonemployer contribution for the difference between actuarially required contribution and the cap. For the fiscal year, the employer rate is 12.56% for pension and 0.00% for ARHCT. The contribution requirements for the District are established and may be amended by the ARMB. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the DCR Plan payroll. The DBUL amount is computed as the difference between (a) amount calculated for the statutory employer contribution rate of 12.56% on eligible salary less (b) total of the employer contribution for (1) defined contribution employer matching amount, (2) major medical, (3) occupational death and disability, and (4) health reimbursement arrangement. The difference is deposited based on an actuarial allocation into the defined benefit plan's pension and healthcare funds.

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Notes to Basic Financial Statements

In 2023, the District was credited with the following contributions to the pension plans:

	Measurement Period July 1, 2021 to June 30, 2022	District Fiscal Year July 1, 2022 to June 30, 2023
<i>PERS</i>		
Employer contributions (including DBUL)	\$ 616,199	\$ 793,633
Nonemployer contributions (on-behalf)	412,004	155,493
Total Contributions	\$ 1,028,203	\$ 949,126

	Measurement Period July 1, 2021 to June 30, 2022	District Fiscal Year July 1, 2022 to June 30, 2023
<i>TRS</i>		
Employer contributions (including DBUL)	\$ 227,356	\$ 445,605
Nonemployer contributions (on-behalf)	1,314,654	897,803
Total Contributions	\$ 1,542,010	\$ 1,343,408

In addition, employee contributions to the Plans totaled \$107,014 for PERS and \$225,800 for TRS during the District's fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the District. The amount recognized by the District for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the District were as follows:

	PERS	TRS
District's proportionate share of NPL	\$ 7,757,351	\$ 6,255,834
State's proportionate share of NPL associated with the District	2,145,193	8,337,894
Total Net Pension Liability	\$ 9,902,544	\$ 14,593,728

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 to calculate the net pension liability as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2022 measurement date, the District's proportion for PERS was 0.15220 percent, which was an increase of 0.00260 percent from its proportion measured as of June 30, 2021. At the June 30, 2022 measurement date, the District's proportion for TRS was 0.37350 percent, which was a decrease of 0.01939 from its proportion measured as of June 30, 2021.

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For the year ended June 30, 2023, the District recognized pension expense of \$1,592,529 for PERS and \$1,480,506 for TRS. In addition, the District recognized on-behalf revenue of \$140,136 and \$659,147 for support provided by the State for PERS and TRS, respectively. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>PERS</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 221,785	\$ -
District contributions subsequent to the measurement date	793,633	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 1,015,418	\$ -

<i>TRS</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (20,357)
Changes in assumptions	52,575	-
Net difference between projected and actual earnings on pension plan investments	276,227	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(58,076)
District contributions subsequent to the measurement date	445,605	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 774,407	\$ (78,433)

The \$793,633 for PERS and \$445,605 for TRS reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Year Ending June 30,</i>	<i>PERS</i>	<i>TRS</i>
2024	\$ (26,367)	\$ (67,938)
2025	(67,584)	(103,226)
2026	(162,243)	(239,722)
2027	477,979	661,255
Total Amortization	\$ 221,785	\$ 250,369

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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For PERS, increases range from 6.75% to 2.85% based on service. For TRS, increases range from 7.00% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2021 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2023 to 2039. The liability is expected to go to zero at 2039.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality PERS	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
TRS	Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time. Post-commencement mortality rates for healthy retirees were based on 97% of the Pub-2010 Teachers Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality

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rates for beneficiaries were based on 100% of male and 95% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

Other See the experience study report dated July 15, 2022.

The total pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2022 based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a 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 by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.88%, for each major asset class included in the pension plan’s target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	27%	+/- 6%	6.51 %
Global equity (non-U.S.)	18%	+/- 4%	5.70 %
Aggregate bonds	21%	+/- 10%	0.31 %
Opportunistic	6%	+/- 4%	- %
Real assets	14%	+/- 7%	3.71 %
Private equity	14%	+/- 6%	9.61 %
Cash equivalents	-%	-%	(0.50)%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The discount rate used changed from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan’s fiduciary net position was 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Galena City School District
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Notes to Basic Financial Statements

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

<i>PERS</i>	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	0.15220%	\$ 10,443,062	\$ 7,757,351	\$ 5,492,743

<i>TRS</i>	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	0.37350%	\$ 9,356,903	\$ 6,255,834	\$ 3,639,849

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS (TRS) financial report.

(b) Defined Contribution (DC) Pension Plans

Employees hired after July 1, 2006 participate in PERS Tier IV or TRS Tier III, both DC plans. These Plans are administered by the State of Alaska, Department of Administration in conjunction with the DB plans noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plans are individual pension accounts, a retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. These Plans are included in the annual comprehensive financial reports for PERS and TRS, and at the following websites, <https://drb.alaska.gov/docs/reports/#pers> and <https://drb.alaska.gov/docs/reports/#trs>, respectively.

Contributions to the DC plans consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the District contribute at 22%. Actual remittances to the TRS system require that the District contribute at 12.56%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan as noted earlier.

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Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2023 to cover a portion of the District's employer match contributions. For the year ended June 30, 2023, forfeitures reduced pension expense by \$39,787 for PERS and \$7,783 for TRS.

Employee Contribution Rate

Employees are required to contribute 8% of their annual covered salary for both PERS and TRS. This amount goes directly to the individual's account.

Employer Contribution Rate

For the year ended June 30, 2023, the District was required to contribute 5% of covered salary into the Plan for PERS and 7% of covered salary for TRS.

The District and employee contributions to PERS for pensions for the year ended June 30, 2023 were \$210,635 and \$337,015, respectively. The District and employee contributions to TRS for pensions for the year ended June 30, 2023 were \$375,140 and \$428,730, respectively. The District contribution amount was recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plans

As part of its participation in PERS and TRS, the District participates in the following cost-sharing multiple-employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD).

The ARHCT, a healthcare trust fund, provides major medical coverage to retirees of the DB plans. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members effective July 1, 2006. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS DC Plan (Tier IV) and TRS DC Plan (Tier III). The RMP is self-insured. Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age eligible. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS and TRS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB plans are included in the annual comprehensive financial reports for PERS and TRS, at the following websites, <https://drb.alaska.gov/docs/reports/#pers> and <https://drb.alaska.gov/docs/reports/#trs>, respectively.

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Employer Contribution Rate

Employer contribution rates are actuarially determined and adopted by and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended June 30, 2023 were as follows:

	PERS	TRS
Retiree Medical Plan	1.10%	0.87%
Occupational Death and Disability Benefits	0.30%	0.08%
Total Contribution Rates	1.40%	0.95%

In 2023, the District was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2021 to June 30, 2022	District Fiscal Year July 1, 2022 to June 30, 2023
<i>PERS</i>		
Employer contributions - ARHCT	\$ 86,552	\$ 555
Employer contributions - RMP	39,659	46,339
Employer contributions - ODD	11,490	12,638
Total Contributions	\$ 137,701	\$ 59,532

	Measurement Period July 1, 2021 to June 30, 2022	District Fiscal Year July 1, 2022 to June 30, 2023
<i>TRS</i>		
Employer contributions - ARHCT	\$ 173,609	\$ 616
Employer contributions - RMP	33,110	46,626
Employer contributions - ODD	3,245	4,287
Total Contributions	\$ 209,964	\$ 51,529

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Notes to Basic Financial Statements

OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

At June 30, 2023, the District reported an asset for its proportionate share of the net OPEB assets (NOA) that reflected a reduction for State OPEB support provided to the District. The amount recognized by the District for its proportional share, the related State proportion, and the total were as follows:

	PERS	TRS
District's proportionate share of NOA - ARHCT	\$ 2,973,804	\$ 3,359,198
District's proportionate share of NOA - RMP	83,747	205,455
District's proportionate share of NOA - ODD	89,418	63,402
Total District's Proportionate Share of NOA	\$ 3,146,969	\$ 3,628,055
State's proportionate share of the ARHCT NOA associated with the District	849,229	4,316,440
Total Net OPEB Assets	\$ 3,996,198	\$ 7,944,495

The total OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 and adjusted to reflect updated assumptions to calculate the net OPEB assets as of that date. The District's proportion of the net OPEB assets was based on a projection of the District's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2021 Measurement Date Employer Proportion	June 30, 2022 Measurement Date Employer Proportion	Change
<i>PERS</i>			
District's proportionate share of the net OPEB assets:			
ARHCT	0.15012%	0.15114%	0.00102%
RMP	0.21371%	0.24114%	0.02743%
ODD	0.18307%	0.20397%	0.02090%

	June 30, 2021 Measurement Date Employer Proportion	June 30, 2022 Measurement Date Employer Proportion	Change
<i>TRS</i>			
District's proportionate share of the net OPEB assets:			
ARHCT	0.40830%	0.38325%	(0.02505)%
RMP	0.91533%	1.06091%	0.14558%
ODD	0.91702%	1.04970%	0.13268%

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For the year ended June 30, 2023, the District recognized OPEB expense of \$(1,255,696) for PERS and \$(1,687,102) for TRS. Of these amounts, \$(288,477) for PERS and \$(1,036,219) for TRS was recorded for on-behalf revenue and expense for support provided by the ARHCT plans. OPEB expense and on-behalf revenue for the year ended is listed by plan in the table below:

<i>PERS</i>	OPEB expense	On-behalf revenue
ARHCT	\$ (1,332,557)	\$ (288,477)
RMP	64,842	-
ODD	12,019	-
Total	\$ (1,255,696)	\$ (288,477)

<i>TRS</i>	OPEB expense	On-behalf revenue
ARHCT	\$ (1,736,427)	\$ (1,036,219)
RMP	49,441	-
ODD	(116)	-
Total	\$ (1,687,102)	\$ (1,036,219)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>PERS</i>	ARHCT	RMP	ODD	Total
Deferred Outflows of Resources:				
Difference between expected and actual experience	\$ -	\$ 4,151	\$ -	\$ 4,151
Changes in assumptions	-	16,215	-	16,215
Difference between projected and actual investment earnings	168,715	11,945	3,028	183,688
Changes in proportion and differences between District contributions and proportionate share of contributions	-	1,320	4,594	5,914
District contributions subsequent to the measurement date	555	46,339	12,638	59,532
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 169,270	\$ 79,970	\$ 20,260	\$ 269,500

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<i>PERS</i>	ARHCT	RMP	ODD	Total
Deferred Inflows of Resources:				
Difference between expected and actual experience	\$ (21,049)	\$ (3,291)	\$ (29,334)	\$ (53,674)
Changes in assumptions	(136,472)	(100,415)	(569)	(237,456)
Changes in proportion and differences between District contributions and proportionate share of contributions	(4,447)	(1,656)	(7,093)	(13,196)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ (161,968)	\$ (105,362)	\$ (36,996)	\$ (304,326)

Amounts reported as deferred outflows of resources related to OPEB plans resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net OPEB assets in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>PERS</i>	ARHCT	RMP	ODD	Total
Year Ending June 30,				
2024	\$ (190,303)	\$ (12,216)	\$ (5,568)	\$ (208,087)
2025	(59,168)	(12,801)	(5,719)	(77,688)
2026	(133,291)	(14,646)	(6,200)	(154,137)
2027	389,509	1,541	(1,993)	389,057
2028	-	(15,194)	(4,248)	(19,442)
Thereafter	-	(18,415)	(5,646)	(24,061)
Total Amortization	\$ 6,747	\$ (71,731)	\$ (29,374)	\$ (94,358)

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At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>TRS</i>	ARHCT	RMP	ODD	Total
Deferred Outflows of Resources:				
Difference between expected and actual experience	\$ -	\$ 34,976	\$ -	\$ 34,976
Changes in assumptions	-	12,151	-	12,151
Difference between projected and actual investment earnings	173,839	15,863	1,509	191,211
Changes in proportion and differences between District contributions and proportionate share of contributions	68,001	-	275	68,276
District contributions subsequent to the measurement date	616	46,626	4,287	51,529
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 242,456	\$ 109,616	\$ 6,071	\$ 358,143

<i>TRS</i>	ARHCT	RMP	ODD	Total
Deferred Inflows of Resources:				
Difference between expected and actual experience	\$ (11,902)	\$ (9,698)	\$ (9,817)	\$ (31,417)
Changes in assumptions	(76,137)	(122,111)	(168)	(198,416)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(18,786)	(12,024)	(30,810)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ (88,039)	\$ (150,595)	\$ (22,009)	\$ (260,643)

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Notes to Basic Financial Statements

Amounts reported as collective deferred outflows of resources related to OPEB plans resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net OPEB assets in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>TRS</i>	ARHCT	RMP	ODD	Total
<i>Year Ending June 30,</i>				
2024	\$ (44,364)	\$ (15,267)	\$ (3,389)	\$ (63,020)
2025	(53,940)	(16,243)	(3,490)	(73,673)
2026	(124,938)	(19,144)	(3,784)	(147,866)
2027	377,043	4,472	(1,469)	380,046
2028	-	(15,470)	(3,356)	(18,826)
Thereafter	-	(25,953)	(4,737)	(30,690)
Total Amortization	\$ 153,801	\$ (87,605)	\$ (20,225)	\$ 45,971

Actuarial Assumptions

The total OPEB liability for each plan for the measurement period ended June 30, 2022 was determined by actuarial valuations as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2022:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For PERS, increases range from 6.75% to 2.85% based on service. For TRS ARHCT Plan, increase range from 7.00% to 2.85% based on service. For TRS ODD and RMP Plans, increases range from 7.25% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2022 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2023 to 2039.
Investment rate of return	7.25%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Healthcare cost trend rates (ARHCT and RMP Plans)	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drug: 7.5% grading down to 4.5%

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Rx/EGWP: 7.5% grading down to 4.5%
Initial trend rates are from FY 2023
Ultimate trend rates reached in FY 2050

Mortality
PERS
(ARHCT and RMP Plans)

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for healthy retirees were based on 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

(ODD Plan)

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

(ARHCT and ODD Plans)

Deaths are assumed to result from occupational causes 35% of the time.

TRS
(ARHCT and RMP Plans)

Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for healthy retirees were based on 98% of male and 100% of female rates of the Pub-2010 Teachers Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 100% of male and 94% of female rates of the Pub-2010 Contingent Survivor table, headcount-

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Notes to Basic Financial Statements

weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

(ODD Plan)

Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time. Post-commencement mortality rates for healthy retirees were based on 97% of the Pub-2010 Teachers Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 100% of male and 95% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

Participation (ARHCT)

100% of system paid members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible.
20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

Other

See the experience study report dated July 15, 2022.

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2022 based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022. The actuarial assumptions used in the June 30, 2021 actuarial valuation are the same as those used in the June 30, 2020 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

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Notes to Basic Financial Statements

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare 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 by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.88% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	27%	+/- 6%	6.51 %
Global equity (non-U.S.)	18%	+/- 4%	5.70 %
Aggregate bonds	21%	+/- 10%	0.31 %
Opportunistic	6%	+/- 4%	- %
Real assets	14%	+/- 7%	3.71 %
Private equity	14%	+/- 6%	9.61 %
Cash equivalents	-%	-%	(0.50) %

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2022 was 7.25%. The discount rate used changed from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

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Sensitivity of the Net OPEB Asset (Liability) to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<i>PERS</i>	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net OPEB asset (liability):				
ARHCT	0.15114%	\$ 1,766,869	\$ 2,973,804	\$ 3,985,928
RMP	0.24114%	\$ (15,404)	\$ 83,747	\$ 159,358
ODD	0.20397%	\$ 84,231	\$ 89,418	\$ 93,475

<i>TRS</i>	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net OPEB asset:				
ARHCT	0.38325%	\$ 2,191,800	\$ 3,359,198	\$ 4,332,842
RMP	1.06091%	\$ 72,534	\$ 205,455	\$ 305,329
ODD	1.04970%	\$ 63,601	\$ 63,402	\$ 63,297

Sensitivity of the Net OPEB Asset (Liability) to Changes in the Healthcare Cost Trend Rates

The following presents the District's proportionate share of the net OPEB asset calculated using the healthcare cost trend rates as summarized in the 2021 actuarial valuation reports as well as what the District's proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

<i>PERS</i>	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB asset (liability):				
ARHCT	0.15114%	\$ 4,104,992	\$ 2,973,804	\$ 1,622,947
RMP	0.24114%	\$ 169,741	\$ 83,747	\$ (32,081)
ODD	0.20397%	\$ n/a	\$ n/a	\$ n/a

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<i>TRS</i>	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB asset:				
ARHCT	0.38325%	\$ 4,443,966	\$ 3,359,198	\$ 2,055,274
RMP	1.06091%	\$ 317,879	\$ 205,455	\$ 52,207
ODD	1.04970%	\$ n/a	\$ n/a	\$ n/a

OPEB Plan Fiduciary Net Position

Detailed information about each OPEB plan's fiduciary net position is available in the separately issued PERS and TRS financial reports.

(d) Defined Contribution OPEB Plans

PERS and TRS DC Pension Plan participants (PERS Tier IV and TRS Tier III) also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan allows for medical care expense to be reimbursed from individual savings accounts established for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

Contribution Rate

AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2022, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,237 per year for each full-time employee, and \$1.43 per hour for part-time employees.

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Annual Postemployment Healthcare Cost

In fiscal year 2023, the District contributed \$194,845 in DC OPEB costs to PERS and \$139,442 in DC OPEB costs to TRS. These amounts have been recognized as expense/expenditures.

The aggregate amounts of the liabilities, assets, deferred outflows of resources, deferred inflows of resources and expense for the plans listed above are shown below:

Pension Plan	PERS	TRS	Total
Deferred Outflows of Resources	\$ 1,015,418	\$ 774,407	\$ 1,789,825
Net Pension Liability	7,757,351	6,255,834	14,013,185
Deferred Inflows of Resources	-	(78,433)	(78,433)
Net Pension Expense	1,592,529	1,480,506	3,073,035

OPEB Plan	PERS	TRS	Total
Deferred Outflows of Resources	\$ 269,500	\$ 358,143	\$ 627,643
Net OPEB Assets	3,146,969	3,628,055	6,775,024
Deferred Inflows of Resources	(304,326)	(260,643)	(564,969)
Net OPEB Expense	(1,255,696)	(1,687,102)	(2,942,798)

7. City Appropriation

The appropriation from the City of Galena for local contribution in support of education consisted of the following for the year ended June 30, 2023:

Sewer/water removal and other utilities	\$ 444,256
Road maintenance/snow removal	184,355
Total City Appropriation	\$ 628,611

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Notes to Basic Financial Statements

8. Leases

Leases payable

On April 18, 2012, the District entered into a lease of a building. The lease term ends on May 31, 2028. The right-of-use asset for the lease has a remaining economic life of six years. The lease calls for monthly payments ranging from \$13,920 to \$17,447 to be paid at the beginning of each month. The implicit interest rate known to the District is 7.50%. There are no residual value guarantees or purchase options. As of June 30, 2023, the total outstanding lease payable balance was \$807,448. The total value of the related right-to-use assets as of June 30, 2023 was \$719,589.

On June 4, 2014, the District entered into a lease of two buildings. The lease term ends on June 30, 2024. The buildings have a remaining economic life of three years. The lease calls for monthly payments ranging from \$3,767 to \$6,086 to be paid at the beginning of each month. The implicit interest rate known to the District is 7.50%. There are no residual value guarantees or purchase options. As of June 30, 2023, the total outstanding lease payable balance was \$133,874. The total value of the related right-to-use assets as of June 30, 2023 was \$107,635.

On June 22, 2021, the District entered into a lease of a building. The lease term ends on June 22, 2026 with an option for a lease extension of three years. The building has a remaining economic life of 7 years. The lease calls for monthly payments ranging from \$10,679 to \$11,427 to be paid on the 22nd of each month. The implicit interest rate known to the District is 7.50%. There are no residual value guarantees or purchase options. As of June 30, 2023, the total outstanding lease payable balance was \$646,960. The total value of the related right-to-use assets as of June 30, 2023 was \$599,537.

On July 27, 2007, the District entered into a lease of two offices. The lease term ends on October 31, 2024. The offices have a remaining economic life of two years. The lease calls for monthly payments ranging from \$21,490 to \$26,381 to be paid at the beginning of each month. The implicit interest rate known to the District is 7.50%. There are no residual value guarantees or purchase options. As of June 30, 2023, the total outstanding lease payable balance was \$400,490. The total value of the related right-to-use assets as of June 30, 2023 was \$367,547.

On September 1, 2015, the District entered into a lease of two offices. The lease term ends on August 31, 2025 with an option for a lease extension of five years. The offices have a remaining economic life of eight years. The lease calls for monthly payments ranging from \$8,547 to \$9,838 to be paid at the beginning of each month. The implicit interest rate known to the District is 7.50%. There are no residual value guarantees or purchase options. As of June 30, 2023, the total outstanding lease payable balance was \$617,182. The total value of the related right-to-use assets as of June 30, 2023 was \$570,535.

On February 1, 2022, the District entered into a lease of a building. The lease term ends on April 30, 2025 with an option for a lease extension of five years. The building has a remaining economic life of eight years. The lease calls for monthly payments ranging from \$605 to \$719 to be paid on the first of each month. The implicit interest rate known to the District is 7.50%. There are no residual value guarantees or purchase options. As of June 30, 2023, the total outstanding lease payable balance was \$42,976. The total value of the related right-to-use assets as of June 30, 2023 was \$39,994.

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Notes to Basic Financial Statements

On November 15, 2020, the District entered into a lease of an office. The lease term ends on November 14, 2025 with an option for a lease extension of five years. The office has a remaining economic life of eight years. The lease calls for monthly payments ranging from \$6,842 to 8,709 to be paid on the 15th of each month. The implicit interest rate known to the District is 7.50%. There are no residual value guarantees or purchase options. As of June 30, 2023, the total outstanding lease payable balance was \$550,004. The total value of the related right-to-use assets as of June 30, 2023 was \$500,027.

On May 1, 2020, the District entered into a lease of an office. The lease term ends on April 30, 2025 with an option for a lease extension of five years. The office has a remaining economic life of eight years. The lease calls for monthly payments ranging from \$5,737 to \$6,121 to be paid on the first of each month. The implicit interest rate known to the District is 7.50%. There are no residual value guarantees or purchase options. As of June 30, 2023, the total outstanding lease payable balance was \$495,343. The total value of the related right-to-use assets as of June 30, 2023 was \$454,463.

On April 1, 2023, the District entered into a lease of an office. The lease term ends on April 30, 2025 with an option for a lease extension of five years. The office has a remaining economic life of eight years. The lease calls for monthly payments ranging from \$4,967 to \$5,184 to be paid on the first of each month. The implicit interest rate known to the District is 7.50%. There are no residual value guarantees or purchase options. As of June 2023, the total outstanding lease payable balance was \$100,162. The total value of the related right-to-use assets as of June 30, 2023 was \$100,271.

On March 10, 2023, the District entered into the lease of a residential cabin. The lease term ends on June 30, 2024 with no option for a lease extension. The lease calls for monthly payments ranging from \$1,419.35 to \$2,000 to be paid on the first of each month. The implicit interest rate that is known to the District is 7.50%. There are no residual value guarantees or purchase options. As of June 2023, the total outstanding lease payable balance was \$21,607. The total value of the related right-to-use assets as of June 30, 2023 was \$21,396.

On June 1, 2023, the District entered into the lease of a residential cabin. The lease term ends on May 31, 2025 with no option for a lease extension. The lease calls for monthly payments of \$2,750 to be paid on the first of each month. The implicit interest rate that is known to the District is 7.50%. There are no residual value guarantees or purchase options. As of June 2023, the total outstanding lease payable balance was \$55,993. The total value of the related right-to-use assets as of June 30, 2023 was \$56,297.

This Statement addresses accounting and financial reporting for certain lease assets and liabilities for leases for the year-end June 30, 2023.

Annual debt service requirements to maturity for the above obligations except accrued leave as follows:

<i>Year Ending June 30, 2023</i>	Principal	Interest	Total
2024	\$ 850,981	\$ 261,616	\$ 1,112,597
2025	676,764	200,829	877,593
2026	479,904	160,763	640,667
2027	537,638	122,751	660,389
2028-2031	1,326,752	141,715	1,468,467
Total	\$ 3,872,039	\$ 887,674	\$ 4,759,713

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Notes to Basic Financial Statements

9. Long-term Liabilities

The following schedule demonstrates the changes in the District’s long-term liabilities for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Lease liability	\$ 4,346,990	\$ 201,240	\$ (676,191)	\$ 3,872,039	\$ 850,981
Accrued Leave	362,681	318,231	(296,110)	384,802	200,000
Long-term Liabilities	\$ 4,709,671	\$ 519,471	\$ (972,301)	\$ 4,256,841	\$ 1,050,981

The accrued leave balance is generally liquidated by the General Fund.

10. Fund Balance

The District has applied the provisions of GASB Statement number 54, Fund Balance Reporting and Governmental Fund Type Definitions. Fund balance, reported in aggregate on the governmental funds balance sheet is subject to the following constraints:

	Major Funds				Total
	General	Boarding Home Special Revenue Fund	General Capital Projects	Nonmajor Governmental Funds	Governmental Funds
Nonspendable:					
Prepaid items	\$ 365,986	\$ -	\$ -	\$ -	\$ 365,986
Inventory	830,842	50,011	-	6,799	887,652
Total nonspendable	1,196,828	50,011	-	6,799	1,253,638
Restricted -					
IDEA student allotment	9,248,718	-	-	-	9,248,718
Assigned:					
Health insurance	824,989	-	-	-	824,989
Boarding home	-	5,904,156	-	-	5,904,156
Capital projects	-	-	10,481,372	-	10,481,372
Student activities	-	-	-	830,559	830,559
Total assigned	824,989	5,904,156	10,481,372	830,559	18,041,076
Unassigned (deficit)	13,420,258	-	-	(6,799)	13,413,459
Total Fund Balances	\$ 24,690,793	\$ 5,954,167	\$ 10,481,372	\$ 830,559	\$ 41,956,891

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Notes to Basic Financial Statements

11. Risk Management

The District faces a considerable number of risks of loss, including: (a) damage to and loss to property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) worker’s compensation; i.e., employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for general liability, errors and omissions and student accident. 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.

The District maintains a health and medical benefit program which covers all permanent full-time and part-time employees. The District has retained a major portion of the risk for this plan, and, accordingly, is liable for any employee health claims that are approved for payment. Stop-loss insurance limits the District’s liability for individual and aggregate claims. Stop-loss limits were \$90,000 for individual claims and \$1,000,000 for aggregate claims. Health and medical expenditures totaled \$3,530,452 year ended June 30, 2023 and consisted of paid claims, stop-loss premiums, and administrative fees.

Accruals were made based upon estimates of the health claims at year end including claims incurred but not reported. Such accruals are accounted for in the General Fund under the liability “Accrued payroll and related liabilities.” A schedule of the changes in the claims liability for the years ended June 30, follows:

	Balance at Beginning of Year	Claims Expense	Claims Paid	Balance at End of Year
2023	\$ 612,322	\$ 3,503,452	\$ (3,290,795)	\$ 824,979
2022	579,883	2,164,110	(2,131,661)	612,332

12. Contingencies

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

The District receives a substantial portion of its revenue from state and local grants and the City of Galena. Significant changes in these revenue sources could have a material effect (positive or negative) on the operations of the District.

The District, from time to time, may be a participant in legal proceedings related to the conduct of business. In the normal course of business, it also has various commitments and contingent liabilities, which are not reflected in the accompanying financial statements. In the opinion of management, any current legal proceedings, commitments or contingent liabilities will not materially affect the financial position of the District.

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Notes to Basic Financial Statements

13. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates (effective dates are adjusted for the issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance). The following new accounting standards were implemented by the District for 2023 reporting:

GASB Statement No. 91 - Conduit Debt Obligations - Effective for year-end June 30, 2023. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This Statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting. This does not impact the District in FY23.

GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements - Effective for year-end June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APA). This does not impact the District in FY23.

GASB Statement No. 96 - Subscription-Based Information Technology Arrangements - Effective for year-end June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. This does not impact the District in FY23.

GASB Statement No. 99 - Omnibus 2022 - Provisions of this Statement related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, classification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for year-end June 30, 2023. The effective date for the provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for year-end June 30, 2024. This does not impact the District in FY23.

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The GASB has issued several new accounting standards with upcoming implementation dates (effective dates adjusted for the issuance of GASB Statement No. 95). Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

GASB Statement No. 100 - Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62 - Effective for year-end June 30, 2024. Earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101 - Compensated Absences - Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 - Certain Risk Disclosures - Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

Required Supplementary Information

Galena City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund

Year Ended June 30, 2023	Budget		Actual	Variance
	Original	Final		With Final Budget
Revenues				
Local sources:				
City in-kind services appropriations	\$ 563,256	\$ 628,611	\$ 628,611	\$ -
Earnings on investments	20,000	26,000	27,992	1,992
Other local revenues	219,000	275,000	375,112	100,112
E-rate revenue	866,000	866,000	865,939	(61)
State sources	34,472,645	42,874,962	42,331,604	(543,358)
Federal sources	89,509	163,766	438,891	275,125
Total Revenues	36,230,410	44,834,339	44,668,149	(166,190)
Expenditures				
Instruction	22,062,736	21,515,607	21,526,154	(10,547)
Special education instruction	853,601	874,278	816,355	57,923
Special education support services - students	184,130	190,576	190,294	282
Support services - students	268,366	317,698	368,861	(51,163)
Support services - instruction	4,956,622	5,256,230	5,032,705	223,525
School administration	1,474,992	1,318,238	1,333,926	(15,688)
School administration support services	2,078,646	2,037,756	1,724,001	313,755
District administration	1,308,917	1,337,787	1,301,407	36,380
District administration support services	1,735,140	2,034,147	1,751,522	282,625
Operations and maintenance of plant	5,075,403	5,518,146	4,324,730	1,193,416
Student activities	603,810	582,053	575,440	6,613
Student transportation	-	1,079	1,365	(286)
Community services	247,290	248,601	229,949	18,652
Debt service:				
Principal	-	-	616,619	(616,619)
Interest	-	-	293,297	(293,297)
Construction and facilities acquisition	-	-	201,240	(201,240)
Total Expenditures	40,849,653	41,232,196	40,287,865	944,331
Excess of Revenues Over Expenditures	(4,619,243)	3,602,143	4,380,284	778,141
Other Financing Sources (Uses)				
Transfers out	(508,692)	(3,996,745)	(4,081,797)	(85,052)
Leases (as lessee)	-	-	201,240	201,240
Net Other Financing Sources (Uses)	(508,692)	(3,996,745)	(3,880,557)	116,188
Net Change in Fund Balance	\$ (5,127,935)	\$ (394,602)	499,727	\$ 894,329
Fund Balance, beginning of year			24,191,066	
Fund Balance, end of year			<u>\$ 24,690,793</u>	

See accompanying notes to Required Supplementary Information.

Galena City School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Boarding Home Special Revenue Fund

<i>Year Ended June 30, 2023</i>	Original and Final Budget	Actual	Variance
Revenues			
Local sources:			
Food services	\$ 4,800	\$ 4,335	\$ (465)
Earnings on investments	3,150	2,054	(1,096)
State sources	3,878,104	4,333,784	455,680
Total Revenues	3,886,054	4,340,173	454,119
Expenditures			
Support services - students	2,804,555	2,788,620	15,935
Operations and maintenance of plant	1,030,167	935,635	94,532
Student activities	14,000	-	14,000
Food services	1,425,928	1,343,909	82,019
Total Expenditures	5,274,650	5,068,164	206,486
Deficiency of Revenues Over Expenditures	(1,388,596)	(727,991)	660,605
Other Financing Sources - transfers in	1,450,000	1,450,000	-
Net Change in Fund Balance	<u>\$ 61,404</u>	722,009	<u>\$ 660,605</u>
Fund Balance, beginning of year		<u>5,232,158</u>	
Fund Balance, end of year		<u>\$ 5,954,167</u>	

See accompanying notes to Required Supplementary Information.

Galena City School District

**Public Employees' Retirement System - Pension Plan
Schedule of the District's Proportionate Share of the Net Pension Liability**

<i>Years Ended June 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.15220%	0.14960%	0.12695%	0.12153%	0.15279%	0.12372%	0.15022%	0.19265%	0.07596%
District's Proportionate Share of the Net Pension Liability	\$ 7,757,351	\$ 5,488,040	\$ 7,491,518	\$ 6,655,339	\$ 7,592,324	\$ 6,395,511	\$ 8,396,423	\$ 9,343,647	\$ 3,542,756
State of Alaska Proportionate Share of the Net Pension Liability	2,145,193	743,512	3,100,997	2,640,712	2,196,785	2,383,260	1,060,376	2,502,412	3,677,442
Total Net Pension Liability	\$ 9,902,544	\$ 6,231,552	\$ 10,592,515	\$ 9,296,051	\$ 9,789,109	\$ 8,778,771	\$ 9,456,799	\$ 11,846,059	\$ 7,220,198
District's Covered Payroll	5,046,270	4,769,609	4,331,465	4,404,921	4,345,820	5,021,467	4,128,613	4,106,896	3,440,357
District's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	153.72%	115.06%	172.96%	151.09%	172.36%	147.16%	167.21%	226.31%	86.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.97%	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%	63.37%

Schedule of the District's Contributions

<i>Years Ended June 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 793,633	\$ 616,199	\$ 562,130	\$ 448,212	\$ 471,913	\$ 503,567	\$ 437,623	\$ 376,866	\$ 365,549
Contributions Relative to the Contractually Required Contribution	793,633	616,199	562,130	448,212	471,913	503,567	437,623	376,866	365,549
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	5,717,480	5,046,270	4,769,609	4,331,465	4,404,921	4,345,820	5,021,467	4,128,613	4,106,896
Contributions as a Percentage of Covered Payroll	13.88%	12.21%	11.79%	10.35%	10.71%	11.59%	8.72%	9.13%	8.90%

See accompanying notes to Required Supplementary Information.

Galena City School District
Public Employees' Retirement System - OPEB ARHCT Plan
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)

<i>Years Ended June 30,</i>	ARHCT					
	2023	2022	2021	2020	2019	2018
District's Proportion of the Net OPEB Liability (Asset)	0.15114%	0.15012%	0.12696%	0.12153%	0.15279%	0.12374%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (2,973,804)	\$ (3,851,179)	\$ (574,943)	\$ 180,322	\$ 1,568,089	\$ 1,045,330
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	(849,229)	(507,030)	(238,053)	71,794	453,309	389,222
Total Net OPEB Liability (Asset)	\$ (3,823,033)	\$ (4,358,209)	\$ (812,996)	\$ 252,116	\$ 2,021,398	\$ 1,434,552
District's Covered Payroll	1,339,767	1,554,067	1,527,656	1,554,326	1,703,991	1,791,961
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-221.96%	-247.81%	-37.64%	11.60%	92.02%	58.33%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	128.51%	135.54%	106.15%	98.13%	88.12%	89.68%

Schedule of the District's Contributions

<i>Years Ended June 30,</i>	ARHCT					
	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 555	\$ 86,552	\$ 114,014	\$ 179,033	\$ 173,658	\$ 143,540
Contributions Relative to the Contractually Required Contribution	555	86,552	114,014	179,033	173,658	143,540
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	1,504,789	1,339,767	1,554,067	1,527,656	1,554,326	1,703,991
Contributions as a Percentage of Covered Payroll	0.037%	6.460%	7.336%	11.719%	11.173%	8.424%

See accompanying notes to Required Supplementary Information.

Galena City School District
Public Employees' Retirement System - OPEB RMP Plan
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)

<i>Years Ended June 30,</i>	RMP					
	2023	2022	2021	2020	2019	2018
District's Proportion of the Net OPEB Liability (Asset)	0.24114%	0.21371%	0.21039%	0.22152%	0.23342%	0.23335%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (83,747)	\$ (57,363)	\$ 14,923	\$ 52,996	\$ 29,703	\$ 12,169
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (83,747)	\$ (57,363)	\$ 14,923	\$ 52,996	\$ 29,703	\$ 12,169
District's Covered Payroll	3,706,503	3,215,542	2,803,809	2,850,595	2,641,829	3,229,505
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.26%	-1.78%	0.53%	1.86%	1.12%	0.38%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	120.08%	115.10%	95.23%	83.17%	88.71%	93.98%

Schedule of the District's Contributions

<i>Years Ended June 30,</i>	RMP					
	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 46,339	\$ 39,659	\$ 40,803	\$ 37,011	\$ 25,996	\$ 27,211
Contributions Relative to the Contractually Required Contribution	46,339	39,659	40,803	37,011	25,996	27,211
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	4,212,691	3,706,503	3,215,542	2,803,809	2,850,595	2,641,829
Contributions as a Percentage of Covered Payroll	1.100%	1.070%	1.269%	1.320%	0.912%	1.030%

See accompanying notes to Required Supplementary Information.

Galena City School District
Public Employees' Retirement System - OPEB ODD Plan
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)

<i>Years Ended June 30,</i>	ODD					
	2023	2022	2021	2020	2019	2018
District's Proportion of the Net OPEB Liability (Asset)	0.20397%	0.18307%	0.16951%	0.17611%	0.23342%	0.23335%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (89,418)	\$ (80,684)	\$ (46,207)	\$ (42,697)	\$ (45,335)	\$ (33,110)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (89,418)	\$ (80,684)	\$ (46,207)	\$ (42,697)	\$ (45,335)	\$ (33,110)
District's Covered Payroll	3,706,503	3,215,542	2,803,809	2,850,595	2,641,829	3,229,505
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.41%	-2.51%	-1.65%	-1.50%	-1.72%	-1.03%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	348.80%	374.22%	283.80%	297.43%	270.62%	212.97%

Schedule of the District's Contributions

<i>Years Ended June 30,</i>	ODD					
	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 12,638	\$ 11,490	\$ 10,043	\$ 7,290	\$ 7,190	\$ 4,227
Contributions Relative to the Contractually Required Contribution	12,638	11,490	10,043	7,290	7,190	4,227
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	4,212,691	3,706,503	3,215,542	2,803,809	2,850,595	2,641,829
Contributions as a Percentage of Covered Payroll	0.300%	0.310%	0.312%	0.260%	0.252%	0.160%

See accompanying notes to Required Supplementary Information.

Galena City School District
Teachers' Retirement System - Pension Plan
Schedule of the District's Proportionate Share of the Net Pension Liability

<i>Years Ended June 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.37350%	0.32929%	0.26411%	0.28580%	0.30427%	0.26128%	0.30618%	0.26017%	0.11658%
District's Proportionate Share of the Net Pension Liability	\$ 6,255,834	\$ 3,127,275	\$ 5,369,723	\$ 5,340,224	\$ 5,824,761	\$ 5,295,093	\$ 6,991,111	\$ 4,840,268	\$ 3,496,209
State of Alaska Proportionate Share of the Net Pension Liability	8,337,894	2,651,303	9,319,018	7,919,842	8,660,802	9,241,552	8,309,254	7,737,032	16,389,383
Total Net Pension Liability	\$ 14,593,728	\$ 5,778,578	\$ 14,688,741	\$ 13,260,066	\$ 14,485,563	\$ 14,536,645	\$ 15,300,365	\$ 12,577,300	\$ 19,885,592
District's Covered Payroll	7,552,384	7,575,186	5,973,101	5,955,631	5,831,924	5,624,278	5,390,507	5,102,089	5,241,203
District's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	82.83%	41.28%	89.90%	89.67%	99.88%	94.15%	129.69%	94.87%	66.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.33%	89.43%	72.81%	74.68%	74.09%	72.39%	68.40%	73.82%	55.70%

Schedule of the District's Contributions

<i>Years Ended June 30,</i>	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 445,605	\$ 227,356	\$ 242,962	\$ 233,385	\$ 232,141	\$ 310,877	\$ 281,797	\$ 251,852	\$ 270,450
Contributions Relative to the Contractually Required Contribution	445,605	227,356	242,962	233,385	232,141	310,877	281,797	251,852	270,450
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	8,050,434	7,552,384	7,575,186	5,973,101	5,955,631	5,831,924	5,624,278	5,390,507	5,102,089
Contributions as a Percentage of Covered Payroll	5.54%	3.01%	3.21%	3.91%	3.90%	5.33%	5.01%	4.67%	5.30%

See accompanying notes to Required Supplementary Information.

Galena City School District
Teachers' Retirement System - OPEB ARHCT Plan
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)

<i>Years Ended June 30,</i>	ARHCT					
	2023	2022	2021	2020	2019	2018
District's Proportion of the Net OPEB Liability (Asset)	0.38325%	0.40830%	0.26286%	0.28530%	0.30386%	0.26088%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (3,359,198)	\$ (4,747,193)	\$ (940,352)	\$ (435,993)	\$ 944,805	\$ 479,853
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	(4,316,440)	(3,701,419)	(1,641,575)	(649,076)	1,409,361	840,528
Total Net OPEB Liability (Asset)	\$ (7,675,638)	\$ (8,448,612)	\$ (2,581,927)	\$ (1,085,069)	\$ 2,354,166	\$ 1,320,381
District's Covered Payroll	2,946,782	2,874,589	2,546,989	2,771,241	3,379,255	3,437,623
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-114.00%	-165.14%	-36.92%	-15.73%	27.96%	13.96%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	134.84%	145.41%	113.78%	105.50%	90.23%	93.75%

Schedule of the District's Contributions

<i>Years Ended June 30,</i>	ARHCT					
	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 616	\$ 173,609	\$ 198,638	\$ 131,640	\$ 107,015	\$ 182,631
Contributions Relative to the Contractually Required Contribution	616	173,609	198,638	131,640	107,015	182,631
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	2,691,313	2,946,782	2,874,589	2,546,989	2,771,241	3,379,255
Contributions as a Percentage of Covered Payroll	0.023%	5.891%	6.910%	5.168%	3.862%	5.404%

See accompanying notes to Required Supplementary Information.

Galena City School District

Teachers' Retirement System - OPEB RMP Plan

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

Years Ended June 30,	RMP					
	2023	2022	2021	2020	2019	2018
District's Proportion of the Net OPEB Liability (Asset)	1.06091%	0.91533%	0.90337%	0.71960%	0.67487%	0.64865%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (205,455)	\$ (183,799)	\$ (89,117)	\$ (27,604)	\$ (21,582)	\$ (30,746)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (205,455)	\$ (183,799)	\$ (89,117)	\$ (27,604)	\$ (21,582)	\$ (30,746)
District's Covered Payroll	4,605,602	4,700,596	3,426,113	3,184,390	2,452,669	2,186,654
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-4.46%	-3.91%	-2.60%	-0.87%	-0.88%	-1.41%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	140.73%	142.54%	125.59%	110.03%	109.56%	118.16%

Schedule of the District's Contributions

Years Ended June 30,	RMP					
	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 46,626	\$ 33,110	\$ 43,716	\$ 37,344	\$ 22,199	\$ 22,074
Contributions Relative to the Contractually Required Contribution	46,626	33,110	43,716	37,344	22,199	22,074
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	5,359,122	4,605,602	4,700,596	3,426,113	3,184,390	2,452,669
Contributions as a Percentage of Covered Payroll	0.870%	0.719%	0.930%	1.090%	0.697%	0.900%

See accompanying notes to Required Supplementary Information.

Galena City School District
Teachers' Retirement System - OPEB ODD Plan
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)

<i>Years Ended June 30,</i>	ODD					
	2023	2022	2021	2020	2019	2018
District's Proportion of the Net OPEB Liability (Asset)	1.04970%	0.91702%	0.92600%	0.72047%	0.67487%	0.64865%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (63,402)	\$ (55,892)	\$ (39,864)	\$ (28,970)	\$ (23,661)	\$ (21,198)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (63,402)	\$ (55,892)	\$ (39,864)	\$ (28,970)	\$ (23,661)	\$ (21,198)
District's Covered Payroll	4,605,602	4,700,596	3,426,113	3,184,390	2,452,669	2,186,654
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-1.38%	-1.19%	-1.16%	-0.91%	-0.96%	-0.97%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	1268.28%	1254.36%	931.08%	1409.77%	1304.81%	1342.59%

Schedule of the District's Contributions

<i>Years Ended June 30,</i>	ODD					
	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 4,287	\$ 3,245	\$ 3,760	\$ 2,743	\$ 2,249	\$ -
Contributions Relative to the Contractually Required Contribution	4,287	3,245	3,760	2,743	2,249	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	5,359,122	4,605,602	4,700,596	3,426,113	3,184,390	2,452,669
Contributions as a Percentage of Covered Payroll	0.080%	0.070%	0.080%	0.080%	0.071%	0.000%

See accompanying notes to Required Supplementary Information.

Galena City School District
(A Component Unit of the City of Galena, Alaska)

Notes to Required Supplementary Information
for the Year Ended June 30, 2023

1. Budgetary Comparison Schedules

The Budgetary comparison schedules are presented on the modified accrual basis of accounting.

2. Public Employees' Retirement System and Teachers' Retirement System - Pension Plan

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

These tables are presented based on the Plan measurement date. For June 30, 2023, the Plan measurement date is June 30, 2022.

Changes in Assumptions:

The total pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2022 based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022.

In 2022, the discount rate was lowered from 7.38% to 7.25%.

Amounts reported reflect a change in assumptions between 2016 and 2017 in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

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 the District's Contributions

These tables are based on the District's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

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.

Galena City School District
(A Component Unit of the City of Galena, Alaska)

Notes to Required Supplementary Information, continued

3. Public Employees' Retirement System and Teachers' Retirement System - OPEB Plans

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

These tables are presented based on the Plan measurement date. For June 30, 2023, the Plan measurement date is June 30, 2022.

Changes in Assumptions:

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2021, rolled forward to the measurement date of June 30, 2022 and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2022 based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022. The actuarial assumptions used in the June 30, 2021 actuarial valuation are the same as those used in the June 30, 2020 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

In 2022, the discount rate was lowered from 7.38% to 7.25%.

In 2019, an Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in largest projected subsidies to offset the cost of prescription drug coverage.

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 the District's Contributions

These tables are based on the District's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

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.

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Additional Supplementary Information

Galena City School District
Combining Balance Sheet
Nonmajor Governmental Funds

<i>June 30, 2023</i>	Special Revenue Funds								
	Student Transpor- tation	Gana-A'Yoo 7-plex	Staff Housing House Rentals	Food Service	Carl Perkins	ELA Core Literacy	NCLB Integrated Program	Title I School Implementation	
Assets									
Cash and cash equivalents	\$ 120	\$ 7,446	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Accounts receivable - federal	-	-	-	1,110	41	49,362	14,009	-	11,523
Inventory	-	-	-	6,799	-	-	-	-	-
Other assets	-	4,800	2,750	-	-	-	-	-	-
Total Assets	\$ 120	\$ 12,246	\$ 2,750	\$ 7,909	\$ 41	\$ 49,362	\$ 14,009	\$	11,523
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ 120	\$ 12,246	\$ -	\$ 7,553	\$ 20	\$ 37,162	\$ -	\$	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	2,750	356	21	12,200	14,009	-	11,523
Total Liabilities	120	12,246	2,750	7,909	41	49,362	14,009	\$	11,523
Fund Balances (Deficits)									
Nonspendable	-	-	-	6,799	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	(6,799)	-	-	-	-	-
Total Fund Balances (Deficits)	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 120	\$ 12,246	\$ 2,750	\$ 7,909	\$ 41	\$ 49,362	\$ 14,009	\$	11,523

Galena City School District
Combining Balance Sheet
Nonmajor Governmental Funds, continued

	Special Revenue Funds, continued									Totals
	Preschool Disabled	Title VI-B Special Revenue	Title VI-B ARP	Indian Education	Project LEAP	Soldotna Roof Collapse	RPA SEL Social Emotional Learning	Student Activities	Scholarships and Pool	
<i>June 30, 2023</i>										
Assets										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 152,586	\$ 683,643	\$ 873,795
Accounts receivable - federal	1,384	237,155	41,199	138,679	64,129	33,924	-	-	-	592,515
Inventory	-	-	-	-	-	-	-	-	-	6,799
Other assets	-	-	-	-	-	-	-	-	-	7,550
Total Assets	\$ 1,384	\$ 237,155	\$ 41,199	\$ 138,679	\$ 64,129	\$ 33,924	\$ 30,000	\$ 152,586	\$ 683,643	\$ 1,480,659
Liabilities and Fund Balances										
Liabilities										
Accounts payable	\$ -	\$ -	\$ 3,444	\$ 8,404	\$ 7,171	\$ 2,080	\$ -	\$ 5,670	\$ -	\$ 83,870
Unearned revenue	-	-	-	-	-	-	30,000	-	-	30,000
Due to other funds	1,384	237,155	37,755	130,275	56,958	31,844	-	-	-	536,230
Total Liabilities	1,384	237,155	41,199	138,679	64,129	33,924	30,000	5,670	-	650,100
Fund Balances (Deficits)										
Nonspendable	-	-	-	-	-	-	-	-	-	6,799
Assigned	-	-	-	-	-	-	-	146,916	683,643	830,559
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	(6,799)
Total Fund Balances (Deficits)	-	-	-	-	-	-	-	146,916	683,643	830,559
Total Liabilities and Fund Balances	\$ 1,384	\$ 237,155	\$ 41,199	\$ 138,679	\$ 64,129	\$ 33,924	\$ 30,000	\$ 152,586	\$ 683,643	\$ 1,480,659

Galena City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds

Year Ended June 30, 2023	Special Revenue Funds											
	Student Transpor- tation	Gana-A'Yoo 7-plex	Staff		Food Service	Carl Perkins	ELA Core Literacy	School Bag Grant	Title I School Implementation	NCLB Integrated Program		
			Housing House Rentals	-						Title I-A Basic	Title I-C Migrant Education	Title II-A Teacher/ Principal
Revenues												
Local sources:												
Food services	\$ -	\$ -	\$ -	\$ 10,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Earnings on investment	-	-	-	-	-	-	-	-	-	-	-	
Other local revenue	-	746	-	-	-	-	-	-	-	-	-	
Rental revenue	-	79,550	-	-	-	-	-	-	-	-	-	
State sources	75,308	-	-	-	-	-	165,216	-	-	-	-	
Federal sources:												
Direct	-	-	-	-	-	-	-	-	-	-	-	
Through the State of Alaska	-	-	-	352,973	9,078	52,455	-	22,592	24,571	30,814	4,326	
Other sources	-	-	-	-	-	-	-	-	-	-	-	
Total Revenues	75,308	80,296	-	363,823	9,078	52,455	165,216	22,592	24,571	30,814	4,326	
Expenditures												
Instruction	-	-	-	-	8,824	-	-	-	23,883	-	4,205	
Special education instruction	-	-	-	-	-	-	-	-	-	-	-	
Support services - instruction	-	-	-	-	-	50,987	165,216	21,960	-	29,951	-	
District administration support services	-	-	-	-	254	1,468	-	632	688	863	121	
Operations and maintenance of plant	-	67,307	12,262	-	-	-	-	-	-	-	-	
Student activities	-	-	-	-	-	-	-	-	-	-	-	
Student transportation - to and from school	132,222	-	-	-	-	-	-	-	-	-	-	
Community services	-	-	-	-	-	-	-	-	-	-	-	
Food services	-	-	-	556,354	-	-	-	-	-	-	-	
Debt service:												
Principal	-	49,877	9,695	-	-	-	-	-	-	-	-	
Interest	-	12,291	474	-	-	-	-	-	-	-	-	
Total Expenditures	132,222	129,475	22,431	556,354	9,078	52,455	165,216	22,592	24,571	30,814	4,326	
Excess (Deficiency) of Revenues Over Expenditures	(56,914)	(49,179)	(22,431)	(192,531)	-	-	-	-	-	-	-	
Other Financing Sources - transfers in	56,914	49,179	22,431	192,531	-	-	-	-	-	-	-	
Net Change in Fund Balances (Deficits)	-	-	-	-	-	-	-	-	-	-	-	
Fund Balances (Deficits), beginning of year	-	-	-	-	-	-	-	-	-	-	-	
Fund Balances (Deficits), end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Galena City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds, continued

Year Ended June 30, 2023	Special Revenue Funds, continued												Totals
	Preschool Disabled	Title VI-B Special Revenue	Title VI-B ARP	COVID Relief ESSER III	Indian Education	Project LEAP	Rural Ed Achievement Program	Louden Trial Council Pool Repairs	Soldotna Roof Collapse	Student Activities	Scholarships and Pool		
Revenues													
Local sources:													
Food services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,850
Earnings on investment	-	-	-	-	-	-	-	-	-	-	-	156	156
Other local revenue	-	-	-	-	-	-	-	-	-	-	-	-	746
Rental revenue	-	-	-	-	-	-	-	-	-	-	-	-	79,550
State sources	-	-	-	-	-	-	-	-	-	-	-	-	240,524
Federal sources:													
Direct	-	-	-	-	-	266,245	17,458	-	-	-	-	-	283,703
Through the State of Alaska	4,001	1,197,295	115,312	17,754	148,691	-	-	307,253	-	-	-	-	2,287,115
Other sources	-	-	-	-	-	-	-	-	36,924	126,427	-	-	163,351
Total Revenues	4,001	1,197,295	115,312	17,754	148,691	266,245	17,458	307,253	36,924	126,427	156	3,065,995	
Expenditures													
Instruction	-	-	-	-	144,529	259,103	-	-	-	-	-	-	440,544
Special education instruction	3,889	1,163,778	112,084	-	-	-	-	-	-	-	-	-	1,279,751
Support services - instruction	-	-	-	3,911	-	-	16,969	-	-	-	-	-	288,994
District administration support services	112	33,517	3,228	497	4,162	7,142	489	-	-	-	-	-	53,173
Operations and maintenance of plant	-	-	-	13,346	-	-	-	-	36,924	-	-	-	129,839
Student activities	-	-	-	-	-	-	-	-	-	145,943	-	-	145,943
Student transportation - to and from school	-	-	-	-	-	-	-	-	-	-	-	-	132,222
Community services	-	-	-	-	-	-	-	262,253	-	-	5,791	-	268,044
Food services	-	-	-	-	-	-	-	-	-	-	-	-	556,354
Debt service:													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	59,572
Interest	-	-	-	-	-	-	-	-	-	-	-	-	12,765
Total Expenditures	4,001	1,197,295	115,312	17,754	148,691	266,245	17,458	262,253	36,924	145,943	5,791	3,367,201	
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	45,000	-	(19,516)	(5,635)	(301,206)	
Other Financing Sources - transfers in	-	-	-	-	-	-	-	-	-	-	-	321,055	
Net Change in Fund Balances (Deficits)	-	-	-	-	-	-	-	45,000	-	(19,516)	(5,635)	19,849	
Fund Balances (Deficits), beginning of year	-	-	-	-	-	-	-	(45,000)	-	166,432	689,278	810,710	
Fund Balances (Deficits), end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,916	\$ 683,643	\$ 830,559	

Galena City School District

General Fund

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

<i>Year Ended June 30, 2023</i>	Final Budget	Actual	Variance
Revenues			
Local sources:			
In-kind services performed by city	\$ 628,611	\$ 628,611	\$ -
Earnings on investments	26,000	27,992	1,992
Other local revenue	275,000	375,112	100,112
E-rate revenue	866,000	865,939	(61)
Total local sources	1,795,611	1,897,654	102,043
State sources:			
Foundation program	39,258,728	39,258,729	1
TRS on behalf	1,007,040	897,803	(109,237)
PERS on behalf	167,109	155,493	(11,616)
Other programs	2,442,085	2,019,579	(422,506)
Total state sources	42,874,962	42,331,604	(543,358)
Federal sources - direct	163,766	438,891	275,125
Total Revenues	44,834,339	44,668,149	(166,190)
Expenditures			
Instruction:			
Certificated salaries	5,686,268	5,456,368	229,900
Noncertificated salaries	123,146	98,917	24,229
Employee benefits	3,157,053	3,215,363	(58,310)
Transportation allowance	9,300	9,379	(79)
Professional and technical services	200	-	200
Staff travel	3,800	1,431	2,369
Student travel	77,000	129,548	(52,548)
Utility services	1,405,000	1,479,239	(74,239)
Other purchased services	44,500	34,136	10,364
Supplies, materials and media	10,881,400	10,997,206	(115,806)
Tuition and stipends	4,500	3,924	576
Other expenditures	56,500	30,571	25,929
Equipment	66,940	70,072	(3,132)
Total instruction	21,515,607	21,526,154	(10,547)

Galena City School District
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30, 2023</i>	Final Budget	Actual	Variance
Expenditures, continued			
Special education instruction:			
Certificated salaries	\$ 283,130	\$ 292,151	\$ (9,021)
Noncertificated salaries	51,400	56,804	(5,404)
Employee benefits	217,798	226,741	(8,943)
Transportation allowance	3,850	4,019	(169)
Professional and technical services	300,000	227,257	72,743
Staff travel	8,000	5,726	2,274
Supplies, materials and media	10,100	3,657	6,443
Total special education instruction	874,278	816,355	57,923
Special education support services - students:			
Certificated salaries	137,483	137,483	-
Employee benefits	51,893	52,541	(648)
Staff travel	1,200	270	930
Total special education support services - students	190,576	190,294	282
Support services - students:			
Certificated salaries	115,124	117,562	(2,438)
Employee benefits	114,724	104,540	10,184
Transportation allowance	750	-	750
Professional and technical services	80,000	72,000	8,000
Staff travel	1,100	2,032	(932)
Other purchased services	-	32,413	(32,413)
Supplies, materials and media	6,000	39,924	(33,924)
Other expenditures	-	390	(390)
Total support services - students	317,698	368,861	(51,163)
Support services - instruction:			
Certificated salaries	4,750	-	4,750
Noncertificated salaries	1,725,436	1,645,070	80,366
Employee benefits	1,166,744	1,242,925	(76,181)
Professional and technical services	15,000	-	15,000
Staff travel	182,300	200,374	(18,074)

Galena City School District
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30, 2023</i>	Final Budget	Actual	Variance
Expenditures, continued			
Support services - instruction, continued:			
Utility services	\$ 1,524,500	\$ 1,250,628	\$ 273,872
Other purchased services	285,500	358,395	(72,895)
Supplies, materials and media	309,800	301,705	8,095
Other expenditures	42,200	33,608	8,592
Total support services - instruction	5,256,230	5,032,705	223,525
School administration:			
Certificated salaries	726,385	725,763	622
Employee benefits	380,253	415,902	(35,649)
Staff travel	24,700	27,926	(3,226)
Utility services	3,200	1,600	1,600
Other purchased services	1,600	2,119	(519)
Supplies, materials and media	2,600	994	1,606
Other expenditures	179,500	159,622	19,878
Total school administration	1,318,238	1,333,926	(15,688)
School administration support services:			
Noncertificated salaries	1,097,798	944,371	153,427
Employee benefits	847,148	687,669	159,479
Staff travel	4,200	5,329	(1,129)
Other purchased services	800	1,068	(268)
Supplies, materials and media	76,500	74,338	2,162
Equipment	11,310	11,226	84
Total school administration support services	2,037,756	1,724,001	313,755
District administration:			
Certificated salaries	650,651	690,444	(39,793)
Noncertificated salaries	31,500	7,750	23,750
Employee benefits	350,036	375,759	(25,723)
Transportation allowance	8,000	8,000	-
Professional and technical services	166,000	74,868	91,132
Staff travel	50,500	63,563	(13,063)
Utility services	1,900	1,661	239
Other purchased services	24,000	26,732	(2,732)
Supplies, materials and media	6,700	1,901	4,799
Equipment	5,000	4,783	217
Other expenditures	43,500	45,946	(2,446)
Total district administration	1,337,787	1,301,407	36,380

Galena City School District
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30, 2023</i>	Final Budget	Actual	Variance
Expenditures, continued			
District administration support services:			
Certificated salaries	\$ 110,000	\$ 110,000	\$ -
Noncertificated salaries	885,571	842,407	43,164
Employee benefits	560,186	545,893	14,293
Transportation allowance	500	210	290
Professional and technical services	328,600	160,316	168,284
Staff travel	36,000	30,813	5,187
Utility services	15,200	18,666	(3,466)
Other purchased services	-	715	(715)
Insurance and bond premiums	84,390	84,241	149
Supplies, materials and media	27,700	21,660	6,040
Other expenditures	41,000	12,927	28,073
Indirect cost recovery	(60,000)	(76,326)	16,326
Equipment	5,000	-	5,000
Total district administration support services	2,034,147	1,751,522	282,625
Operations and maintenance of plant:			
Noncertificated salaries	710,404	616,558	93,846
Employee benefits	378,750	374,572	4,178
Utility services	709,935	705,255	4,680
Energy	1,722,580	1,683,990	38,590
Other purchased services	1,384,600	377,403	1,007,197
Insurance and bond premiums	292,877	291,835	1,042
Supplies, materials and media	306,000	263,625	42,375
Other expenditures	-	240	(240)
Equipment	13,000	11,252	1,748
Total operations and maintenance of plant	5,518,146	4,324,730	1,193,416
Student activities:			
Certificated salaries	43,000	56,650	(13,650)
Noncertificated salaries	32,500	22,000	10,500
Employee benefits	18,253	19,037	(784)
Professional and technical services	4,000	3,340	660
Staff travel	900	1,040	(140)
Student travel	453,000	448,199	4,801
Other purchased services	4,900	7,082	(2,182)
Supplies, materials and media	6,500	4,570	1,930
Other expenditures	14,000	13,522	478
Equipment	5,000	-	5,000
Total student activities	582,053	575,440	6,613

Galena City School District
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30, 2023</i>	Final Budget	Actual	Variance
Expenditures, continued			
Student transportation - to and from school - employee benefits	\$ 1,079	\$ 1,365	\$ (286)
Community services:			
Noncertificated salaries	48,691	34,342	14,349
Employee benefits	4,504	2,322	2,182
Utility services	163,756	163,756	-
Energy	22,000	23,320	(1,320)
Other purchased services	1,200	595	605
Supplies, materials and media	8,450	5,614	2,836
Total community services	248,601	229,949	18,652
Debt service:			
Principal	-	616,619	(616,619)
Interest	-	293,297	(293,297)
Total debt service	-	909,916	(909,916)
Construction and facilities acquisition:			
Other capital outlay expenses	-	201,240	(201,240)
Total Expenditures	41,232,196	40,287,865	944,331
Excess of Revenues Over Expenditures	3,602,143	4,380,284	778,141
Other Financing Uses			
Transfers out	(3,996,745)	(4,081,797)	(85,052)
Leases (as lessee)	-	201,240	201,240
Net Other Financing Uses	(3,996,745)	(3,880,557)	116,188
Net Change in Fund Balance	\$ (394,602)	499,727	\$ 894,329
Fund Balance, beginning of year		24,191,066	
Fund Balance, end of year		\$ 24,690,793	

Galena City School District
Boarding Home Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Local sources:			
Food services	\$ 4,800	\$ 4,335	\$ (465)
Earnings on investments	3,150	2,054	(1,096)
State sources	3,878,104	4,333,784	455,680
Total Revenues	3,886,054	4,340,173	454,119
Expenditures			
Support services - students:			
Noncertificated salaries	1,086,313	1,120,428	(34,115)
Employee benefits	740,242	774,288	(34,046)
Transportation allowance	30,000	24,285	5,715
Professional and technical services	150,000	166,753	(16,753)
Staff travel	3,000	384	2,616
Student travel	570,000	472,515	97,485
Utility services	23,000	22,739	261
Other purchased services	40,000	52,250	(12,250)
Supplies, materials and media	82,000	82,084	(84)
Other expenditures	1,000	738	262
Tuition and stipends	20,000	14,150	5,850
Equipment	59,000	58,006	994
Total support services - students	2,804,555	2,788,620	15,935
Operations and maintenance:			
Utility services	230,000	221,511	8,489
Energy	778,660	698,247	80,413
Supplies, materials and media	12,000	6,370	5,630
Equipment	9,507	9,507	-
Total operations and maintenance	1,030,167	935,635	94,532
Student activities:			
Student travel	13,000	-	13,000
Supplies, materials and media	1,000	-	1,000
Total student activities	14,000	-	14,000
Food services:			
Noncertificated salaries	378,550	369,689	8,861
Employee benefits	230,627	230,064	563
Transportation allowance	3,301	1,636	1,665
Energy	4,500	4,655	(155)
Supplies, materials and media	808,950	737,865	71,085
Total food services	1,425,928	1,343,909	82,019
Total Expenditures	5,274,650	5,068,164	206,486
Deficiency of Revenues Over Expenditures	(1,388,596)	(727,991)	660,605
Other Financing Sources - transfers in	1,450,000	1,450,000	-
Net Change in Fund Balance	<u>\$ 61,404</u>	722,009	<u>\$ 660,605</u>
Fund Balance, beginning of year		<u>5,232,158</u>	
Fund Balance, end of year		<u>\$ 5,954,167</u>	

Galena City School District

Student Transportation Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
State sources	\$ 75,308	\$ 75,308	\$ -
Expenditures			
Student transportation - to and from school:			
Noncertificated salaries	40,676	51,113	(10,437)
Employee benefits	35,422	45,922	(10,500)
Other purchased services	250	240	10
Supplies, materials and media	33,500	27,167	6,333
Staff travel	7,000	7,780	(780)
Total Expenditures	116,848	132,222	(15,374)
Deficiency of Revenues Over Expenditures	(41,540)	(56,914)	(15,374)
Other Financing Sources - transfers in	41,540	56,914	15,374
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Galena City School District
Gana-A'Yoo 7-plex Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

Year Ended June 30, 2023	Budget	Actual	Variance
Revenues			
Local sources:			
Other local revenues	\$ 2,000	\$ 746	\$ (1,254)
Rental revenue	119,400	79,550	(39,850)
Total Revenues	121,400	80,296	(41,104)
Expenditures			
Operations and maintenance of plant:			
Utility services	10,500	10,308	192
Energy	60,000	52,494	7,506
Other purchased services	68,500	4,026	64,474
Supplies, materials and media	3,400	479	2,921
Total operations and maintenance of plant	142,400	67,307	75,093
Debt service:			
Principal	-	49,877	(49,877)
Interest	-	12,291	(12,291)
Total debt service	-	62,168	(62,168)
Total Expenditures	142,400	129,475	12,925
Deficiency of Revenues Over Expenditures	(21,000)	(49,179)	(28,179)
Other Financing Sources - transfers in	21,000	49,179	28,179
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District

Staff Housing House Rental Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual

Year Ended June 30, 2023	Budget	Actual	Variance
Revenues			
Rental revenue	\$ 6,000	\$ -	\$ (6,000)
Expenditures			
Operations and maintenance of plant - other purchased services	6,000	12,262	(6,262)
Debt service:			
Principal	-	9,695	(9,695)
Interest	-	474	(474)
Total debt service	-	10,169	(10,169)
Total Expenditures	6,000	22,431	(16,431)
Deficiency of Revenues Over Expenditures	-	(22,431)	(22,431)
Other Financing Sources - transfers in	-	22,431	22,431
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		<u>\$ -</u>	

Galena City School District
Food Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Local sources - food services	\$ 10,000	\$ 10,850	\$ 850
Federal sources - through the State of Alaska	400,000	352,973	(47,027)
Total Revenues	410,000	363,823	(46,177)
Expenditures			
Food services:			
Noncertificated salaries	130,848	124,364	6,484
Employee benefits	56,697	62,201	(5,504)
Staff travel	2,000	1,968	32
Energy	3,250	3,252	(2)
Supplies, materials and media	390,705	364,569	26,136
Total Expenditures	583,500	556,354	27,146
Deficiency of Revenues Over Expenditures	(173,500)	(192,531)	(19,031)
Other Financing Sources - transfers in	173,500	192,531	19,031
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District
Carl Perkins Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Federal sources - through the State of Alaska	\$ 17,000	\$ 9,078	\$ (7,922)
Expenditures			
Instruction:			
Certificated salaries	2,400	-	2,400
Employee benefits	230	-	230
Staff travel	4,000	3,773	227
Supplies, materials and media	8,523	5,051	3,472
Tuition and stipends	1,050	-	1,050
Other expenditures	350	-	350
Total instruction	16,553	8,824	7,729
District administration support services - indirect costs	447	254	193
Total Expenditures	17,000	9,078	7,922
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District

ELA Core Literacy Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Federal sources - through the State of Alaska	\$ 77,150	\$ 52,455	\$ (24,695)
Expenditures			
Support services - instruction:			
Noncertificated salaries	1,000	492	508
Employee benefits	313	282	31
Staff travel	25,000	13,050	11,950
Supplies, material and media	48,677	37,163	11,514
Total support services - instruction	74,990	50,987	24,003
District administration support services - indirect costs	2,160	1,468	692
Total Expenditures	77,150	52,455	24,695
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District
School BAG Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
State sources	\$ 165,216	\$ 165,216	\$ -
Expenditures			
Support services - instruction - utility services	165,216	165,216	-
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Galena City School District

Title I School Implementation Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Federal sources - through the State of Alaska	\$ 25,000	\$ 22,592	\$ (2,408)
Expenditures			
Support services - instruction:			
Staff travel	11,200	11,200	-
Supplies, material and media	13,100	10,760	2,340
Total support services - instruction	24,300	21,960	2,340
District administration support services - indirect costs	700	632	68
Total Expenditures	25,000	22,592	2,408
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Galena City School District
Title I-A Basic Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Federal sources - through the State of Alaska	\$ 30,994	\$ 24,571	\$ (6,423)
Expenditures			
Instruction:			
Certificated salaries	17,420	15,379	2,041
Noncertificated salaries	7,550	4,150	3,400
Employee benefits	5,058	4,354	704
Total instruction	30,028	23,883	6,145
District administration support services - indirect costs	966	688	278
Total Expenditures	30,994	24,571	6,423
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District

Title I-C Migrant Education Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Federal sources - through the State of Alaska	\$ 94,095	\$ 30,814	\$ (63,281)
Expenditures			
Support services - instruction:			
Noncertificated salaries	39,150	19,206	19,944
Employee benefits	20,950	10,232	10,718
Supplies, material and media	30,000	513	29,487
Total support services - instruction	90,100	29,951	60,149
District administration support services - indirect costs	3,995	863	3,132
Total Expenditures	94,095	30,814	63,281
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District

Title II-A Teacher/Principal Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Federal sources - through the State of Alaska	\$ 10,333	\$ 4,326	\$ (6,007)
Expenditures			
Instruction - professional and technical services	9,959	4,205	5,754
District administration support services - indirect costs	374	121	253
Total Expenditures	10,333	4,326	6,007
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District
Preschool Disabled Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Federal sources - through the State of Alaska	\$ 11,676	\$ 4,001	\$ (7,675)
Expenditures			
Special education instruction:			
Certificated salaries	2,028	1,996	32
Noncertificated salaries	300	256	44
Employee benefits	1,187	571	616
Professional and technical services	6,735	-	6,735
Supplies, material and media	1,099	1,066	33
Total special education instruction	11,349	3,889	7,460
District administration support services - indirect costs	327	112	215
Total Expenditures	11,676	4,001	7,675
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District
Title VI-B Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Federal sources - through the State of Alaska	\$ 1,608,067	\$ 1,197,295	\$ (410,772)
Expenditures			
Special education instruction:			
Certificated salaries	488,236	396,611	91,625
Noncertificated salaries	148,031	127,050	20,981
Employee benefits	295,381	220,984	74,397
Professional and technical services	478,698	402,031	76,667
Staff travel	87,000	16,099	70,901
Other purchased services	2,000	229	1,771
Supplies, materials and media	61,731	110	61,621
Other expenditures	1,974	664	1,310
Total special education instruction	1,563,051	1,163,778	399,273
District administration support services - indirect costs	45,016	33,517	11,499
Total Expenditures	1,608,067	1,197,295	410,772
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District

Title VI-B ARP FY22 Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Federal sources - through the State of Alaska	\$ 488,934	\$ 115,312	\$ (373,622)
Expenditures			
Special education instruction:			
Certificated salaries	51,000	24,749	26,251
Noncertificated salaries	60,000	8,616	51,384
Employee benefits	19,247	13,895	5,352
Professional and technical services	70,000	-	70,000
Staff travel	80,000	-	80,000
Student travel	45,000	-	45,000
Other purchased services	2,000	-	2,000
Supplies, material and media	148,000	64,824	83,176
Total special education instruction	475,247	112,084	363,163
District administration support services - indirect costs	13,687	3,228	10,459
Total Expenditures	488,934	115,312	373,622
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District

COVID Relief ESSER III Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Federal sources - through the State of Alaska	\$ 17,754	\$ 17,754	\$ -
Expenditures			
Support services - instruction:			
Certificated salaries	2,940	2,940	-
Employee benefits	971	971	-
Total support services - instruction	3,911	3,911	-
District administration support services - indirect costs	497	497	-
Operations and maintenance of plant - professional and technical services	13,346	13,346	-
Total Expenditures	17,754	17,754	-
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District
Indian Education Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Federal sources - through the State of Alaska	\$ 153,403	\$ 148,691	\$ (4,712)
Expenditures			
Instruction:			
Noncertificated salaries	9,350	4,150	5,200
Employee benefits	3,488	1,936	1,552
Student travel	55,888	62,676	(6,788)
Other purchased services	68,556	67,174	1,382
Supplies, materials and media	11,704	8,593	3,111
Total instruction	148,986	144,529	4,457
District administration support services - indirect costs	4,417	4,162	255
Total Expenditures	153,403	148,691	4,712
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District
Project LEAP Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Federal sources - direct	\$ 292,590	\$ 266,245	\$ (26,345)
Expenditures			
Instruction:			
Certificated salaries	44,913	48,168	(3,255)
Noncertificated salaries	38,042	41,500	(3,458)
Employee benefits	28,721	31,144	(2,423)
Professional and technical services	95,653	88,153	7,500
Staff travel	72,093	43,803	28,290
Supplies, materials and media	4,975	6,335	(1,360)
Total instruction	284,397	259,103	25,294
District administration support services - indirect costs	8,193	7,142	1,051
Total Expenditures	292,590	266,245	26,345
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District

**Rural ED Achievement Program Special Revenue Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Federal sources - direct	\$ 17,458	\$ 17,458	\$ -
Expenditures			
Support services - instruction:			
Certificated salaries	14,678	14,678	-
Employee benefits	2,291	2,291	-
Total support services - instruction	16,969	16,969	-
District administration support services - indirect costs	489	489	-
Total Expenditures	17,458	17,458	-
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance, beginning of year		-	
Fund Balance, end of year		\$ -	

Galena City School District

**Louden Trial Council Pool Repairs Special Revenue Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance**

Year Ended June 30, 2023

Revenues

Federal sources - through the State of Alaska	\$ 307,253
--	------------

Expenditures

Community services - other purchased services	262,253
--	---------

Net Change in Fund Balance	45,000
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Fund Balance, beginning of year	(45,000)
--	----------

Fund Balance, end of year	\$ -
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Galena City School District

**Soldotna Roof Collapse Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Other sources	\$ 41,000	\$ 36,924	\$ (4,076)
Expenditures			
Operations and maintenance of plant:			
Noncertificated salaries	4,774	4,774	-
Employee benefits	1,826	1,826	-
Staff travel	4,385	4,385	-
Utility services	1,858	1,858	-
Other purchased services	14,146	14,146	-
Supplies, materials and media	14,011	9,935	4,076
Total Expenditures	41,000	36,924	4,076
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		<u>-</u>	
Fund Balance, end of year		<u>\$ -</u>	

Galena City School District
Student Activities Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Other sources	\$ 166,433	\$ 126,427	\$ (40,006)
Expenditures			
Student activities:			
Noncertificated salaries	-	15,529	(15,529)
Employee benefits	-	474	(474)
Other expenditures	-	129,940	(129,940)
Total Expenditures	-	145,943	(145,943)
Net Change in Fund Balance	<u>\$ 166,433</u>	(19,516)	<u>\$ (185,949)</u>
Fund Balance, beginning of year		<u>166,432</u>	
Fund Balance, end of year		<u>\$ 146,916</u>	

Galena City School District
Scholarship and Pool Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2023</i>	Budget	Actual	Variance
Revenues			
Local sources - earnings on investments	\$ -	\$ 156	\$ 156
Expenditures			
Community services:			
Other purchased services	453,864	1,041	452,823
Supplies, materials and media	5,059	-	5,059
Tuition and stipends	230,355	4,750	225,605
Total Expenditures	689,278	5,791	683,487
Net Change in Fund Balance	<u>\$ (689,278)</u>	(5,635)	<u>\$ 683,643</u>
Fund Balance, beginning of year		<u>689,278</u>	
Fund Balance, end of year		<u>\$ 683,643</u>	

Galena City School District
General Capital Projects Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance

Year Ended June 30, 2023

Revenues

Local sources - earnings on investments	\$	1,418
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Expenditures

Operations and maintenance of plant:

Professional and technical services		242,826
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Supplies, materials and media		1,289,281
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Total Expenditures		1,532,107
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Deficiency of Revenues Over Expenditures		(1,530,689)
--	--	-------------

Other Financing Sources - transfers in		2,000,000
--	--	-----------

Net Change in Fund Balance		469,311
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Fund Balance, beginning of year		10,012,061
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Fund Balance, end of year	\$	10,481,372
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Galena City School District

**GILA Composite Building Renovation Capital Project Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance**

Year Ended June 30, 2023

Revenues

State sources	\$ 1,060,845
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Expenditures

District administration support services - indirect costs	23,152
--	--------

Construction and facilities acquisition:

Professional and technical services	190,835
Supplies, materials and media	1,157,600

Total construction and facilities acquisition	1,348,435
---	-----------

Total Expenditures	1,371,587
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Deficiency of Revenues Over Expenditures	(310,742)
--	-----------

Other Financing Sources - transfers in	310,742
--	---------

Net Change in Fund Balance	-
----------------------------	---

Fund Balance, beginning of year	-
---------------------------------	---

Fund Balance, end of year	\$ -
---------------------------	------

Galena City School District
Schedule of Compliance - AS 14.17.505
Year Ended June 30, 2023

Total fund balance - School Operating Fund	\$	24,690,793
less exemptions per 4 AAC 09.160(a):		
Inventory		830,842
Impact aid		438,891
Prepaid items		365,986
Self insurance		824,989
Reserves for IDEA student allotments		9,248,718
Fund Balance Subject to 10% Limitation	\$	12,981,367

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>		<u>\$ 12,981,367</u>	=	<u>32.22%</u>
Current year expenditures		<u>\$ 40,287,865</u>		

Note 1: Waiver of 10% Fund Limitation

On March 11, 2020, a Public Health Disaster Emergency was declared under AS 26.23.020. The State of Alaska issued a notice to suspend the requirements of 4 AAC 09.160. Requirement that school districts retain only 10% of their operating funds for the following year will be suspended until June 30, 2025. Galena City School District has elected to present this schedule.

Galena City School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Grant Award	Provided to Subre- cipients	Total Federal Expendi- tures
U.S. Department of Education					
Direct Program:					
Impact Aid	84.041		\$ 438,891	\$ -	\$ 438,891
Indian Education Grants to Local Educational Agencies	84.060		153,403	-	148,691
Alaska Native Educational Programs:					
Project LEAP	84.356		627,301	-	266,245
Rural Education	84.358		17,459	-	17,458
Passed through the State of Alaska Department of Education and Early Development:					
School Improvement	84.010	SI 23.GCSD.01	25,000	-	22,592
Title I Grants to Local Educational Agencies	84.010A	IP 23.GCSD.01	34,496	-	24,570
Total Title I Grants to Local Educational Agencies				-	47,162
Migrant Education State Grant Program	84.011A	IP 23.GCSD.01	143,919	-	30,814
Special Education Cluster (IDEA):					
Special Education Preschool Grants	84.173A	SE 23.GCSD.01	11,676	-	4,001
Special Education Grants to States - Title VI	84.027A	SE 23.GCSD.01	1,608,067	-	1,197,295
Special Education Grants to States - Title VI ARP	84.027X	SE 23.GCSD.01	488,934	-	115,312
Total Assistance Listing Number 84.027				-	1,312,607
Total Special Education Cluster (IDEA)				-	1,316,608

Galena City School District

Exhibit J-1, continued

**Schedule of Expenditures of Federal Awards, continued
Year Ended June 30, 2023**

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Grant Award	Provided to Subre- cipients	Total Federal Expendi- tures
U.S. Department of Education, continued					
Passed through the State of Alaska Department of Education and Early Development, continued:					
Career and Technical Education - Basic Grants to States					
Carl Perkins	84.048A	EK 23.GCSD.01	\$ 17,000	\$ -	\$ 9,078
Supporting Effective Instruction State Grants					
Title II-A Teacher & Principal Training & Recruitment	84.367A	IP 23.GCSD.01	13,347	-	4,326
Education Stabilization Fund - American Rescue Plan					
ELA Core Literacy COVID-19	84.425U	CL 23.GCSD.01	77,150	-	52,455
Elementary and Secondary School Emergency Relief COVID-19	84.425U	ER 23.GCSD.02	17,754	-	17,754
Total Education Stabilization Fund				-	70,209
Total passed through the State of Alaska Department of Education and Early Development				-	1,478,197
Total U.S. Department of Education				-	2,349,482
U.S. Department of Agriculture					
Passed through the State of Alaska Department of Education and Early Development:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	01701	86,292	-	86,292
National School Lunch Program	10.555	01701	188,553	-	188,553
National School Lunch Program - USDA Donate Commodities	10.555	01701	59,738	-	59,738
National School Lunch Program - Supply Chain Assitance	10.555	FD 23.GCSD.02	18,390	-	18,390
Total Assitance Listing Number 10.555				-	266,681
Total Child Nutrition Cluster				-	352,973
Total U.S. Department of Agriculture				-	352,973
U.S. Department of the Treasury					
Passed through the Loudon Tribal Council -					
Coronavirus State and Local Fiscal Recovery Funds COVID-19	21.027	FD 23.GCSD 370	500,000	-	307,253
Total U.S. Department of the Treasury				-	307,253
Total Expenditures of Federal Awards				\$ -	\$ 3,009,708

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Galena City School District
(A Component Unit of the City of Galena, Alaska)

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Galena City School District under programs of the federal government for the year ended June 30, 2023. 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 Galena City School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Galena City School District.

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.

3. Indirect Cost Rate

Galena City School District has elected not to use the 10-percent de minimis indirect rate allowed under the Uniform Guidance.

Galena City School District
Schedule of State Financial Assistance
Year Ended June 30, 2023

State Agency / Program Title	Award Number	Total Award Amount	Passed Through to Subre- cipients	State Expenditures
Department of Education and Early Development				
Major Programs:				
*Public School Funding (Foundation)	FY23	\$ 39,152,805	\$ -	\$ 39,152,805
*Foundation outside the Formula, one-time HB281	FY23	1,456,885	-	1,456,885
Nonmajor Programs:				
FY22 Disparity Test	FY23	3,305	-	3,305
Technical Vocational Education Grant	AK 23.GCSD.01	548,200	-	548,200
Boarding Home Grants	FY23	4,333,784	-	4,333,784
Galena Interior Learning Academy				
Composite Building Renovation	GR-23-002	5,904,081	-	1,060,845
Student Transportation	FY23	75,308	-	75,308
Quality Schools	FY23	105,924	-	105,924
Broadband Assistance Grant	SBG-23-053-09	165,216	-	165,216
Dividend Raffle PFD RAF SDPR	FY23	11,189	-	11,189
Total Department of Education and Early Development			-	46,913,461
Total State Financial Assistance			\$ -	\$ 46,913,461

Note 1. Major Program Notation

* denotes a major program

Note 2. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Galena City School District under programs of the State of Alaska for the year ended June 30, 2023. 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 Galena City School District, it is not intended to and does not present the financial position or changes in net position of Galena City School District.

Note 3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

Single Audit Section



Independent Auditor’s 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*

Members of the School Board
Galena City School District
Galena, 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 Galena City School District (the “District”), a component unit of the City of Galena, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated March 13, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

Anchorage, Alaska
March 13, 2024



Independent Auditor’s 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
Galena City School District
Galena, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Galena City School District’s (the “District”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2023. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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



Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

BDO USA, P.C.

Anchorage, Alaska
March 13, 2024



Independent Auditor’s 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*

Members of the School Board
Galena City School District
Galena, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Galena City School District’s (the “District”) compliance with the types of compliance requirements identified as subject to audit in the *State of Alaska Audit Guide and Compliance Supplement* that could have a direct and material effect on each of the District’s major state programs for the year ended June 30, 2023. The District’s major state programs are identified in the summary of auditor’s results section of the accompanying Schedule of State Financial Assistance.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

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; and the audit requirements of the *State of Alaska Audit*. Our responsibilities under those standards and the *State of Alaska Audit Guide* are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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



Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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 Audit Guide*. Accordingly, this report is not suitable for any other purpose.

BDO USA, P.C.

Anchorage, Alaska
March 13, 2024

Galena City School District
(A Component Unit of the City of Galena, Alaska)

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:
 Material weakness(es) identified? yes X no
 Significant deficiency(ies) identified? yes X (none reported)

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal 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 federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major programs:

Assistance Listing

<i>Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
84.027/84.173	Special Education Cluster (IDEA)	U.S. Department of Education
21.027	Coronavirus State and Local Fiscal Recovery Funds COVID-19	U.S. Department of the Treasury

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

Auditee qualified as low-risk auditee? yes X no

State Financial Assistance

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

Internal control over major state programs:
 Material weakness(es) identified? yes X no
 Significant deficiency(ies) identified? yes X (none reported)

Dollar threshold used to distinguish between a Type A and Type B programs: \$ 1,407,403

Auditee qualified as low-risk auditee? yes X no

Galena City School District
(A Component Unit of the City of Galena, Alaska)

Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2023

**Section II - Financial Statement Findings Required to be Reported in Accordance with
Government Auditing Standards**

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a)) that are required to be reported.

Section IV - State Award Findings and Questioned Costs

There were no findings and questioned costs for State awards (as defined in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*) that are required to be reported.

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Unaudited Information



GALENA CITY SCHOOL DISTRICT

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SUPERINTENDENT
 Dr. Jason Johnson

Summary Schedule of Prior Year Audit Findings For the Year Ended June 30, 2022

Finding 2022-001

Procurement, Suspension & Debarment - Significant Deficiency in Internal Control Over Compliance and Noncompliance

Finding

The District did not verify whether vendors were debarred, suspended, or otherwise excluded.

Status

This finding is resolved.