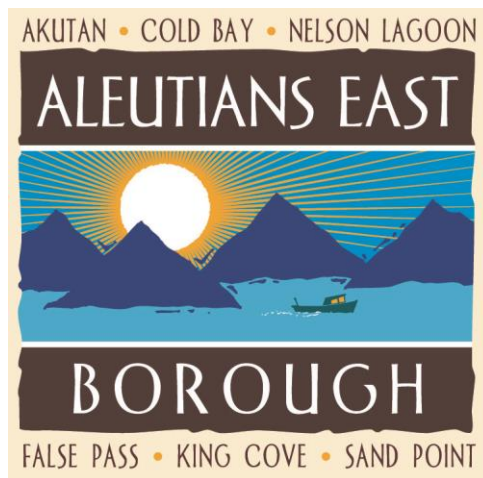


Aleutians East Borough Assembly Meeting

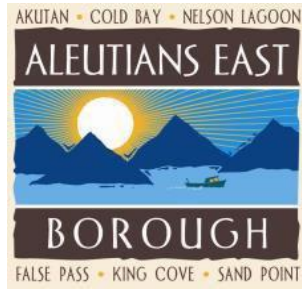


Workshop: NO WORKSHOP

Meeting: Thursday, August 14, 2025– 2:00 p.m.

ROLL CALL & ESTABLISHMENT OF QUORUM

ADOPTION OF AGENDA



Agenda

Assembly Meeting

(packet available on website www.aleutianseast.org)

Date: Thursday, August 14, 2025

Time: **NO Workshop** **MEETING: 2:00 P.M.**

Location: By videoconference in each designated community location below:

King Cove AEB Office

Sand Point AEB Office

Cold Bay City Office

Akutan City Office

Nelson Lagoon Corp.

Anchorage AEB Office, 3380 C

Street False Pass City Office

All communities will be provided with conference calling information for the designated location in your community. Public comments on agenda items will take place after the adoption of the agenda. The meeting will also be broadcast on KSDP Public Radio.

ASSEMBLY MEETING AGENDA

1. Roll Call & Establishment of Quorum
2. Adoption of the Agenda
3. Public Comments on Agenda Items
4. Conflict of Interest
5. Presentation
 - FY2024 Audit Discussion by BDO
6. Minutes
 - July 10, 2025 Assembly Regular Meeting Minutes
7. Financials
 - Finance Director's Report – Informational Only
 - Unaudited June 2025 Financials
8. Investment Report
 - APCM June 2025 Investment Report
9. Consent Agenda
10. Public Hearings

11. Ordinances
12. Resolutions
 - Resolution 26-07, Authorizing the Mayor to negotiate and execute a contract with DOWL for a False Pass School Condition Assessment in an amount not to exceed \$82,180
 - Resolution 26-08, In support of Congressman Begich's Draft Legislation to amend the Marine Mammal Protection Act of 1972
 - Resolution 26-09, Authorizing the Mayor to negotiate and execute a contract with LONG for the Akutan School Boiler Replacement in an amount not to exceed \$95,000
 - Resolution 26-10, Accepting the Basic Financial Statements, Required Supplementary Information, Supplementary Information and Single Audit Reports for Year Ended June 30, 2024
13. Old Business
14. New Business
15. Reports and Updates
16. Assembly Comments
17. Public Comments
18. Next Meeting Date
 - September 11, 2025
19. Adjournment

***All materials pertaining to this meeting are available on the Aleutians East Borough website.**

COMMUNITY ROLL CALL & PUBLIC COMMENT ON AGENDA ITEMS

CONFLICT OF INTEREST

PRESENTATIONS

MINUTES

Aleutians East Borough
Regular Assembly Meeting Minutes

Call to Order

Mayor Alvin D. Osterback called the Aleutians East Borough Special Assembly Meeting to order by videoconference in each community on July 10, 2025, at 2:00 PM.

Roll Call for Elected Officials

Mayor Alvin D. Osterback	Present
Brenda Wilson	Present
Jim Smith	Excused
Chris Babcock	Present
Paul Gronhold	Present
Tom Hoblet	Excused
Josephine Shangin	Present
Warren Wilson	Present

Advisory

Samantha McNeley	Present
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A quorum was present.

Staff Present

Anne Bailey, Administrator
Glennora Dushkin, Administrative Clerk
Ernie Weiss, Natural Resources Director
Charlotte Levy, Fishery Analyst
Jacki Brandell, Finance Director
Seward Brandell, Finance Clerk
Beverly Ann Rosete, Borough Clerk

Others Present

Adoption of the Agenda

MOTION Brenda made a motion to adopt the agenda.
SECOND Chris seconded the motion.
Hearing no objections, the agenda will stand as presented.

Community Roll Call and Public Comments on Agenda Items

The communities of Akutan, False Pass, King Cove, Nelson Lagoon, Sand Point and the Anchorage office were participating by videoconference. The meeting was also broadcast on KSDP radio.

Conflict of Interest

Mayor Osterback asked for any potential conflict of interest to be discussed. There were no conflicts on this agenda.

Minutes

- May 22, 2025, Special Assembly Minutes

MOTION Chris made a motion to accept the May 22, 2025, Special Assembly Meeting Minutes.
SECOND Brenda seconded the motion.
Hearing no objections, the minutes will stand as written.

Aleutians East Borough
Regular Assembly Meeting Minutes

Financials

- Finance Director's Report

Finance Director Brandell reviewed her report. She pointed out that the audit was in its final review process. FY2025 is closing at the end of June, and the FY2026 budget has been input into the accounting system. The payroll quarterly reports have been submitted. Routine tasks are operating smoothly.

- May 2025 Financials

MOTION Josy made a motion to approve the May 2025 Financials.

SECOND Brenda seconded the motion.

DISCUSSION

Administrator Bailey said that the Raw Fish Tax for May 2025 came in at about \$23,232, which is extremely low. This is about 14% of the 10-year average. Interest Revenue is still coming in at a good rate. Finance is wrapping up the year, and we will have the full year report soon.

ROLL CALL

Yeas: Brenda, Paul, Josy, Chris, Warren Advisory: Sam.

MOTION CARRIED

Nays: None.

Investment Report

The May 2025 report from APCM is in the packet.

Consent Agenda

No items on the Consent Agenda.

Public Hearings

No items on the Public Hearings.

Ordinances

No items on the Ordinances.

Resolutions

- **Resolution 26-01**, Authorizing the Mayor to negotiate and execute a Memorandum of Agreement between the Aleutians East Borough and the City of King Cove regarding maintenance of the King Cove Access Road during Fiscal Year 2026

MOTION Brenda made a motion to approve Resolution 26-01.

SECOND Chris seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Paul asked if this is already included in the FY2026 budget.

Administrator Bailey said, Yes, this is already covered by the FY2026 Budget.

ROLL CALL

Yeas: Chris, Warren, Josy, Paul, Brenda. Advisory: Sam.

MOTION CARRIED

Nays: None.

Aleutians East Borough
Regular Assembly Meeting Minutes

- **Resolution 26-02**, Authorizing the Mayor to negotiate and execute a Memorandum of Agreement between the Aleutians East Borough and the City of King Cove regarding the reimbursement of expenses associated with the King Cove Access Project for FY 2026

MOTION Brenda made a motion to approve Resolution 26-02.

SECOND Josy seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

ROLL CALL Yeas: Paul, Warren, Josy, Chris, Brenda. Advisory: Sam.

MOTION CARRIED Nays: None.

- **Resolution 26-03**, Recognizing the Alaska Municipal League for its ongoing support and services to municipalities throughout the State of Alaska

MOTION Brenda made a motion to approve Resolution 26-03.

SECOND Warren seconded the motion.

DISCUSSION

Administrative Clerk Dushkin reviewed the resolution.

ROLL CALL Yeas: Warren, Josy, Brenda, Paul, Chris. Advisory: Sam.

MOTION CARRIED Nays: None.

- **Resolution 26-04**, Authorizing the Mayor to negotiate and execute a Memorandum of Agreement between the Alaska Department of Transportation and Public Facilities and the Aleutians East Borough for the Akutan-Akun Transportation Link

MOTION Brenda made a motion to approve Resolution 26-04.

SECOND Josy seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Warren thanked the administration for handling the Akun link and for approaching the DOT to get some funding.

ROLL CALL Yeas: Brenda, Paul, Warren, Chris, Josy, Advisory: Sam.

MOTION CARRIED Nays: None.

- **Resolution 26-05**, Authorizing the Mayor to negotiate and execute Amendment No. 5 of the Co-Sponsorship Agreement with the Alaska Department of Transportation and Public Facilities and the City of Akutan

MOTION Chris made a motion to approve Resolution 26-05.

SECOND Brenda seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

ROLL CALL Yeas: Chris, Paul, Josy, Warren, Brenda. Advisory: Sam.

MOTION CARRIED Nays: None.

- **Resolution 26-06**, Authorizing the Mayor to negotiate and execute a contract agreement between the Aleutians East Borough and Professional Growth Systems for strategic planning services in an amount not to exceed \$18,000.

MOTION Warren made a motion to approve Resolution 26-06.

Aleutians East Borough
Regular Assembly Meeting Minutes

SECOND Josy seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

ROLL CALL Yeas: Josy, Paul, Warren, Brenda, Chris Advisory: Sam.

MOTION CARRIED Nays: None.

Old Business

New Business

- Borough Administrator Contract

DISCUSSION

Mayor Osterback stated that the administrator's contract is up for renewal, and he plans to extend it. The new contract will start on July 1, 2025, to June 30, 2028.

Brenda thanked Anne for her continued diligence and her amazing work.

Mayor Osterback said he appreciates having Anne as the administrator. He thinks she's doing a great job, and he is happy to have her for another 3 years.

- Strategic Plan Quarter 1 Update

DISCUSSION

Administrator Bailey reviewed the Strategic Plan Update. The Vision Navigation chart displays the items that have been completed for Quarter 1.

Reports and Updates

- **Administrator's Report**

King Cove Road. On May 23, 2025, the Aleutians East Borough submitted a Surface Transportation Reauthorization Request form to Representative Begich requesting funds for the King Cove-Cold Bay Road. A meeting will take place on July 11, 2025, in regard to the land exchange.

Cold Bay Clinic. This project is 99.9% complete and will close out on September 31, so we are in the process of trying to close the project out.

Cold Bay Terminal. Boiler Maintenance: A bid request was sent to 5 mechanical contractors. By June 6, 2025, two quotes were received from Cool Air and LONG. The Borough has decided to contract Cool Air since their quote was considerably cheaper than LONGs and an agreement for these services was executed on June 30, 2025, for \$10,202.50. We are also still in negotiations with Grant Aviation and Aleutian Airways for new rates.

Cold Bay Dock. On June 2, 2025, the State of Alaska completed the bid opening for the Cold Bay Pile project. Heko Services, Inc submitted the lowest bid for \$217,700 and will be conducting the work in Cold Bay this summer. Western Marine Construction is scheduled to arrive in Cold Bay July 8, 2025, to begin fender pile repairs. It is anticipated to take 3 to 4 days to complete the project.

Sand Point Harbor Float. WMC is planning to arrive in Sand Point on July 13, 2025, with the hopes of beginning construction on July 15th or 16th and being done by October 2025.

Sand Point School DEED Grant. UIC arrived on-site in June 2025 and is in the process of conducting demolition of the site. On June 20, 2025, the Borough and UIC executed Change

Order No. 2 that deducted \$263,753 from Additive Alternate 1 – Additional Doors, Frames, and Hardware. This change order removed the wireless door hardware from the project. We anticipated the project to be mostly completed by August and final completion in October.

School Items: King Cove School Water Systems Repair Project: The Borough entered into a contract with Ameresco for an amount not to exceed \$595,125. Demolition has started, and they have found some additional problems. A change order has been placed in the amount of \$147,000. This is already covered, so no additional money needs to be appropriated.

Akutan School Water Heater: This project has been completed, and while on-site, they also looked at the boilers. It was determined that some boilers are so old, and we are looking at replacing them.

6-Year Capital Improvement Plan: Completing a 6-Year Capital Improvement Plan is required by the State of Alaska Department of Education for Capital Improvement Projects. A draft plan for FY2027-FY2032 has been drafted and reviewed by the Superintendent, DOWL, the Borough, and SERRC. This will be presented to the School Board for approval, and then SERRC will submit an application to DEED for funding.

Chris commented that the project at King Cove School is moving along fast and looks really good. He asked if the hot water was not in the original contract.

Administrator Bailey said yes, that is part of the change order.

Mayor Osterback commented that it is important for each community to have its harbor master attend the harbor master conferences. There is a lot of information, as well as funding opportunity information, that is being presented at those conferences.

- **Natural Resources Department Director's Report**

Alaska Peninsula Salmon. The ADFG South Peninsula salmon pre-season meeting was held in Sand Point and virtually via Teams on May 30th. Link to the Presentation slides from the meeting is included in the packet, and the Audio is archived by KSDP. At the meeting, ADFG staff found an error in the published South Pen July fishing calendar, and it has been corrected. We also found out that all salmon are to be retained by purse-seine gear, contrary to what was first announced. June 2025 South Pen salmon harvest was below average. Orzinski River sockeye escapement is the highest to this point since 2016, and the Nelson River is having the best escapement of sockeye and king salmon in many years.

North Pacific Fishery Management Council. The June meeting of the Council was in Newport OR. Council time and resources were a main topic of discussion during the NMFS report and during staff tasking; both the Alaska Regional office and the Alaska Fishery Science Center have lost employees and funding. Final Action on agenda item C3 Pelagic Trawl Gear Definition brought in the majority of public comments and testimony. I submitted a comment letter and was the only testifier to both the AP and Council on agenda item D1 AFA Program Review, to talk about the potential loss of pollock processing in Akutan. The AP motion requested staff to expand on the importance of pollock to dependent communities in the next review, and the Council motion concurred. Staff will also make some revisions regarding pollock communities in the final version of this review. The December agenda is over-booked with items to complete, and so the Council adopted a

motion to not address Cook Inlet salmon, and rather to force Secretarial action. Still unknown is when the Council will take final action on Chum Salmon Bycatch in the pollock fishery. The October meeting, originally scheduled to take place at the Egan Center, will now be held virtually only on Zoom, due to funding uncertainty.

Boards of Fisheries and Game. Board of Fisheries Proposal Books for the 2025/2026 meeting cycle will be available in either August or September. The Board of Game will hold a Special Meeting July 14-15 at the Coast Inn to attempt to comply with a court order that has barred ADFG from intensive management of Mulchatna caribou herd by predator control of brown bear.

AMHS M/V Tustumena. According to the AMHS, the Tustumena replacement vessel RFP for vessel construction will be published this September.

Alaska Peninsula 2025 Oil & Gas Lease Sale. The bid results for the Alaska Peninsula Areawide 2025 Oil & Gas Lease Sale were posted June 11, 2025, is the 11th year with zero bids submitted for the lease sale.

There is a special session called by the Governor starting August 2nd to talk about the Department of Agriculture and Education reform.

- **Fishery Analyst's Report**

Electronic Monitoring - GOA5/EFP. I have submitted the final financial and programmatic report, as well as the final reimbursement request and this project was finally closed out on 6/30 deadline. Overall, the Trawl EM project was a major success. It began as a pilot project in 2018 and operated under an Exempted Fishing Permit until its regulatory implementation in 2025 spanning 6 years, 5 separate NFWF grants totaling \$2.5M, and was ultimately achieved 100% voluntary participation by the entire WGOA pollock trawl fleet and processors.

AFSC Cod Tagging Project. This project is also coming to a close at the end of July. The project team is continuing to run the model for preprocessed tags in 2023/2024. We anticipate submitting the tech memos for publication for all fish from 2023-2024 by July. Once all tags are processed, I will compile a summary report for the Assembly and distribute to fishermen. I am in the process of spending remaining funds and paying invoices. I am currently working on the final report and reimbursement request, which will be available to the assembly at the August or September meeting.

Unimak Acoustic Telemetry Project. Our joint NPRB proposal with KMR and AFSC was successfully awarded for \$246,582 for the period of July 1, 2025, through December 31, 2027. The AEB portion of \$135K will be used for charter contracting, salary, and co-development of a training manual for vessels contracted to do acoustic work. The project team has been working diligently to finalize the mooring design and complete supply purchases using PSMFC allocated to this project by the 7/31 deadline. The acoustic receiver moorings have been designed in consultation with experts and fishermen with experience in Unimak Pass. We have emphasized designing something sustainable for long-term/expanded use, can be conveniently deployed by fishermen/gear, and recycles old crab pots readily available in ports. We anticipate two field trips in September 2025 for deploying receivers and test transmitters on moorings/cod, and again in April 2026 for retrieval.

June Salmon Management. I worked with Chordata to make some small administrative changes to the portal prior to fishing. Overall, June was a very low volume year, and the fishermen are well-versed in using/managing the data portal. Two notable changes: 1) we

Aleutians East Borough
Regular Assembly Meeting Minutes

added an option to allow drifters to document their stand downs, and I will be compiling those entries and adding them into the annual June management report, and 2) we adjusted the portal so the fleet can continue using it after June to track Chinook harvest only and removed data for other species, allowing the fleet to track harvest towards the EO Chinook cap.

Salmon Tagging Pilot. The project team successfully released 27 tags on chum salmon and 3 tags on Chinook during the test fishery from June 8-10, across 3 different vessels, all contacted through Fish and Game. We tagged 3 chum/set for 3 sets/day and worked with fishermen to have them identify > 25" TL chum. For tagged fish, information like length, genetics, and scales for ageing were collected. In addition to that, biological samples were also collected. Genetic and scale samples are being submitted to the ADFG genetics conservation lab/age lab. Most of the tags are starting to report, but it will take a couple of weeks to get all the data back. 4 physical tag recoveries were received. A draft report will be available in the next few months.

Board of Fisheries My primary focus will be publishing the cod tagging tech memos to ensure published data is available for reference during the October BOF cod meeting. I will also be preparing a summary report of the project for the cod project, as well as the salmon project, for the upcoming 2026 meeting.

Mayor Osterback asked how do you know that the tags were eaten by salmon sharks. Fishery Analyst Levy said the beauty of satellite tags is that they get depth, pressure, temperature, and light data. We know by temperature if it spikes from 7 degrees up to 18-26 degrees, tags are inside the salmon shark.

Assembly Comments

Josy thanked the administration for having a crew working at the Akutan School. There were a lot of things at the school that used to not work but are now functional.

Public Comments

Next Meeting Date

- August 14, 2025

Adjournment

Meeting Adjourned at 2:58 PM.

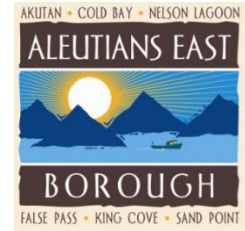
ATTEST

Alvin D. Osterback, Mayor

Beverly Rosete, Clerk

FINANCIAL REPORT

To: Honorable Mayor Osterback and Borough Assembly
From: Jacki Brandell, Finance Director
Re: Report to the Assembly
Date: August 14, 2025



Audit – The FY23-24 audit was presented in this meeting.

For the FY25 year end, I have begun to prepare the year end entries. Payroll closing entries have been complete. I have confirmed the investment balances for the year and they all reconcile to the trial balance. We have processed all expected June expenses, and the grants have been reconciled and reported. The year end worksheets for the grants is complete. I have also confirmed the GL balances for the receivable, deferred revenue and other liability accounts to ensure the transactions reconcile to the ending trial balance.

Budget – The carry over figures for FY25 for the grants and permanent fund accounts have been verified and confirmed. These figures will be input for FY26 following the review of the unaudited June financials.

Routine tasks- I have had some time of this past month, but the routine tasks are operating smoothly. The unaudited June financials were completed, July is nearly complete with the exception of expected fish tax entries, and we are processing August transactions.

Please let me know if you have any questions.

ALEUTIANS EAST BOROUGH
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>REVENUES</u>					
10-000-4000 AEB RAW FISH TAX	322,641.39	2,378,350.65	1,600,000.00	(778,350.65)	148.7
10-000-4010 STATE SHARED RAW FISH TAX	.00	1,147,755.02	1,750,000.00	602,244.98	65.6
10-000-4020 STATE SHARED FISHFMA2	.00	74,220.95	100,000.00	25,779.05	74.2
10-000-4030 STATE SHARED FISHFMA3	.00	3,545.30	1,500.00	(2,045.30)	236.4
10-000-4100 INTEREST REVENUE	100,232.65	1,476,203.91	500,000.00	(976,203.91)	295.2
10-000-4150 UNREALIZED GAINS/LOSS	8,970.38	70,048.38	.00	(70,048.38)	.0
10-000-4200 ANC OFFICE LEASE	5,984.47	71,696.29	.00	(71,696.29)	.0
10-000-4297 LATCF REVENUE ENHANCEMENT FU	.00	1,550,000.00	1,550,000.00	.00	100.0
10-000-4350 STATE REVENUE OTHER	.00	358,736.08	316,645.00	(42,091.08)	113.3
10-000-4400 USFWS LANDS	15,234.00	15,234.00	15,000.00	(234.00)	101.6
10-000-4450 PLO-95 PAYMNT IN LIEU OF TAXES	804,988.00	804,988.00	615,000.00	(189,988.00)	130.9
10-000-4900 OTHER REVENUE	688,958.50	2,124,174.22	68,110.00	(2,056,064.22)	3118.7
TOTAL REVENUES	1,947,009.39	10,074,952.80	6,516,255.00	(3,558,697.80)	154.6
TOTAL FUND REVENUE	1,947,009.39	10,074,952.80	6,516,255.00	(3,558,697.80)	154.6

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>MAYORS OFFICE</u>					
10-100-6000	SALARIES	7,191.98	94,421.32	93,498.00	(923.32)	101.0
10-100-6010	FRINGE BENEFITS	3,601.72	44,530.87	49,118.00	4,587.13	90.7
10-100-6025	AK LOBBIST	3,500.00	42,000.00	45,000.00	3,000.00	93.3
10-100-6030	FEDERAL LOBBIST	12,600.00	75,600.00	75,600.00	.00	100.0
10-100-6035	DUES AND FEES	219.96	1,681.17	3,250.00	1,568.83	51.7
10-100-6040	TRAVEL AND PERDIEM	1,656.98	28,907.98	33,000.00	4,092.02	87.6
10-100-6045	SUPPLIES	.00	304.59	650.00	345.41	46.9
10-100-6060	TELEPHONE	163.74	432.34	1,200.00	767.66	36.0
	<u>TOTAL MAYORS OFFICE</u>	<u>28,934.38</u>	<u>287,878.27</u>	<u>301,316.00</u>	<u>13,437.73</u>	<u>95.5</u>
	<u>ASSEMBLY</u>					
10-125-6000	SALARIES	.00	26,850.00	40,500.00	13,650.00	66.3
10-125-6010	FRINGE BENEFITS	13,406.40	167,804.03	183,700.00	15,895.97	91.4
10-125-6035	DUES AND FEES	.00	1,530.00	5,000.00	3,470.00	30.6
10-125-6040	TRAVEL AND PERDIEM	.00	28,502.45	75,000.00	46,497.55	38.0
10-125-6045	SUPPLIES	.00	327.99	750.00	422.01	43.7
	<u>TOTAL ASSEMBLY</u>	<u>13,406.40</u>	<u>225,014.47</u>	<u>304,950.00</u>	<u>79,935.53</u>	<u>73.8</u>

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>CLERKS DEPARMENT</u>					
10-150-6000	SALARIES	6,209.30	77,472.79	81,729.00	4,256.21	94.8
10-150-6010	FRINGE BENEFITS	12,209.29	41,261.46	34,650.00	(6,611.46)	119.1
10-150-6035	DUES AND FEES	32.99	818.42	3,000.00	2,181.58	27.3
10-150-6040	TRAVEL AND PERDIEM	.00	4,836.32	12,500.00	7,663.68	38.7
10-150-6045	SUPPLIES	.00	1,149.92	2,000.00	850.08	57.5
10-150-6050	POSTAGE	.00	.00	1,000.00	1,000.00	.0
10-150-6060	TELEPHONE	893.51	10,475.90	12,000.00	1,524.10	87.3
10-150-6085	ELECTION	.00	5,948.44	8,500.00	2,551.56	70.0
	<u>TOTAL CLERKS DEPARMENT</u>	<u>19,345.09</u>	<u>141,963.25</u>	<u>155,379.00</u>	<u>13,415.75</u>	<u>91.4</u>
	<u>ADMINISTRATION</u>					
10-200-6000	SALARIES	9,082.58	206,143.37	216,398.00	10,254.63	95.3
10-200-6010	FRINGE BENEFITS	13,284.10	94,985.40	98,450.00	3,464.60	96.5
10-200-6015	CONTRACT LABOR	.00	24,200.00	60,000.00	35,800.00	40.3
10-200-6035	DUES AND FEES	27.48	10,109.80	10,000.00	(109.80)	101.1
10-200-6040	TRAVEL AND PERDIEM	.00	5,160.23	15,000.00	9,839.77	34.4
10-200-6045	SUPPLIES	129.74	3,020.35	2,500.00	(520.35)	120.8
10-200-6050	POSTAGE	33.00	303.96	750.00	446.04	40.5
10-200-6060	TELEPHONE	110.00	2,646.76	6,750.00	4,103.24	39.2
10-200-8010	ENGINEERING	18,081.25	75,241.73	50,000.00	(25,241.73)	150.5
10-200-8090	ANCHORAGE OFFICE	(5,651.38)	66,703.56	.00	(66,703.56)	.0
	<u>TOTAL ADMINISTRATION</u>	<u>35,096.77</u>	<u>488,515.16</u>	<u>459,848.00</u>	<u>(28,667.16)</u>	<u>106.2</u>

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>ASSISTANT ADMINISTRATION</u>					
10-225-6000	SALARIES	.00	106,045.96	99,755.00	(6,290.96)	106.3
10-225-6010	FRINGE BENEFITS	11,390.26	40,630.40	39,050.00	(1,580.40)	104.1
10-225-6035	DUES AND FEES	.00	422.31	950.00	527.69	44.5
10-225-6040	TRAVEL AND PERDIEM	.00	.00	8,000.00	8,000.00	.0
10-225-6045	SUPPLIES	3.00	293.59	200.00	(93.59)	146.8
10-225-6060	TELEPHONE	36.25	633.76	1,400.00	766.24	45.3
	TOTAL ASSISTANT ADMINISTRATION	11,429.51	148,026.02	149,355.00	1,328.98	99.1
	<u>FINANCE DEPARTMENT</u>					
10-250-6000	SALARIES	4,992.67	121,287.61	136,202.00	14,914.39	89.1
10-250-6010	FRINGE BENEFITS	22,002.07	78,548.76	69,300.00	(9,248.76)	113.4
10-250-6015	CONTRACT LABOR	3,625.00	26,121.25	65,000.00	38,878.75	40.2
10-250-6035	DUES AND FEES	.00	674.99	2,500.00	1,825.01	27.0
10-250-6040	TRAVEL AND PERDIEM	.00	19,421.65	13,000.00	(6,421.65)	149.4
10-250-6045	SUPPLIES	820.80	5,597.07	7,000.00	1,402.93	80.0
10-250-6050	POSTAGE	.00	566.60	750.00	183.40	75.6
10-250-6055	RENTAL/LEASE	750.00	9,000.00	9,000.00	.00	100.0
10-250-6060	TELEPHONE	929.31	8,647.86	9,500.00	852.14	91.0
10-250-6095	AUDIT	.00	89,655.71	97,500.00	7,844.29	92.0
10-250-8000	EQUIPMENT	756.00	8,484.00	15,000.00	6,516.00	56.6
	TOTAL FINANCE DEPARTMENT	33,875.85	368,005.50	424,752.00	56,746.50	86.6

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>NATURAL RESOURCE</u>					
10-275-6000	SALARIES	(10,431.26)	167,570.51	212,000.00	44,429.49	79.0
10-275-6010	FRINGE BENEFITS	11,975.24	81,085.28	89,667.00	8,581.72	90.4
10-275-6015	CONTRACT LABOR	950.00	1,045.00	20,000.00	18,955.00	5.2
10-275-6035	DUES AND FEES	173.60	2,012.81	2,000.00	(12.81)	100.6
10-275-6040	TRAVEL AND PERDIEM	623.66	5,461.01	15,000.00	9,538.99	36.4
10-275-6045	SUPPLIES	6.00	375.12	2,000.00	1,624.88	18.8
10-275-6060	TELEPHONE	72.50	1,267.42	3,000.00	1,732.58	42.3
10-275-7030	BOF MEETINGS	.00	2,580.96	7,500.00	4,919.04	34.4
10-275-7035	NPFMC MEETINGS	.00	18.30	7,500.00	7,481.70	.2
	TOTAL NATURAL RESOURCE	3,369.74	261,416.41	358,667.00	97,250.59	72.9
	<u>PUBLIC WORKS DEPARTMENT</u>					
10-300-6000	SALARIES	1,330.00	9,730.00	35,000.00	25,270.00	27.8
10-300-6010	FRINGE BENEFITS	115.05	841.67	17,847.00	17,005.33	4.7
10-300-6040	TRAVEL AND PERDIEM	.00	.00	6,000.00	6,000.00	.0
10-300-6045	SUPPLIES	448.74	3,205.77	4,000.00	794.23	80.1
	TOTAL PUBLIC WORKS DEPARTMENT	1,893.79	13,777.44	62,847.00	49,069.56	21.9
	<u>KCAP</u>					
10-325-6045	SUPPLIES	.00	.00	1,000.00	1,000.00	.0
10-325-8020	MAINTENANCE	99,000.00	99,000.00	110,000.00	11,000.00	90.0
	TOTAL KCAP	99,000.00	99,000.00	111,000.00	12,000.00	89.2

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>EDUCATION</u>					
10-350-7065	LOCAL SCHOOL CONTRIBUTION	325,000.00	1,300,000.00	1,300,000.00	.00	100.0
10-350-7070	SCHOOL SCHOLARSHIPS	.00	31,666.54	35,000.00	3,333.46	90.5
10-350-7075	STUDENT TRAVEL	.00	20,000.00	20,000.00	.00	100.0
	TOTAL EDUCATION	325,000.00	1,351,666.54	1,355,000.00	3,333.46	99.8
	<u>GENERAL GOVERNMENT</u>					
10-900-6020	LEGAL	3,337.50	45,369.50	80,000.00	34,630.50	56.7
10-900-6025	ADVERTISING	.00	2,340.98	8,250.00	5,909.02	28.4
10-900-6055	RENTAL/LEASE	5,130.81	61,469.12	61,571.00	101.88	99.8
10-900-6065	UTILITIES	3,310.05	20,178.40	40,000.00	19,821.60	50.5
10-900-6070	FUEL	6,006.24	56,763.31	31,000.00	(25,763.31)	183.1
10-900-6075	AEB VEHICLES	.00	1,420.50	3,000.00	1,579.50	47.4
10-900-6080	WEB SERVICE	14,305.89	63,099.40	61,439.00	(1,660.40)	102.7
10-900-6090	PERS EXPENSE	.00	46,983.67	45,000.00	(1,983.67)	104.4
10-900-7005	MANAGEMENT FEES	4,442.24	23,106.11	22,216.00	(890.11)	104.0
10-900-7015	BANK FEES	244.61	1,147.89	4,000.00	2,852.11	28.7
10-900-7020	INSURANCE	.00	298,476.42	333,000.00	34,523.58	89.6
10-900-7040	REVENUE SHARING NELSON LAGOO	.00	15,789.00	15,789.00	.00	100.0
10-900-7045	MISC EXPENSE	55,825.59	153,055.85	18,000.00	(135,055.85)	850.3
10-900-7050	DONATIONS	.00	20,000.00	20,000.00	.00	100.0
10-900-7055	CONTRIBUTION TO KSDP	10,000.00	10,000.00	10,000.00	.00	100.0
10-900-7060	CONTRIBUTION TO EATS	37,500.00	150,000.00	150,000.00	.00	100.0
10-900-8000	EQUIPMENT	.00	.00	22,500.00	22,500.00	.0
	TOTAL GENERAL GOVERNMENT	140,102.93	969,200.15	925,765.00	(43,435.15)	104.7
	TOTAL FUND EXPENDITURES	711,454.46	4,354,463.21	4,608,879.00	254,415.79	94.5
	NET REVENUE OVER EXPENDITURES	1,235,554.93	5,720,489.59	1,907,376.00	(3,813,113.59)	299.9

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

GRANT PROGRAMS

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	REVENUES					
20-000-4100	INTEREST REVENUE	10,506.12	149,054.71	.00	(149,054.71)	.0
20-000-4600	PRIVATE FUNDED PROJECTS/GRANT	.00	.00	3,595,287.22	3,595,287.22	.0
20-000-4700	STATE FUNDED GRANT REV	495,021.04	2,460,403.34	5,120,802.13	2,660,398.79	48.1
20-000-4800	FEDERALLY FUNDED GRANT REV	688,837.36	7,643,329.42	9,984,357.57	2,341,028.15	76.6
20-000-4900	OTHER REVENUE	1,518,093.92	1,817,477.60	2,636,498.00	819,020.40	68.9
	TOTAL REVENUES	2,712,458.44	12,070,265.07	21,336,944.92	9,266,679.85	56.6
	TOTAL FUND REVENUE	2,712,458.44	12,070,265.07	21,336,944.92	9,266,679.85	56.6

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

		GRANT PROGRAMS				
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>TRIDENT CONTRIBUTION AKU AIRPO</u>						
20-601-8050	CAPITAL CONSTRUCTION	.00	.00	657,390.00	657,390.00	.0
	TOTAL TRIDENT CONTRIBUTION AKU	.00	.00	657,390.00	657,390.00	.0
<u>AKUTAN CITY CONTRIBUTION HARB</u>						
20-602-8050	CAPITAL CONSTRUCTION	.00	.00	259,743.66	259,743.66	.0
	TOTAL AKUTAN CITY CONTRIBUTION	.00	.00	259,743.66	259,743.66	.0
<u>HOVERCRAFT PROCEEDS AKUTAN</u>						
20-603-8085	TRANSPORTATION	.00	.00	2,500,000.00	2,500,000.00	.0
	TOTAL HOVERCRAFT PROCEEDS AK	.00	.00	2,500,000.00	2,500,000.00	.0
<u>HOVERCRAFT PROCEEDS KING COV</u>						
20-604-8085	TRANSPORTATION	37,872.56	37,872.56	178,153.56	140,281.00	21.3
	TOTAL HOVERCRAFT PROCEEDS KIN	37,872.56	37,872.56	178,153.56	140,281.00	21.3
<u>DCCED KCAP</u>						
20-701-8010	ENGINEERING	.00	.00	75,591.00	75,591.00	.0
20-701-8050	CAPITAL CONSTRUCTION	.00	.00	843,439.12	843,439.12	.0
	TOTAL DCCED KCAP	.00	.00	919,030.12	919,030.12	.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

GRANT PROGRAMS

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>DCCED AKUTAN HARBOR</u>					
20-702-8050	CAPITAL CONSTRUCTION	.00	.00	76,772.01	76,772.01	.0
	TOTAL DCCED AKUTAN HARBOR	.00	.00	76,772.01	76,772.01	.0
	<u>DEED SDP SCHOOL</u>					
20-703-8015	DESIGN SERVICES	.00	256,578.00	256,578.00	.00	100.0
20-703-8030	PROJECT CONTINGENCY	8,128.00	121,905.00	513,985.00	392,080.00	23.7
20-703-8045	CONSTRUCTION MANAGEMENT	55,098.00	93,666.60	102,797.00	9,130.40	91.1
20-703-8050	CONSTRUCTION	1,345,328.00	1,345,328.00	5,139,848.00	3,794,520.00	26.2
20-703-8070	ADMINISTRATIVE	.00	.00	466,109.00	466,109.00	.0
	TOTAL DEED SDP SCHOOL	1,408,554.00	1,817,477.60	6,479,317.00	4,661,839.40	28.1
	<u>SAND POINT HARBOR FLOATS</u>					
20-704-8045	CONSTRUCTION MANAGEMENT	8,254.39	32,962.46	230,374.00	197,411.54	14.3
20-704-8050	CONSTRUCTION	199,201.28	2,427,440.88	3,894,626.00	1,467,185.12	62.3
	TOTAL SAND POINT HARBOR FLOATS	207,455.67	2,460,403.34	4,125,000.00	1,664,596.66	59.7
	<u>NFWF EM WGOA 5</u>					
20-801-6015	CONTRACT LABOR	.00	206,964.62	285,590.51	78,625.89	72.5
	TOTAL NFWF EM WGOA 5	.00	206,964.62	285,590.51	78,625.89	72.5

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

GRANT PROGRAMS

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>PSMFC COD TAGGING</u>					
20-802-6000	SALARIES	27,009.72	47,057.78	81,750.83	34,693.05	57.6
20-802-6010	FRINGE BENEFITS	8,852.06	15,617.86	26,879.78	11,261.92	58.1
20-802-6015	CONTRACT LABOR	123,527.31	564,575.01	692,915.92	128,340.91	81.5
20-802-6040	TRAVEL AND PERDIEM	.00	3,390.07	5,050.62	1,660.55	67.1
20-802-6045	SUPPLIES	66,527.22	203,485.27	115,974.81	(87,510.46)	175.5
20-802-8070	INDIRECT/ADMINISTRATION	11,006.41	29,922.61	27,466.92	(2,455.69)	108.9
	TOTAL PSMFC COD TAGGING	236,922.72	864,048.60	950,038.88	85,990.28	91.0
	<u>LATCF</u>					
20-803-8050	CAPITAL CONSTRUCTION	.00	1,644,465.04	1,644,465.04	.00	100.0
	TOTAL LATCF	.00	1,644,465.04	1,644,465.04	.00	100.0
	<u>HRSA</u>					
20-804-8050	OTHER DIRECT COSTS	157,472.94	1,712,419.85	1,712,427.14	7.29	100.0
	TOTAL HRSA	157,472.94	1,712,419.85	1,712,427.14	7.29	100.0
	<u>DPDPH HEALTHY EQUITABLE COM</u>					
20-805-8060	OTHER DIRECT COSTS	.00	14,984.00	26,836.00	11,852.00	55.8
	TOTAL DPDPH HEALTHY EQUITABLE	.00	14,984.00	26,836.00	11,852.00	55.8

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

		GRANT PROGRAMS				
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>SAND POINT HARBOR FLOATS MARA</u>						
20-806-8045	CONSTRUCTION MANAGEMENT	10,734.31	42,865.59	299,626.00	256,760.41	14.3
20-806-8050	CONSTRUCTION	259,048.72	3,156,734.12	5,065,374.00	1,908,639.88	62.3
TOTAL SAND POINT HARBOR FLOATS		269,783.03	3,199,599.71	5,365,000.00	2,165,400.29	59.6
<u>DEPARTMENT 807</u>						
20-807-8000	EECBG KVC SCHOOL LIGHTING	.00	847.61	75,000.00	74,152.39	1.1
TOTAL DEPARTMENT 807		.00	847.61	75,000.00	74,152.39	1.1
TOTAL FUND EXPENDITURES		2,318,060.92	11,959,082.93	25,254,763.92	13,295,680.99	47.4
NET REVENUE OVER EXPENDITURES		394,397.52	111,182.14	(3,917,819.00)	(4,029,001.14)	2.8

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

		PERM FUND APPROPRIATIONS				
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PROJECT CONTINGENCY</u>						
21-501-8030	PROJECT CONTINGENCY	152,454.20	321,702.95	1,655,125.61	1,333,422.66	19.4
	TOTAL PROJECT CONTINGENCY	152,454.20	321,702.95	1,655,125.61	1,333,422.66	19.4
<u>DEFERRED MAINTENANCE</u>						
21-502-8025	DEFERRED MAINTENANCE	178,049.48	404,468.09	1,424,611.94	1,020,143.85	28.4
	TOTAL DEFERRED MAINTENANCE	178,049.48	404,468.09	1,424,611.94	1,020,143.85	28.4
<u>FISHERIES RESEARCH</u>						
21-503-8040	RESEARCH	14,355.08	145,153.33	383,967.44	238,814.11	37.8
	TOTAL FISHERIES RESEARCH	14,355.08	145,153.33	383,967.44	238,814.11	37.8
<u>MARICULTURE</u>						
21-504-8065	PROJECTS	.00	1,575.00	41,868.89	40,293.89	3.8
	TOTAL MARICULTURE	.00	1,575.00	41,868.89	40,293.89	3.8
<u>SDP/AKU FLOATS</u>						
21-505-8050	CAPITAL CONSTRUCTION	.00	59,561.38	1,419,218.18	1,359,656.80	4.2
	TOTAL SDP/AKU FLOATS	.00	59,561.38	1,419,218.18	1,359,656.80	4.2

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

PERM FUND APPROPRIATIONS

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>FINANCIAL SOFTWARE</u>					
21-506-8000	EQUIPMENT	.00	25,737.00	25,737.00	.00	100.0
	TOTAL FINANCIAL SOFTWARE	.00	25,737.00	25,737.00	.00	100.0
	<u>COMMUNITY TRAVEL</u>					
21-507-6040	TRAVEL AND PERDIEM	.00	.00	32,601.61	32,601.61	.0
	TOTAL COMMUNITY TRAVEL	.00	.00	32,601.61	32,601.61	.0
	<u>AKUTAN HARBOR</u>					
21-508-8050	CAPITAL CONSTRUCTION	.00	.00	46,998.99	46,998.99	.0
	TOTAL AKUTAN HARBOR	.00	.00	46,998.99	46,998.99	.0
	<u>COLD BAY CLINIC</u>					
21-509-8045	CONSTRUCTION MANAGEMENT	337,373.24	403,021.39	655,272.47	252,251.08	61.5
	TOTAL COLD BAY CLINIC	337,373.24	403,021.39	655,272.47	252,251.08	61.5
	<u>COLD BAY DOCK</u>					
21-510-8050	CAPITAL CONSTRUCTION	.00	.00	682,781.73	682,781.73	.0
	TOTAL COLD BAY DOCK	.00	.00	682,781.73	682,781.73	.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

		PERM FUND APPROPRIATIONS				
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>FALSE PASS HARBOR HOUSE</u>						
21-512-8050	CAPITAL CONSTRUCTION	.00	5,527.92	5,527.92	.00	100.0
	TOTAL FALSE PASS HARBOR HOUSE	.00	5,527.92	5,527.92	.00	100.0
<u>SDP SCHOOL GRANT MATCH</u>						
21-513-8050	CAPITAL CONSTRUCTION	.00	.00	2,668,889.82	2,668,889.82	.0
	TOTAL SDP SCHOOL GRANT MATCH	.00	.00	2,668,889.82	2,668,889.82	.0
<u>COMMUNITY BUDGET REQUESTS</u>						
21-599-9101	CITY OF AKUTAN-TSUNAMI SHELTER	100,000.00	100,000.00	100,000.00	.00	100.0
21-599-9202	CITY OF COLD BAY-MUNICIPAL REP	.00	.00	120,750.70	120,750.70	.0
21-599-9401	VILLAGE NELSON LAGOON-NLG MUN	.00	.00	35,000.00	35,000.00	.0
	TOTAL COMMUNITY BUDGET REQUE	100,000.00	100,000.00	255,750.70	155,750.70	39.1
	TOTAL FUND EXPENDITURES	782,232.00	1,466,747.06	9,298,352.30	7,831,605.24	15.8
	NET REVENUE OVER EXPENDITURES	(782,232.00)	(1,466,747.06)	(9,298,352.30)	(7,831,605.24)	(15.8)

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

		ENTERPRISE TERMINAL				
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
REVENUES						
22-000-4050	COLD BAY TERMINAL LEASES	18,031.03	264,541.03	278,000.00	13,458.97	95.2
22-000-4060	COLD BAY TERMINAL OTHER	2,402.94	30,800.61	25,000.00	(5,800.61)	123.2
TOTAL REVENUES		20,433.97	295,341.64	303,000.00	7,658.36	97.5
TOTAL FUND REVENUE		20,433.97	295,341.64	303,000.00	7,658.36	97.5

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

ENTERPRISE TERMINAL

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	EXPENDITURES					
22-000-6000	SALARIES	4,153.84	53,086.09	55,000.00	1,913.91	96.5
22-000-6010	FRINGE BENEFITS	359.32	4,592.11	5,000.00	407.89	91.8
22-000-6015	CONTRACT LABOR	1,688.00	7,728.50	6,000.00	(1,728.50)	128.8
22-000-6045	SUPPLIES	63.72	2,651.59	8,697.00	6,045.41	30.5
22-000-6060	TELEPHONE	223.60	2,527.95	2,500.00	(27.95)	101.1
22-000-6065	UTILITIES	16,678.49	109,610.19	91,500.00	(18,110.19)	119.8
22-000-6070	FUEL	.00	34,063.92	33,250.00	(813.92)	102.5
22-000-6075	GAS	.00	140.24	400.00	259.76	35.1
22-000-8020	MAINTENANCE	.00	59,115.39	50,000.00	(9,115.39)	118.2
22-000-8080	LAND	.00	7,802.50	7,803.00	.50	100.0
	TOTAL EXPENDITURES	23,166.97	281,318.48	260,150.00	(21,168.48)	108.1
	TOTAL FUND EXPENDITURES	23,166.97	281,318.48	260,150.00	(21,168.48)	108.1
	NET REVENUE OVER EXPENDITURES	(2,733.00)	14,023.16	42,850.00	28,826.84	32.7

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

ENTERPRISE HELICOPTER

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>REVENUES</u>					
23-000-4040	HELICOPTER REVENUE	26,494.82	322,527.99	389,887.00	67,359.01	82.7
	TOTAL REVENUES	26,494.82	322,527.99	389,887.00	67,359.01	82.7
	TOTAL FUND REVENUE	26,494.82	322,527.99	389,887.00	67,359.01	82.7

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

ENTERPRISE HELICOPTER

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>EXPENDITURES</u>					
23-000-6000	SALARIES	1,826.00	22,810.00	50,000.00	27,190.00	45.6
23-000-6010	FRINGE BENEFITS	157.95	1,971.59	7,000.00	5,028.41	28.2
23-000-6016	CONTRACT LABOR	96,016.25	1,111,607.25	1,111,628.00	20.75	100.0
23-000-6046	SUPPLIES	2,015.58	77,684.61	30,000.00	(47,684.61)	259.0
23-000-6061	TELEPHONE	.00	193.50	444.00	250.50	43.6
23-000-6065	UTILITIES	.00	.00	9,000.00	9,000.00	.0
23-000-6071	FUEL	1,705.68	80,265.41	75,000.00	(5,265.41)	107.0
23-000-6075	GAS	.00	1,137.12	11,000.00	9,862.88	10.3
	TOTAL EXPENDITURES	101,721.46	1,295,669.48	1,294,072.00	(1,597.48)	100.1
	TOTAL FUND EXPENDITURES	101,721.46	1,295,669.48	1,294,072.00	(1,597.48)	100.1
	NET REVENUE OVER EXPENDITURES	(75,226.64)	(973,141.49)	(904,185.00)	68,956.49	(107.6)

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

BOND CONSTRUCTION

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
REVENUES						
24-000-4100	INTEREST REVENUE	12,450.01	165,555.63	.00	(165,555.63)	.0
24-000-4150	UNREALIZED GAINS/LOSS	1,464.81	9,960.63	.00	(9,960.63)	.0
24-000-4900	OTHER REVENUE	.00	3,421.74	.00	(3,421.74)	.0
TOTAL REVENUES		13,914.82	178,938.00	.00	(178,938.00)	.0
TOTAL FUND REVENUE		13,914.82	178,938.00	.00	(178,938.00)	.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

		BOND CONSTRUCTION				
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>NON DEPARTMENTAL</u>						
24-000-8050	CAPITAL CONSTRUCTION	.00	3,293,110.48	.00	(3,293,110.48)	.0
	TOTAL NON DEPARTMENTAL	.00	3,293,110.48	.00	(3,293,110.48)	.0
<u>AKUTAN AIRPORT BOND FUNDS</u>						
24-401-8050	CAPITAL CONSTRUCTION	.00	.00	678,088.90	678,088.90	.0
	TOTAL AKUTAN AIRPORT BOND FUND	.00	.00	678,088.90	678,088.90	.0
<u>STATE MATCH FUNDS</u>						
24-402-8050	CAPITAL CONSTRUCTION	.00	.00	574,148.90	574,148.90	.0
	TOTAL STATE MATCH FUNDS	.00	.00	574,148.90	574,148.90	.0
<u>GENERAL GOVERNMENT</u>						
24-900-7005	MANAGEMENT FEES	1,041.70	6,157.65	5,954.00	(203.65)	103.4
	TOTAL GENERAL GOVERNMENT	1,041.70	6,157.65	5,954.00	(203.65)	103.4
	TOTAL FUND EXPENDITURES	1,041.70	3,299,268.13	1,258,191.80	(2,041,076.33)	262.2
	NET REVENUE OVER EXPENDITURES	12,873.12	(3,120,330.13)	(1,258,191.80)	1,862,138.33	(248.0)

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

BOND FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	REVENUES					
30-000-4300	STATE BOND REBATE SCHOOL	65,287.00	695,878.00	702,907.00	7,029.00	99.0
30-000-4325	STATE BOND REBATE HARBOR	.00	357,983.00	357,983.00	.00	100.0
	TOTAL REVENUES	65,287.00	1,053,861.00	1,060,890.00	7,029.00	99.3
	TOTAL FUND REVENUE	65,287.00	1,053,861.00	1,060,890.00	7,029.00	99.3

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

BOND FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>GENERAL GOVERNMENT</u>					
30-900-6100	BOND INTEREST PAYMENT	.00	476,149.05	476,149.00	(.05)	100.0
30-900-6200	BOND PRINCIPAL PAYMENT	.00	2,075,000.00	2,075,000.00	.00	100.0
	TOTAL GENERAL GOVERNMENT	.00	2,551,149.05	2,551,149.00	(.05)	100.0
	TOTAL FUND EXPENDITURES	.00	2,551,149.05	2,551,149.00	(.05)	100.0
	NET REVENUE OVER EXPENDITURES	65,287.00	(1,497,288.05)	(1,490,259.00)	7,029.05	(100.5)

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

PERMANENT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>REVENUES</u>					
40-000-4100	INTEREST REVENUE	211,937.53	2,668,528.23	.00	(2,668,528.23)	.0
40-000-4150	UNREALIZED GAINS/LOSS	1,087,985.77	2,319,493.59	.00	(2,319,493.59)	.0
	TOTAL REVENUES	1,299,923.30	4,988,021.82	.00	(4,988,021.82)	.0
	TOTAL FUND REVENUE	1,299,923.30	4,988,021.82	.00	(4,988,021.82)	.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

		PERMANENT FUND				
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
GENERAL GOVERNMENT						
40-900-7005	MANAGEMENT FEES	13,462.93	78,390.67	73,889.00	(4,501.67)	106.1
	TOTAL GENERAL GOVERNMENT	13,462.93	78,390.67	73,889.00	(4,501.67)	106.1
	TOTAL FUND EXPENDITURES	13,462.93	78,390.67	73,889.00	(4,501.67)	106.1
	NET REVENUE OVER EXPENDITURES	1,286,460.37	4,909,631.15	(73,889.00)	(4,983,520.15)	6644.6

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

MAINTENANCE RESERVE FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>REVENUES</u>					
41-000-4100	INTEREST REVENUE	651.35	8,007.40	.00	(8,007.40)	.0
	TOTAL REVENUES	651.35	8,007.40	.00	(8,007.40)	.0
	TOTAL FUND REVENUE	651.35	8,007.40	.00	(8,007.40)	.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING JUNE 30, 2025

		MAINTENANCE RESERVE FUND				
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
GENERAL GOVERNMENT						
41-900-8020	MAINTENANCE	.00	4,839.47	100,000.00	95,160.53	4.8
	TOTAL GENERAL GOVERNMENT	.00	4,839.47	100,000.00	95,160.53	4.8
	TOTAL FUND EXPENDITURES	.00	4,839.47	100,000.00	95,160.53	4.8
	NET REVENUE OVER EXPENDITURES	651.35	3,167.93	(100,000.00)	(103,167.93)	3.2

INVESTMENT REPORT



ALASKA PERMANENT
CAPITAL MANAGEMENT

Registered Investment Adviser

AEB SERIES E Investment Report

June 2025

Portfolio Overview

BEGINNING VALUE
+ ACCRUED **\$2,974,111**

TRANSFERS IN/
OUT **\$0**

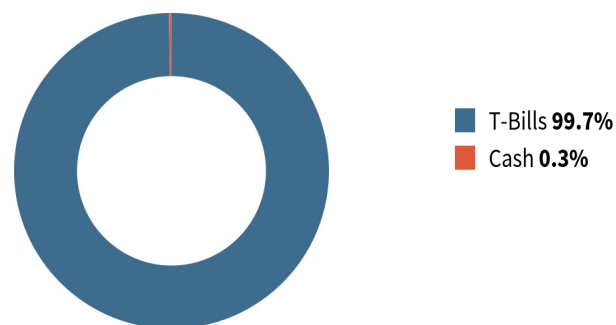
REALIZED GAINS **\$0**

CHANGE IN
MARKET VALUE **-\$358**

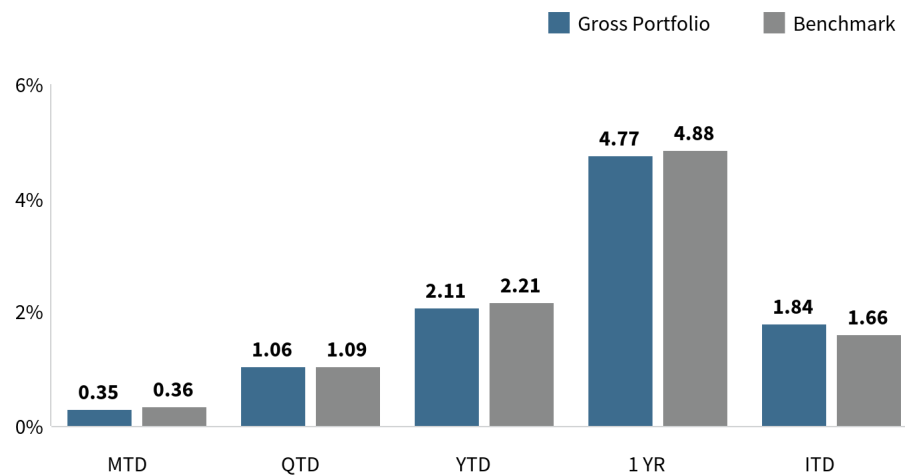
INTEREST INCOME **\$10,648**

ENDING VALUE +
ACCRUED **\$2,984,401**

Portfolio Composition



Investment Performance

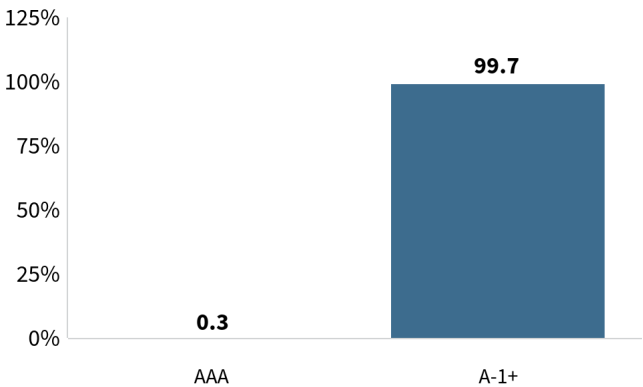


Performance is annualized for periods greater than one year. Inception to date performance begins October 01, 2003
Past performance is not indicative of future results.

Risk Management



Credit Rating Exposure

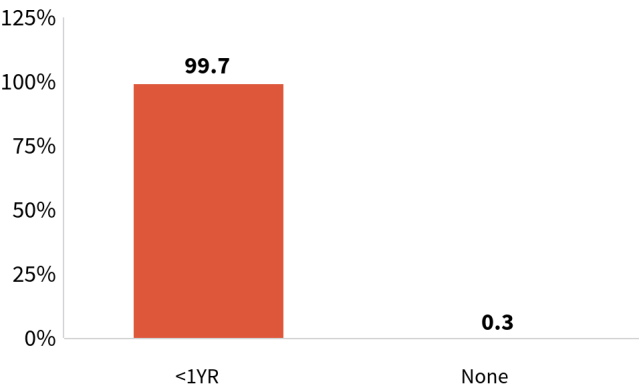


Source: Clearwater Composite Rating

Sector Exposure

	%MV
T-Bills	99.75%
Cash	0.25%

Duration Exposure (Years)



Top 10 Issuer Concentration

	%MV
Government of The United States	99.75%
(3140000V3) Federated Government Obligations Tax-Managed Fund	0.25%

This is a list of the Top 10 Issuer Concentration, but these are not the only issuer concentrations. A full list is available upon request.

MARKET VALUE

\$2,984,401

BOOK VALUE

\$2,984,759

UNREALIZED GAIN/LOSS

-\$358

YIELD TO MATURITY

4.24%

COUPON RATE

0.00%

DURATION

0.18

WAL

0.18

MOODY'S RATING

Aaa

Disclosures



S&P 500 Total Return Index

The S&P 500® Index is the Standard & Poor's Composite Index and is widely regarded as a single gauge of large cap U.S. equities. It is market cap weighted and includes 500 leading companies, capturing approximately 80% coverage of available market capitalization.

S&P MidCap 400 Total Return Index

The S&P MidCap 400 Index, more commonly known as the S&P 400, is a stock market index from S&P Dow Jones Indices. The index serves as a barometer for the U.S. mid-cap equities sector and is the most widely followed mid-cap index.

S&P Small Cap 600 Total Return Index

The S&P SmallCap 600® seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

MSCI EAFE Net Total Return USD Index

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. The MSCI EAFE Index consists of the following 21 developed market countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

MSCI Emerging Net Total Return USD Index

The MSCI Emerging Markets Index is a free float-adjusted market capitalization-weighted index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 26 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

STOXX Global Broad Infrastructure Index Net Return USD

The STOXX Global Broad Infrastructure Index is derived from the STOXX. Developed and Emerging Markets Total Market Index (TMI) and offers a diversified representation of companies that generate more than 50% of their revenue from selected infrastructure sectors. STOXX partnered with Revere Data, which defines 17 subsectors for the infrastructure industry. These 17 subsectors are rolled into five supersectors - Communications, Energy, Government Outsourcing/Social, Transportation and Utilities.

S&P USA REIT USD Total Return Index

The S&P United States REIT Index defines and measures the investable universe of publicly traded real estate investment trusts domiciled in the United States.

Bloomberg Commodity Index Total Return

The Bloomberg Commodity Index provides broad-based exposure to commodities, and no single commodity or commodity sector dominates the index. Rather than being driven by micro-economic events affecting one commodity market or sector, the diversified commodity exposure of the index potentially reduces volatility in comparison with non-diversified commodity investments.

Wilshire Liquid Alternative Total Return Index

The Wilshire Liquid Alternative IndexSM measures the collective performance of the five Wilshire Liquid Alternative strategies that make up the Wilshire Liquid Alternative Universe. Created in 2014, with a set of time series of data beginning on December 31, 1999, the Wilshire Liquid Alternative Index (WLIQA) is designed to provide a broad measure of the liquid alternative market by combining the performance of the Wilshire Liquid Alternative Equity Hedge Index (WLIQAEH), Wilshire Liquid Alternative Global Macro Index (WLIQAGM), Wilshire Liquid Alternative Relative Value Index (WLIQARV), Wilshire Liquid Alternative Multi-Strategy Index (WLIQAMS), and Wilshire Liquid Alternative Event Driven Index (WLIQAED).

Bloomberg US Agg Total Return Value Unhedged USD

The Bloomberg U.S. Aggregate Index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. It rolls up into other flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

Bloomberg VLI: High Yield Total Return Index Value Unhedged USD

The Bloomberg VLI: High Yield Total Return Index is a component of the US Corp High Yield Index that is designed to track a more liquid component of the USD-denominated, high yield, fixed-rate corporate bond market.

Bloomberg GLA xUSD Float Adj RIC Capped Index TR Index Value Hedged USD

The Bloomberg Barclays Global Aggregate ex-USD Float-Adjusted RIC Capped Index is a customized subset of the Global Aggregate Index that meets the same diversification guidelines that a fund must pass to qualify as a regulated investment company (RIC). This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from developed and emerging markets issuers while excluding USD denominated debt. The Global Aggregate ex-USD Float Adjusted RIC Capped Index is largely comprised of two major regional aggregate components: the Pan-European Aggregate and the Asian-Pacific Aggregate Index.

FTSE 3 Month Treas Bill Local Currency

The FTSE 3 Month US T Bill Index Series is intended to track the daily performance of 3 month US Treasury bills. The indices are designed to operate as a reference rate for a series of funds.

Disclosures



Bloomberg Muni 1-15 Year Blend (1-17) Total Return Index Value

The Bloomberg Municipal 1-15 Year Index measures the performance of USD-denominated long-term, tax-exempt bond market with maturities of 1-15 years, including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged

The Bloomberg U.S. Government Intermediate Index measures the performance of the U.S. Treasury and U.S. agency debentures with maturities of 1-10 years. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

Bloomberg 1-5 Yr Gov/Credit Total Return Index Value Unhedge

The Bloomberg US 1-5 year Government/Credit Float-Adjusted Bond Index is a float-adjusted version of the US 1-5 year Government/Credit Index, which tracks the market for investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities.

FTSE High Dividend Yield Total Return Index

The FTSE High Dividend Yield Index is designed to represent the performance of companies with relatively high forecast dividend yields

WisdomTree U.S. MidCap Dividend Index Total Return

The WisdomTree U.S. MidCap Dividend Index is a fundamentally weighted index that measures the performance of the mid-capitalization segment of the US dividend-paying market. The Index is comprised of the companies that compose the top 75% of the market capitalization of the WisdomTree U.S. Dividend Index after the 300 largest companies have been removed. The index is dividend weighted annually to reflect the proportionate share of the aggregate cash dividends each component company is projected to pay in the coming year, based on the most recently declared dividend per share.

WisdomTree U.S. SmallCap Dividend Index Total Return

The WisdomTree U.S. SmallCap Dividend Index is a fundamentally weighted index measuring the performance of the small-capitalization segment of the US dividend-paying market. The Index is comprised of the companies that compose the bottom 25% of the market capitalization of the WisdomTree U.S. Dividend Index after the 300 largest companies have been removed. The index is dividend weighted annually to reflect the proportionate share of the aggregate cash dividends each component company is projected to pay in the coming year, based on the most recently declared dividend per share.

Bloomberg U.S. Long Government/Credit Unhedged USD

The Bloomberg U.S. Government Credit Long Index measures the performance of the non-securitized component of the U.S. Aggregate Index with maturities of 10 years and greater, including Treasuries, government-related issues, and corporates. It is a subset of the U.S. Aggregate Index.

Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged

The Bloomberg U.S. Government Credit Intermediate Index measures the performance of the non-securitized component of the U.S. Aggregate Index with maturities of 1-10 years, including Treasuries, government-related issues, and corporates. It is a subset of the U.S. Aggregate Index.

Bloomberg Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD

An index designed to measure the performance of tax-exempt U.S. investment grade municipal bonds with remaining maturities between four and six years. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

MSCI ACWI IMI Net Total Return USD Index

The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The MSCI AXWI IMI includes the following 23 developed market countries : Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, and United States. The MSCI AXWI IMI includes the following 24 emerging market countries: : Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

Bloomberg 1-3 Yr Gov Total Return Index Value Unhedged USD

The Bloomberg U.S. Government/Credit 1-3 Year Index is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years.

Bloomberg 1-5 Yr Gov TR Index

Bloomberg Barclays Municipal 1-5 Yr TR USD includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 5 years and are publicly issued.

ICE BofA US 3-Month Treasury Bill Index

The ICE BofA 3 Month U.S. Treasury Index measures the performance of a single issue of outstanding treasury bill which matures closest to, but not beyond, three months from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue.

Bloomberg US Treasury TIPS 0-5 Years Total Return Index Unhedged USD

Bloomberg US Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index is a market value-weighted index that measures the performance of inflation-protected securities issued by the US Treasury that have a remaining average life between 0 and 5 years.

Bloomberg U.S. Treasury Bellwethers: 1 Yr

The Bloomberg U.S. Treasury Bellwethers 1 Yr. Index is an unmanaged index representing the on-the-run (most recently auctioned) U.S. Treasury bond with 1 years' maturity.



Client Relationship Manager

Blake Phillips, CFA®

blake@apcm.net

Portfolio Manager

Paul Hanson, CFA®

Chartered Financial Analyst® (CFA®) are licensed by the CFA® Institute to use the CFA® mark. CFA® certification requirements: Hold a bachelor's degree from an accredited institution or have equivalent education or work experience, successful completion of all three exam levels of the CFA® Program, have 48 months of acceptable professional work experience in the investment decision-making process, fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.



ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

AEB 2010 SERIES B BOND/AKUTAN Investment Report

June 2025

Portfolio Overview

BEGINNING VALUE
+ ACCRUED **\$819,053**

TRANSFERS IN/
OUT **-\$109**

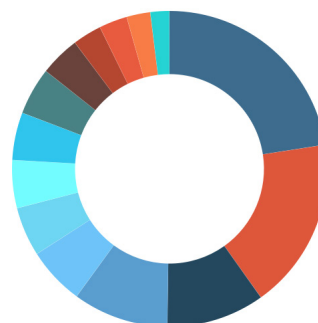
REALIZED GAINS **\$0**

CHANGE IN
MARKET VALUE **\$1,113**

INTEREST INCOME **\$2,873**

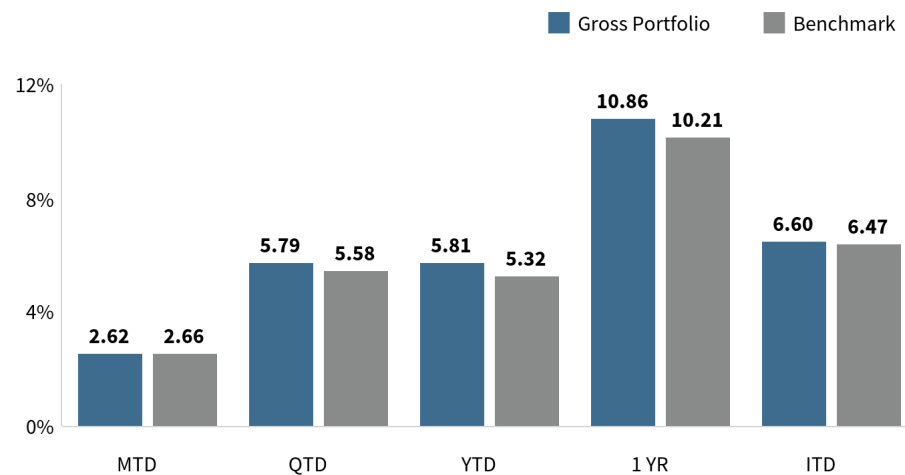
ENDING VALUE +
ACCRUED **\$822,930**

Portfolio Composition



- U.S. Large Cap Equity **22.6%**
- U.S. Fixed Income **17.6%**
- U.S. Mid Cap Equity **10.1%**
- Alternative Beta **9.8%**
- Developed International Equity **5.9%**
- U.S. Small Cap Equity **5.0%**
- Infrastructure **4.9%**
- U.S. High Yield Fixed Income **4.9%**
- International Fixed Income **4.9%**
- Emerging Market Equity **4.1%**
- Commodities **3.0%**
- REITs **2.9%**
- Cash **2.4%**
- TIPS **2.0%**

Investment Performance

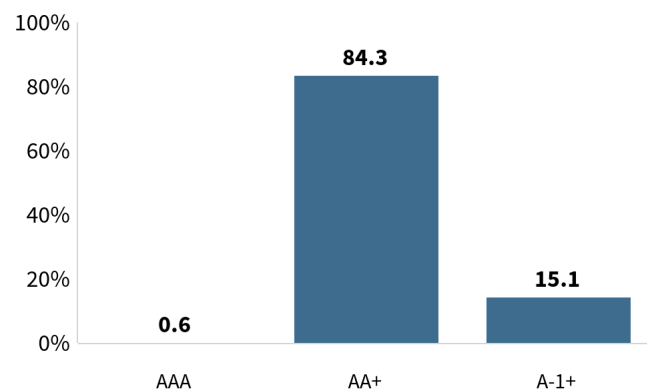


Performance is annualized for periods greater than one year. Inception to date performance begins September 01, 2011
Past performance is not indicative of future results.

Risk Management

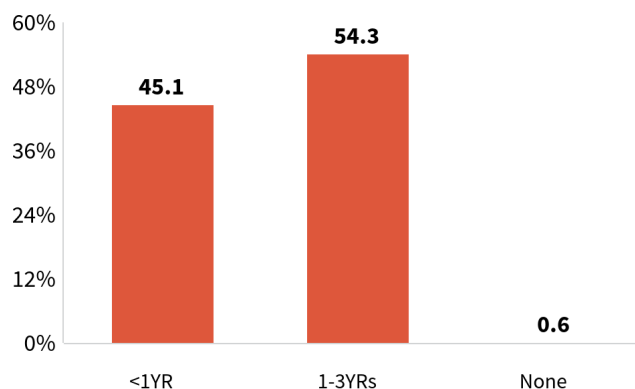


Credit Rating Exposure



Source: Clearwater Composite Rating

Duration Exposure (Years)



Sector Exposure

	%MV
U.S. Treasuries	84.31%
T-Bills	15.10%
Cash	0.60%

Top 10 Issuer Concentration

	%MV
Government of The United States	99.40%
(3140000V3) Federated Government Obligations Tax-Managed Fund	0.60%

This is a list of the Top 10 Issuer Concentration, but these are not the only issuer concentrations. A full list is available upon request.

MARKET VALUE

\$817,783

BOOK VALUE

\$814,649

UNREALIZED GAIN/LOSS

\$3,134

YIELD TO MATURITY

4.04%

COUPON RATE

2.71%

DURATION

1.04

WAL

1.31

MOODY'S RATING

Aa1

Disclosures



S&P 500 Total Return Index

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MSCI Emerging Net Total Return USD Index

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STOXX Global Broad Infrastructure Index Net Return USD

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Bloomberg US Agg Total Return Value Unhedged USD

The Bloomberg U.S. Aggregate Index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. It rolls up into other flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

Bloomberg VLI: High Yield Total Return Index Value Unhedged USD

The Bloomberg VLI: High Yield Total Return Index is a component of the US Corp High Yield Index that is designed to track a more liquid component of the USD-denominated, high yield, fixed-rate corporate bond market.

Bloomberg GLA xUSD Float Adj RIC Capped Index TR Index Value Hedged USD

The Bloomberg Barclays Global Aggregate ex-USD Float-Adjusted RIC Capped Index is a customized subset of the Global Aggregate Index that meets the same diversification guidelines that a fund must pass to qualify as a regulated investment company (RIC). This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from developed and emerging markets issuers while excluding USD denominated debt. The Global Aggregate ex-USD Float Adjusted RIC Capped Index is largely comprised of two major regional aggregate components: the Pan-European Aggregate and the Asian-Pacific Aggregate Index.

FTSE 3 Month Treas Bill Local Currency

The FTSE 3 Month US T Bill Index Series is intended to track the daily performance of 3 month US Treasury bills. The indices are designed to operate as a reference rate for a series of funds.

Disclosures



Bloomberg Muni 1-15 Year Blend (1-17) Total Return Index Value

The Bloomberg Municipal 1-15 Year Index measures the performance of USD-denominated long-term, tax-exempt bond market with maturities of 1-15 years, including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged

The Bloomberg U.S. Government Intermediate Index measures the performance of the U.S. Treasury and U.S. agency debentures with maturities of 1-10 years. It is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

Bloomberg 1-5 Yr Gov/Credit Total Return Index Value Unhedge

The Bloomberg US 1-5 year Government/Credit Float-Adjusted Bond Index is a float-adjusted version of the US 1-5 year Government/Credit Index, which tracks the market for investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities.

FTSE High Dividend Yield Total Return Index

The FTSE High Dividend Yield Index is designed to represent the performance of companies with relatively high forecast dividend yields

WisdomTree U.S. MidCap Dividend Index Total Return

The WisdomTree U.S. MidCap Dividend Index is a fundamentally weighted index that measures the performance of the mid-capitalization segment of the US dividend-paying market. The Index is comprised of the companies that compose the top 75% of the market capitalization of the WisdomTree U.S. Dividend Index after the 300 largest companies have been removed. The index is dividend weighted annually to reflect the proportionate share of the aggregate cash dividends each component company is projected to pay in the coming year, based on the most recently declared dividend per share.

WisdomTree U.S. SmallCap Dividend Index Total Return

The WisdomTree U.S. SmallCap Dividend Index is a fundamentally weighted index measuring the performance of the small-capitalization segment of the US dividend-paying market. The Index is comprised of the companies that compose the bottom 25% of the market capitalization of the WisdomTree U.S. Dividend Index after the 300 largest companies have been removed. The index is dividend weighted annually to reflect the proportionate share of the aggregate cash dividends each component company is projected to pay in the coming year, based on the most recently declared dividend per share.

Bloomberg U.S. Long Government/Credit Unhedged USD

The Bloomberg U.S. Government Credit Long Index measures the performance of the non-securitized component of the U.S. Aggregate Index with maturities of 10 years and greater, including Treasuries, government-related issues, and corporates. It is a subset of the U.S. Aggregate Index.

Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged

The Bloomberg U.S. Government Credit Intermediate Index measures the performance of the non-securitized component of the U.S. Aggregate Index with maturities of 1-10 years, including Treasuries, government-related issues, and corporates. It is a subset of the U.S. Aggregate Index.

Bloomberg Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD

An index designed to measure the performance of tax-exempt U.S. investment grade municipal bonds with remaining maturities between four and six years. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

MSCI ACWI IMI Net Total Return USD Index

The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The MSCI AXWI IMI includes the following 23 developed market countries : Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, and United States. The MSCI AXWI IMI includes the following 24 emerging market countries: : Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

Bloomberg 1-3 Yr Gov Total Return Index Value Unhedged USD

The Bloomberg U.S. Government/Credit 1-3 Year Index is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years.

Bloomberg 1-5 Yr Gov TR Index

Bloomberg Barclays Municipal 1-5 Yr TR USD includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 5 years and are publicly issued.

ICE BofA US 3-Month Treasury Bill Index

The ICE BofA 3 Month U.S. Treasury Index measures the performance of a single issue of outstanding treasury bill which matures closest to, but not beyond, three months from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue.

Bloomberg US Treasury TIPS 0-5 Years Total Return Index Unhedged USD

Bloomberg US Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index is a market value-weighted index that measures the performance of inflation-protected securities issued by the US Treasury that have a remaining average life between 0 and 5 years.

Bloomberg U.S. Treasury Bellwethers: 1 Yr

The Bloomberg U.S. Treasury Bellwethers 1 Yr. Index is an unmanaged index representing the on-the-run (most recently auctioned) U.S. Treasury bond with 1 years' maturity.



Client Relationship Manager

Blake Phillips, CFA®

blake@apcm.net

Portfolio Manager

Paul Hanson, CFA®

Chartered Financial Analyst® (CFA®) are licensed by the CFA® Institute to use the CFA® mark. CFA® certification requirements: Hold a bachelor's degree from an accredited institution or have equivalent education or work experience, successful completion of all three exam levels of the CFA® Program, have 48 months of acceptable professional work experience in the investment decision-making process, fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.



ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

AEB OPERATING RESERVE FUND Investment Report

June 2025

Portfolio Overview

BEGINNING VALUE
+ ACCRUED **\$10,405,447**

TRANSFERS IN/
OUT **-\$648**

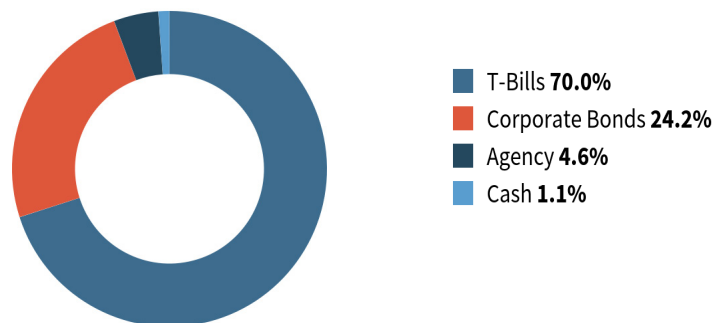
REALIZED GAINS **\$0**

CHANGE IN
MARKET VALUE **-\$777**

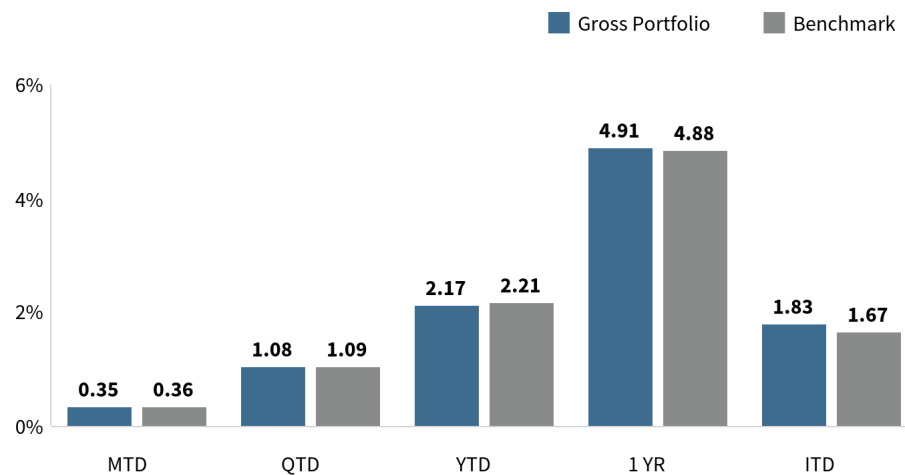
INTEREST INCOME **\$37,671**

ENDING VALUE +
ACCRUED **\$10,441,694**

Portfolio Composition



Investment Performance

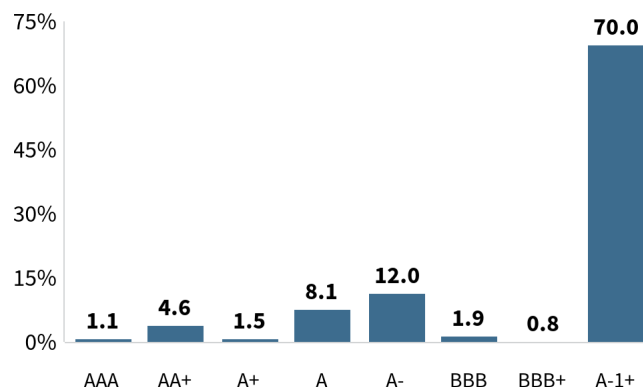


Performance is annualized for periods greater than one year. Inception to date performance begins August 01, 2001. Past performance is not indicative of future results.

Risk Management

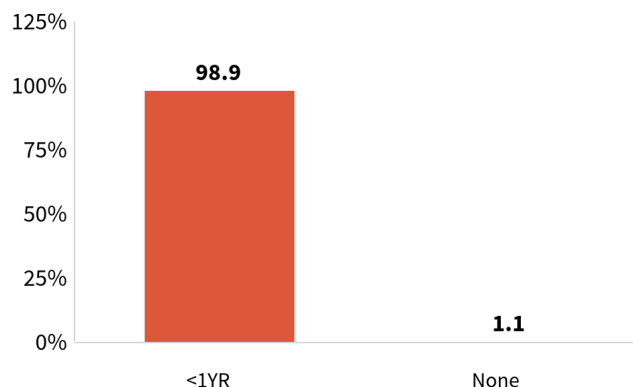


Credit Rating Exposure



Source: Clearwater Composite Rating

Duration Exposure (Years)



Sector Exposure

	%MV
T-Bills	70.05%
Corporate Bonds	24.22%
Agency	4.61%
Cash	1.12%

Top 10 Issuer Concentration

	%MV
Government of The United States	70.05%
Federal Home Loan Mortgage Corporation	3.28%
Morgan Stanley	1.45%
TE Connectivity plc	1.45%
Philip Morris International Inc.	1.43%
Canadian National Railway Company	1.43%
The Toronto-Dominion Bank	1.43%
Phillips 66	1.41%
Federal Home Loan Banks	1.33%
International Business Machines Corporation	1.22%

This is a list of the Top 10 Issuer Concentration, but these are not the only issuer concentrations. A full list is available upon request.

MARKET VALUE

\$10,416,347

BOOK VALUE

\$10,418,906

UNREALIZED GAIN/LOSS

-\$2,559

YIELD TO MATURITY

4.36%

COUPON RATE

0.91%

DURATION

0.23

WAL

0.24

MOODY'S RATING

Aa3

Disclosures

S&P 500 Total Return Index

The S&P 500® Index is the Standard & Poor's Composite Index and is widely regarded as a single gauge of large cap U.S. equities. It is market cap weighted and includes 500 leading companies, capturing approximately 80% coverage of available market capitalization.

S&P MidCap 400 Total Return Index

The S&P MidCap 400 Index, more commonly known as the S&P 400, is a stock market index from S&P Dow Jones Indices. The index serves as a barometer for the U.S. mid-cap equities sector and is the most widely followed mid-cap index.

S&P Small Cap 600 Total Return Index

The S&P SmallCap 600® seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

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Bloomberg US Treasury TIPS 0-5 Years Total Return Index Unhedged USD

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Bloomberg U.S. Treasury Bellwethers: 1 Yr

The Bloomberg U.S. Treasury Bellwethers 1 Yr. Index is an unmanaged index representing the on-the-run (most recently auctioned) U.S. Treasury bond with 1 years' maturity.



Client Relationship Manager

Blake Phillips, CFA®

blake@apcm.net

Portfolio Manager

Paul Hanson, CFA®

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ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

ALEUTIANS EAST BOR. PERM FUND Investment Report

June 2025

Portfolio Overview

BEGINNING VALUE
+ ACCRUED **\$48,480,769**

TRANSFERS IN/
OUT **-\$1,176**

REALIZED GAINS/
LOSSES **\$346**

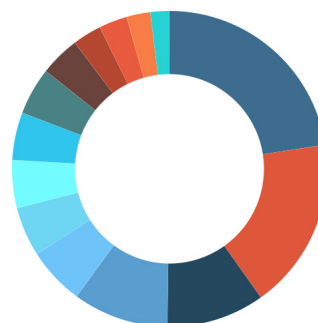
CHANGE IN
MARKET VALUE **\$1,057,288**

INTEREST INCOME **\$45,841**

DIVIDEND INCOME **\$167,140**

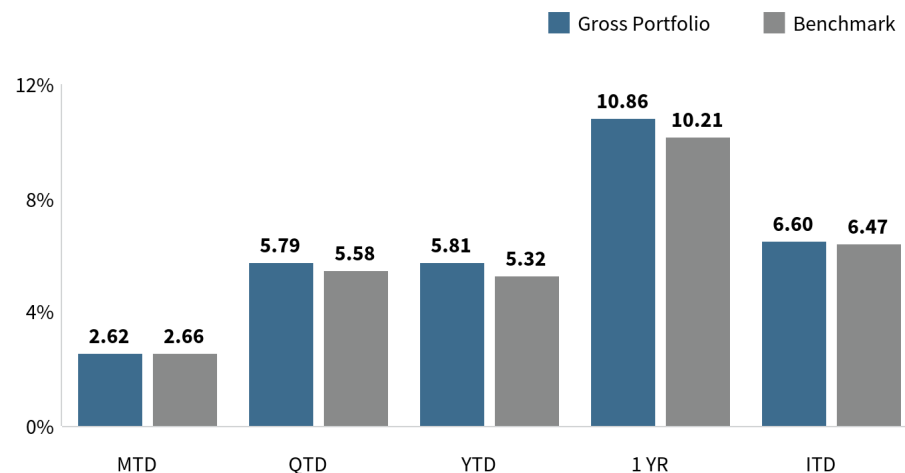
ENDING VALUE +
ACCRUED **\$49,750,208**

Portfolio Composition



- U.S. Large Cap Equity **22.6%**
- U.S. Fixed Income **17.6%**
- U.S. Mid Cap Equity **10.1%**
- Alternative Beta **9.8%**
- Developed International Equity **5.9%**
- U.S. Small Cap Equity **5.0%**
- Infrastructure **4.9%**
- U.S. High Yield Fixed Income **4.9%**
- International Fixed Income **4.9%**
- Emerging Market Equity **4.1%**
- Commodities **3.0%**
- REITs **2.9%**
- Cash **2.4%**
- TIPS **2.0%**

Investment Performance



Performance is annualized for periods greater than one year. Inception to date performance begins August 01, 1993
Past performance is not indicative of future results.

Portfolio Summary and Target

	MARKET VALUE (\$)	ASSETS (%)	TARGET (%)	RANGE
RISK CONTROL				
U.S. Fixed Income	8,744,162	17.6%	18%	8% to 28%
TIPS	970,780	2.0%	2%	0% to 10%
International Fixed Income	2,412,899	4.9%	5%	0% to 10%
Cash	1,209,661	2.4%	2%	0% to 10%
Risk Control Total	13,337,502	26.8%		
RISK ASSET				
U.S. High Yield Fixed Income	2,429,546	4.9%	5%	0% to 10%
U.S. Large Cap Equity	11,228,883	22.6%	22%	12% to 32%
U.S. Mid Cap Equity	5,017,045	10.1%	10%	5% to 15%
U.S. Small Cap Equity	2,506,269	5.0%	5%	0% to 10%
Developed International Equity	2,944,196	5.9%	6%	0% to 12%
Emerging Market Equity	2,043,280	4.1%	4%	0% to 8%
Risk Asset Total	26,169,219	52.6%		
ALTERNATIVES				
REITs	1,438,878	2.9%	3%	0% to 6%
Alternative Beta	4,878,973	9.8%	10%	0% to 15%
Infrastructure	2,441,587	4.9%	5%	0% to 10%
Commodities	1,484,048	3.0%	3%	0% to 6%
Alternatives Total	10,243,486	20.6%		
TOTAL PORTFOLIO	49,750,208	100.0%		

We urge you compare the account statement we provide with the account statement you receive from your custodian. We cannot guarantee the accuracy of this information for tax purposes. Please verify all information from trade confirmations.

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Disclosures



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Bloomberg 1-5 Yr Gov/Credit Total Return Index Value Unhedge

The Bloomberg US 1-5 year Government/Credit Float-Adjusted Bond Index is a float-adjusted version of the US 1-5 year Government/Credit Index, which tracks the market for investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities.

FTSE High Dividend Yield Total Return Index

The FTSE High Dividend Yield Index is designed to represent the performance of companies with relatively high forecast dividend yields

WisdomTree U.S. MidCap Dividend Index Total Return

The WisdomTree U.S. MidCap Dividend Index is a fundamentally weighted index that measures the performance of the mid-capitalization segment of the US dividend-paying market. The Index is comprised of the companies that compose the top 75% of the market capitalization of the WisdomTree U.S. Dividend Index after the 300 largest companies have been removed. The index is dividend weighted annually to reflect the proportionate share of the aggregate cash dividends each component company is projected to pay in the coming year, based on the most recently declared dividend per share.

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Bloomberg U.S. Long Government/Credit Unhedged USD

The Bloomberg U.S. Government Credit Long Index measures the performance of the non-securitized component of the U.S. Aggregate Index with maturities of 10 years and greater, including Treasuries, government-related issues, and corporates. It is a subset of the U.S. Aggregate Index.

Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged

The Bloomberg U.S. Government Credit Intermediate Index measures the performance of the non-securitized component of the U.S. Aggregate Index with maturities of 1-10 years, including Treasuries, government-related issues, and corporates. It is a subset of the U.S. Aggregate Index.

Bloomberg Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD

An index designed to measure the performance of tax-exempt U.S. investment grade municipal bonds with remaining maturities between four and six years. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

MSCI ACWI IMI Net Total Return USD Index

The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The MSCI AXWI IMI includes the following 23 developed market countries : Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, and United States. The MSCI AXWI IMI includes the following 24 emerging market countries: : Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

Bloomberg 1-3 Yr Gov Total Return Index Value Unhedged USD

The Bloomberg U.S. Government/Credit 1-3 Year Index is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years.

Bloomberg 1-5 Yr Gov TR Index

Bloomberg Barclays Municipal 1-5 Yr TR USD includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 5 years and are publicly issued.

ICE BofA US 3-Month Treasury Bill Index

The ICE BofA 3 Month U.S. Treasury Index measures the performance of a single issue of outstanding treasury bill which matures closest to, but not beyond, three months from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue.

Bloomberg US Treasury TIPS 0-5 Years Total Return Index Unhedged USD

Bloomberg US Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index is a market value-weighted index that measures the performance of inflation-protected securities issued by the US Treasury that have a remaining average life between 0 and 5 years.

Bloomberg U.S. Treasury Bellwethers: 1 Yr

The Bloomberg U.S. Treasury Bellwethers 1 Yr. Index is an unmanaged index representing the on-the-run (most recently auctioned) U.S. Treasury bond with 1 years' maturity.



Client Relationship Manager

Blake Phillips, CFA®

blake@apcm.net

Portfolio Manager

Brandy Niclai, CFA®

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ALASKA PERMANENT
CAPITAL MANAGEMENT

Registered Investment Adviser

AEB APPROPRIATIONS FUND Investment Report

June 2025

Portfolio Overview

BEGINNING VALUE
+ ACCRUED **\$5,778,672**

TRANSFERS IN/
OUT **\$0**

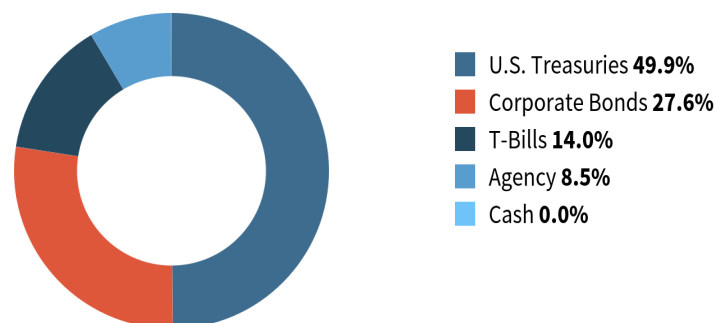
REALIZED GAINS **-\$3**

CHANGE IN
MARKET VALUE **\$8,016**

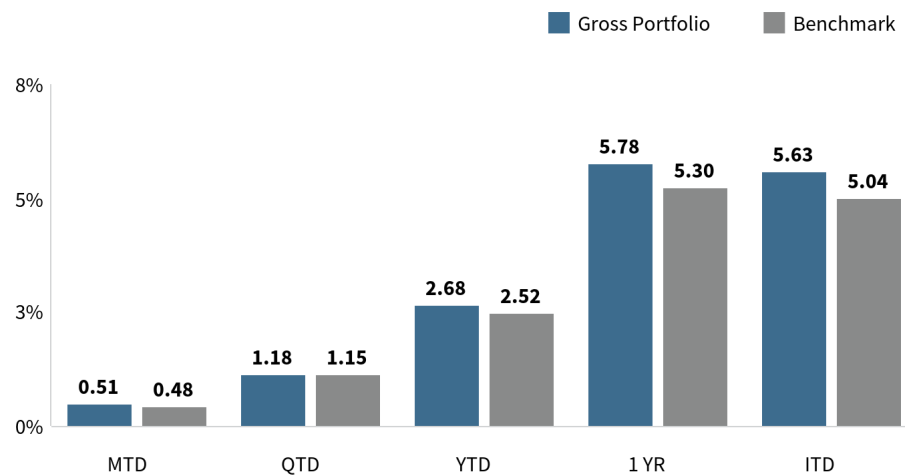
INTEREST INCOME **\$21,637**

ENDING VALUE +
ACCRUED **\$5,808,323**

Portfolio Composition



Investment Performance

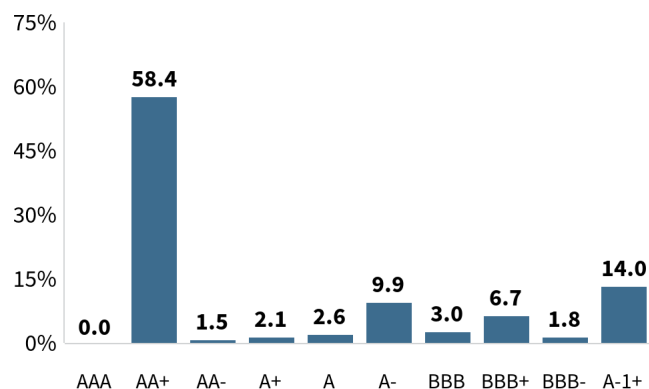


Performance is annualized for periods greater than one year. Inception to date performance begins November 01, 2023
Past performance is not indicative of future results.

Risk Management

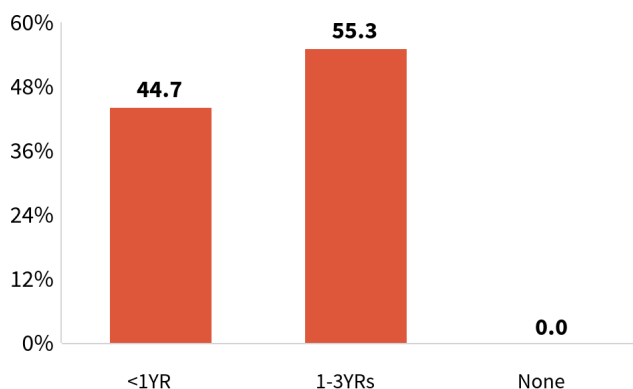


Credit Rating Exposure



Source: Clearwater Composite Rating

Duration Exposure (Years)



Sector Exposure

	%MV
U.S. Treasuries	49.88%
Corporate Bonds	27.58%
T-Bills	14.03%
Agency	8.48%
Cash	0.03%

Top 10 Issuer Concentration

	%MV
Government of The United States	63.91%
Federal Home Loan Banks	6.99%
American Water Works Company, Inc.	1.53%
State Street Corporation	1.48%
Comcast Corporation	1.27%
Enterprise Products Partners L.P.	1.24%
BP p.l.c.	1.23%
Capital One Financial Corporation	1.23%
Marsh & McLennan Companies, Inc.	1.22%
Citigroup Inc.	1.07%

This is a list of the Top 10 Issuer Concentration, but these are not the only issuer concentrations. A full list is available upon request.

MARKET VALUE

\$5,768,215

BOOK VALUE

\$5,741,183

UNREALIZED GAIN/LOSS

\$27,032

YIELD TO MATURITY

4.23%

COUPON RATE

2.76%

DURATION

1.07

WAL

1.25

MOODY'S RATING

A1

Disclosures



S&P 500 Total Return Index

The S&P 500® Index is the Standard & Poor's Composite Index and is widely regarded as a single gauge of large cap U.S. equities. It is market cap weighted and includes 500 leading companies, capturing approximately 80% coverage of available market capitalization.

S&P MidCap 400 Total Return Index

The S&P MidCap 400 Index, more commonly known as the S&P 400, is a stock market index from S&P Dow Jones Indices. The index serves as a barometer for the U.S. mid-cap equities sector and is the most widely followed mid-cap index.

S&P Small Cap 600 Total Return Index

The S&P SmallCap 600® seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

MSCI EAFE Net Total Return USD Index

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. The MSCI EAFE Index consists of the following 21 developed market countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

MSCI Emerging Net Total Return USD Index

The MSCI Emerging Markets Index is a free float-adjusted market capitalization-weighted index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 26 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

STOXX Global Broad Infrastructure Index Net Return USD

The STOXX Global Broad Infrastructure Index is derived from the STOXX. Developed and Emerging Markets Total Market Index (TMI) and offers a diversified representation of companies that generate more than 50% of their revenue from selected infrastructure sectors. STOXX partnered with Revere Data, which defines 17 subsectors for the infrastructure industry. These 17 subsectors are rolled into five supersectors - Communications, Energy, Government Outsourcing/Social, Transportation and Utilities.

S&P USA REIT USD Total Return Index

The S&P United States REIT Index defines and measures the investable universe of publicly traded real estate investment trusts domiciled in the United States.

Bloomberg Commodity Index Total Return

The Bloomberg Commodity Index provides broad-based exposure to commodities, and no single commodity or commodity sector dominates the index. Rather than being driven by micro-economic events affecting one commodity market or sector, the diversified commodity exposure of the index potentially reduces volatility in comparison with non-diversified commodity investments.

Wilshire Liquid Alternative Total Return Index

The Wilshire Liquid Alternative IndexSM measures the collective performance of the five Wilshire Liquid Alternative strategies that make up the Wilshire Liquid Alternative Universe. Created in 2014, with a set of time series of data beginning on December 31, 1999, the Wilshire Liquid Alternative Index (WLIQA) is designed to provide a broad measure of the liquid alternative market by combining the performance of the Wilshire Liquid Alternative Equity Hedge Index (WLIQAEH), Wilshire Liquid Alternative Global Macro Index (WLIQAGM), Wilshire Liquid Alternative Relative Value Index (WLIQARV), Wilshire Liquid Alternative Multi-Strategy Index (WLIQAMS), and Wilshire Liquid Alternative Event Driven Index (WLIQAED).

Bloomberg US Agg Total Return Value Unhedged USD

The Bloomberg U.S. Aggregate Index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. It rolls up into other flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

Bloomberg VLI: High Yield Total Return Index Value Unhedged USD

The Bloomberg VLI: High Yield Total Return Index is a component of the US Corp High Yield Index that is designed to track a more liquid component of the USD-denominated, high yield, fixed-rate corporate bond market.

Bloomberg GLA xUSD Float Adj RIC Capped Index TR Index Value Hedged USD

The Bloomberg Barclays Global Aggregate ex-USD Float-Adjusted RIC Capped Index is a customized subset of the Global Aggregate Index that meets the same diversification guidelines that a fund must pass to qualify as a regulated investment company (RIC). This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from developed and emerging markets issuers while excluding USD denominated debt. The Global Aggregate ex-USD Float Adjusted RIC Capped Index is largely comprised of two major regional aggregate components: the Pan-European Aggregate and the Asian-Pacific Aggregate Index.

FTSE 3 Month Treas Bill Local Currency

The FTSE 3 Month US T Bill Index Series is intended to track the daily performance of 3 month US Treasury bills. The indices are designed to operate as a reference rate for a series of funds.

Disclosures



Bloomberg Muni 1-15 Year Blend (1-17) Total Return Index Value

The Bloomberg Municipal 1-15 Year Index measures the performance of USD-denominated long-term, tax-exempt bond market with maturities of 1-15 years, including state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged

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Client Relationship Manager

Blake Phillips, CFA®

blake@apcm.net

Portfolio Manager

Paul Hanson, CFA®

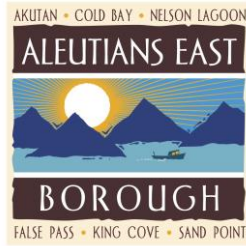
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CONSENT AGENDA

PUBLIC HEARING

ORDINANCES

RESOLUTIONS



Agenda Statement

Date: August 7, 2025

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

Re: Resolution 26-07 Authorizing the Mayor to Negotiate and Execute a Contract with DOWL for a False Pass School Condition Assessment in an amount not to exceed \$82,180

In 2018, DOWL completed a condition assessment of the False Pass School. During the last few years, the occurrence of maintenance and operational issues has increased at the school, which includes but is not limited to mechanical, electrical and structural issues. Administration believes it would be in the Borough's best interest to conduct a new site assessment of the facility and has requested a proposal from DOWL for this work.

DOWL has provided the attached False Pass School Condition Assessment Scope of Work and Fee Proposal. The Scope of Work includes:

Phase 1 – False Pass School Condition Assessment Site – Visit - \$46,321

This phase includes a team of architects and engineers two architects [one for architectural review and one for Matterport scan], one mechanical engineer, one electrical engineer, one structural engineer, and one civil engineer/project manager) traveling to False Pass to conduct the on-site portion of the assessment. The team will review school areas and site conditions in each of their respective disciplines and identify improvements areas and items. In addition to still photos, the architectural team will conduct a Matterport scan that will provide comprehensive imaging of the school interior that can be used by the AEB or design team in the future (the Matterport scan provides 3D 'walk-through' imaging, comparable to Google Earth Street view).

Phase 2 – False Pass School Condition Assessment Report - \$35,859

This phase will compile the findings from phase 1 into a new condition assessment report, modeled similarly to the condition assessment report DOWL prepared in 2018. The report will provide itemized immediate (categorized by code-compliance and serviceability), short term and long-term improvement recommendations. The rating scale will also comply with the Department of Early Education and Development (DEED) grant application process. The final report will include cost estimates to complete the recommended improvements. Professional cost estimating is required by DEED.

Administration recommends moving forward and conducting the assessment. Funds for this project are available in line-item 21-501-8030 Project Contingency.

RECOMMENDATION

Administration recommends approval of Resolution 26-07 Authorizing the Mayor to Negotiate and Execute a Contract with DOWL for a False Pass School Condition Assessment in an amount not to exceed \$82,180.



July 25, 2025

Ms. Anne Bailey
Aleutians East Borough
3380 C Street, Suite 205
Anchorage, AK 99503

**Subject: False Pass School Condition Assessment
Scope of Work and Fee Proposal**

Dear Ms. Bailey:

DOWL last completed a condition assessment of the False Pass School in 2018. During the last few years, the occurrence of maintenance and operational issues has increased. As requested, DOWL is providing this proposal for a site visit and new condition assessment report of the False Pass School. This proposal summarizes DOWL's proposed scope of work, deliverables and schedule to complete these services.

SCOPE OF WORK

Phase 1 – False Pass School Condition Assessment Site-Visit

This phase includes a team of architects and engineers (two architects [one for architectural review and one for Matterport scan], one mechanical engineer, one electrical engineer, one structural engineer, and one civil engineer/project manager) traveling to False Pass to conduct the on-site portion of the assessment. The team will review school areas and site conditions in each of their respective disciplines and identify improvements areas and items. In addition to still photos, the architectural team will conduct a Matterport scan that will provide comprehensive imaging of the school interior that can be used by the AEB or design team in the future (the Matterport scan provides 3D 'walk-through' imaging, comparable to GoogleEarth Street view).

Phase 2 – False Pass School Condition Assessment Report

This phase will compile the findings from phase 1 into a new condition assessment report, modeled similarly to the condition assessment report DOWL prepared in 2018. The report will provide itemized immediate (categorized by code-compliance and serviceability), short term and long-term improvement recommendations. The rating scale will also comply with the Department of Early Education and Development (DEED) grant application process. The final report will include cost estimates to complete the recommended improvements. Professional cost estimating is required by DEED.

ASSUMPTIONS

1. After comparing costs, the team intends to charter a plane to fly directly from Anchorage to False Pass to conduct the on-site portion of the site visit in one day. The chartered flight is comparable to regularly scheduled commercial flights that would require an overnight in False Pass and that are also more subject to delayed schedules and a longer duration site visit, which is more costly.
2. If the assessment teams are delayed due to circumstances out of their control (weather or plane issues) while mobilized to AEB communities, team members will charge standby time at 8 hours per day, receive daily per diem and be reimbursed for associated lodging costs.
3. AEB will provide written comments on draft assessment report within two weeks of receipt of draft report.
4. AEB will provide local contacts for access to the False Pass School and the facility will be available during our site visit.
5. A hazardous material survey is not included in this proposal. These services are typically conducted once a 35% design defines scope of improvements and proposed work areas. The cost estimate will carry an assumed contingency for potential hazardous material abatement costs.

DELIVERABLES

The DOWL will submit the following deliverable to the AEB.

- Draft condition assessment report, without cost estimates.
- Final condition assessment report, with cost estimates.

SCHEDULE

Below is a tentative milestone schedule based on our understanding of the project and AEB goals.

- | | |
|--|---|
| • Early August 2025 | Notice-to-Procced to DOWL |
| • August or September 2025 | Assessment team complete site visit. |
| ○ If life safety items are identified which warrant immediate discussion, AEB will be notified immediately after the site visit. | |
| • Within 45 days of site visit | Draft condition assessment report submitted to AEB and to Estimations for cost estimating |
| • Within 2 weeks of draft report submittal | Comments provided by AEB. Cost estimates complete |
| • Fall, 2025 | Final condition assessment report delivered to AEB |

COST

DOWL proposes to complete Phase 1 and Phase 2 on a lump sum basis. See the summary below and the attached PDF for more detail.

Phase 1 – Condition Assessment Site-Visit	\$ 46,321
Phase 2 – Condition Assessment Report	\$ 35,859
Total	\$ 82,180

AGREEMENT

DOWL will complete these services under the professional service agreement executed between the AEB and DOWL on August 24, 2020 (and applicable amendments) or via the pending 2025 AEB-DOWL professional services agreement that is pending Assembly approval.

Thanks again for the opportunity to help support the False Pass community. Please contact me at 907-301-2178 or evoorhees@dowl.com with questions or comments.

Sincerely,
DOWL



Eric Voorhees, P.E.
Senior Project Manager

This proposal is accepted, and DOWL is authorized to proceed with the work.

Anne Bailey
Aleutians East Borough Administrator

Date

Attachment(s): As stated



False Pass School Condition Assessment Aleutians East Borough

63160.01

7/25/2025

Prepared By:

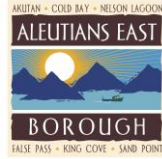
EMV

Reviewed By:

BMM

Summary

Phase Name	Task		Labor Subtotal		Direct Expenses Subtotal	Subconsultants	Project Totals
			Hours	Cost			
Phase 1 - Site Visit	A	Project Management, invoicing	9	\$ 1,997.50	\$ -	\$ -	\$ 1,997.50
	B	Subconsultant Contracting and Management (does not include Estimations)	10	\$ 2,346.50	\$ -	\$ -	\$ 2,346.50
	C	Progress meetings (assume 2 meetings)	5	\$ 1,235.00	\$ -	\$ -	\$ 1,235.00
	D	Mobe/demobe and travel logistics	8	\$ 1,680.00	\$ -	\$ -	\$ 1,680.00
	E	On-site Condition Assessment	-	\$ -	\$ -	\$ -	\$ -
	F	PM/Civil	14	\$ 3,458.00	\$ 17,916.80	\$ -	\$ 21,374.80
	G	Architectural	-	\$ -	\$ -	\$ 6,310.70	\$ 6,310.70
	H	Electrical/Mechanical	-	\$ -	\$ -	\$ 7,856.20	\$ 7,856.20
	I	Structural	-	\$ -	\$ -	\$ 3,520.00	\$ 3,520.00
	J		-	\$ -	\$ -	\$ -	\$ -
	K		-	\$ -	\$ -	\$ -	\$ -
	<input type="checkbox"/> T&M <input checked="" type="checkbox"/> Lump Sum <input type="checkbox"/> Other Subtotal		45	\$ 10,717.00	\$ 17,916.80	\$ 17,686.90	\$ 46,320.70
Phase 2 - Condition Assessment	A	Project Management, invoicing	18	\$ 4,140.00	\$ -	\$ -	\$ 4,140.00
	B	Subconsultant Management (includes Estimations)	11	\$ 2,593.50	\$ -	\$ -	\$ 2,593.50
	C	Progress meetings (assume 6 meetings)	9	\$ 2,223.00	\$ -	\$ -	\$ 2,223.00
	D	Cost estimate coord.	3	\$ 667.00	\$ -	\$ -	\$ 667.00
	E	Draft and Final Report	2	\$ 420.00	\$ -	\$ -	\$ 420.00
	F	PM/Civil	2	\$ 420.00	\$ -	\$ -	\$ 420.00
	G	Architectural	-	\$ -	\$ -	\$ 11,753.50	\$ 11,753.50
	H	Electrical/Mechanical	-	\$ -	\$ -	\$ 7,150.00	\$ 7,150.00
	I	Structural	-	\$ -	\$ -	\$ 2,710.40	\$ 2,710.40
	J	Estimations	-	\$ -	\$ -	\$ 3,286.80	\$ 3,286.80
	K		-	\$ -	\$ -	\$ -	\$ -
	L	QC	2	\$ 494.00	\$ -	\$ -	\$ 494.00
	<input type="checkbox"/> T&M <input checked="" type="checkbox"/> Lump Sum <input type="checkbox"/> Other Subtotal		47	\$ 10,957.50	\$ -	\$ 24,900.70	\$ 35,858.20
TOTAL			92	\$ 21,674.50	\$ 17,916.80	\$ 42,587.60	\$ 82,178.90



Resolution 26-07

A RESOLUTION AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A CONTRACT WITH DOWL FOR A FALSE PASS SCHOOL CONDITION ASSESSMENT IN AN AMOUNT NOT TO EXCEED \$82,180

WHEREAS, in 2018, DOWL completed a condition assessment of the False Pass School; and

WHEREAS, over the last few years, the occurrence of maintenance and operational issues has increased at the school, which includes but is not limited to mechanical, electrical and structural issues; and

WHEREAS, Administration believes it would be in the best interest of the Borough to conduct a new site assessment of the facility; and

WHEREAS, DOWL has provided a proposal for a False Pass Condition Assessment in the amount of \$82,180 that includes a site visit and a report; and

WHEREAS, Administration recommends authorizing the mayor to negotiate and execute a contract with DOWL in an amount not to exceed \$82,180 to complete the work; and

WHEREAS, funds for this project are available in the Project Contingency line-item 21-501-8030.

NOW THEREFORE, BE IT RESOLVE, the Aleutians East Borough Assembly authorizes the Borough Mayor to negotiate and execute a contract with DOWL for a False Pass Condition Assessment in an amount not to exceed \$82,180.

PASSED AND APPROVED by the Aleutians East Borough on this day August 14, 2025.

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Borough Clerk

Memo: Resolution 26-08 Supporting Draft Legislation to Revise the MMPA

To: Aleutians East Borough Assembly

From: Ernie Weiss, Natural Resources Department

Date: August 8, 2025

Resolution 25-08 is in support of the Draft Discussion legislation to Amend the Marine Mammal Protection Act (MMPA) submitted by Representative Begich to use best available science rather than the 'precautionary principle' to implement the MMPA. The Resolution thanks the Congressman for his efforts.

The resolution mentions as example the Western distinct population segment (DPS) of the Steller sea lion that is listed as endangered under the Endangered Species Act but have rebounded in our region, so much as to disrupt local fishing activities

The AEB Administration and Natural Resources Department recommend Assembly approval of Resolution 25-08.

Background

The US House Committee on Natural Resources, Subcommittee on Water Wildlife and Fisheries held a [Legislative Hearing](#) on July 22, 2025, in part to consider Representative Begich's [discussion draft](#) legislation to amend the Marine Mammal Protection Act of 1972.

Rick Marks alerted AEB staff/Administration in advance of the hearing and supplied a synopsis following the hearing. Rick's brief summary of Congressman's Begich's comments:

"Rep. Begich (R-AK): Spoke about his MMPA draft. He noted this was a first step to address the Act's precaution, uncertainty, and vague definitions which are harming Alaskans, notably in energy, port operations and commercial fishing sectors. He welcomes input from both sides of the aisle and will refine the draft going forward to achieve balance & clarity for harassment, negligible impact, take/harassment authorization timelines, and what constitutes best available scientific information."

The Discussion Draft legislation includes this proposed language under Section 2. FINDINGS; DECLARATION OF POLICY.

"(7) implementation of this Act has, since its enactment and subsequent revisions, unduly and unnecessarily constrained government, tribes, and the regulated community as a result of the application by the Secretary of subjective factors, including the 'precautionary principle', when implementing this Act rather than, as intended by Congress, the objective application of the best available scientific and commercial data."

The rest of the discussion draft includes changes in language that implement the proposed policy change stated above.

State Priorities

From correspondence with ADFG Legislative Liaison Joe Felkl:

“State priorities addressed fully or partially by the bill:

1. Separate administration of the ESA and MMPA regulatory programs as the current intertwined regulations add burdens under each Act.
2. Establish standards to ensure adequate data is collected prior to implementing changes under the MMPA that impede the use of natural resources.
3. Establish standards to ensure that assumptions are not biased when the Services are implementing the MMPA.
4. Whenever the “optimum sustainable population” (OSP) of a species is considered, the calculation should include human co-habitation in its contemporary form, and recovery objectives for depleted stocks should be set to maintain the species as a part of the ecosystem – not to rebuild the population to historic levels. The latter is a state responsibility.
5. The calculation of “potential biological removal” (PBR) should be done within a sustained yield framework rather than the current conservative framework.

Another State priority not currently included in the draft bill is the ability for states to be able to authorize the intentional take of marine mammals within a sustained yield framework, especially when marine mammals are having strong negative effects on other natural resources such as fisheries or ESA listed species.”

Western Distinct Population Segment Steller sea lion

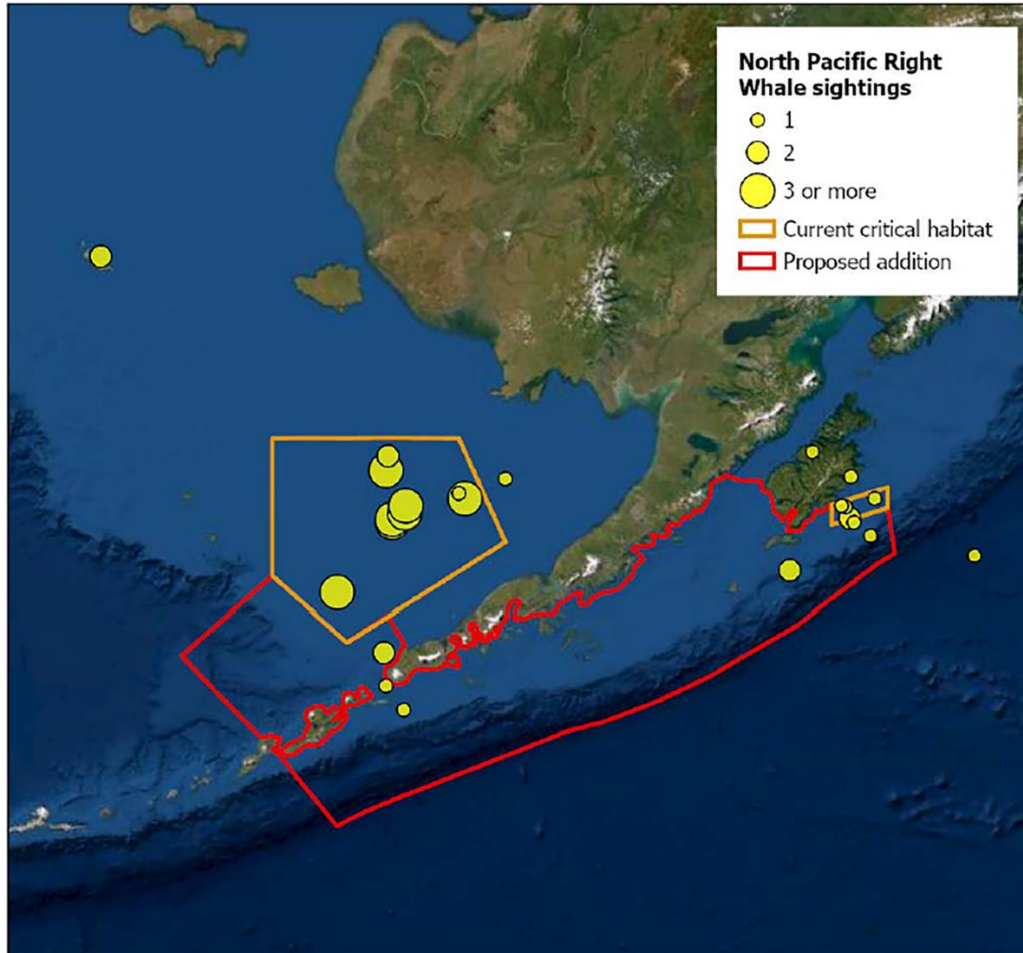
The [Western distinct population segment](#) (DPS) of the Steller sea lion is listed as *endangered* under the [Endangered Species Act](#) and, therefore, also designated as *depleted* under the [Marine Mammal Protection Act](#). The Steller sea lion is *protected* throughout its range under the MMPA.

From a [2014 report](#) of the National Marine Mammal Laboratory, Alaska Fisheries Science Center
“Survival rates of endangered western stock Steller sea lions *Eumetopias jubatus* east of Samalga Pass (~170° W) have rebounded to nearly the same levels estimated for the 1970s prior to their decline in abundance.”

Both Mayor Osterback and myself previously served on the now disbanded [Steller Sea Lion Mitigation Committee](#) of the North Pacific Fishery Management Council.

North Pacific Right Whale

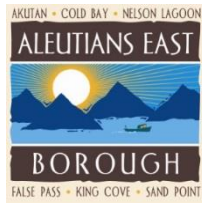
The National Marine Fisheries Service is [planning to revise critical habitat](#) for the North Pacific Right Whale. The proposal under consideration:



Marine mammals are classified into four different taxonomic groups:

1. **cetaceans** - whales, dolphins, and porpoises
2. **pinnipeds** - seals, sea lions, and walruses
3. **sirenians** - manatees and dugongs
4. **marine fissipeds** - polar bears and sea otters

[Marine Mammal Protection Act of 1972](#) (16 U.S.C. 1361)



RESOLUTION 26-08

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH IN SUPPORT OF CONGRESSMAN BEGICH'S DRAFT LEGISLATION TO AMEND THE MARINE MAMMAL PROTECTION ACT OF 1972.

WHEREAS, Aleutians East Borough communities are fishing communities and rely on the North Pacific Ocean including the Gulf of Alaska and Bering Sea for subsistence and economic survival, and

WHEREAS, the Marine Mammal Protection Act of 1972 (MMPA) and the Endangered Species Act (ESA) combined have closed areas of traditional fishing grounds and limited groundfish fishery quotas for the protection of Steller Sea Lion (SSL), and

WHEREAS, the Western Distinct Population Segment of SSL while still listed as endangered, has been steadily increasing in the Eastern Aleutian Islands and Western Alaska Peninsula area, and

WHEREAS, the SSL population have overtaken some traditional salmon fishing grounds in the Aleutians East Borough, making some areas no longer feasible for salmon fishing, and

WHEREAS, NMFS is also currently considering expanding the Critical Habitat designation for another marine mammal, the North Pacific Right Whale, to include all Gulf of Alaska waters of the AEB, and

WHEREAS, Congressman Begich has put forth a Discussion Draft of Legislation to amend the MMPA to rely more on best available science during implementation rather than the 'precautionary principle'.

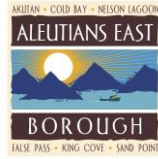
NOW THEREFORE BE IT RESOLVED, the Aleutians East Borough Assembly supports the Discussion Draft Legislation to Amend the MMPA of 1972 submitted by Congressman Begich that may benefit Aleutians East Borough residents and fishermen without undue harm to animals, and

BE IT FURTHER RESOLVED, the Aleutians East Borough Assembly thanks Congressman Begich for his attention to revising and improving the MMPA of 1972, and for all his efforts to benefit Alaskans.

PASSED AND APPROVED by the Aleutians East Borough Assembly on this 14th day of August 2025.

Alvin D. Osterback, Mayor

ATTEST: _____
Beverly Rosete, Clerk



Agenda Statement

Date: August 5, 2025

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

Re: Resolution 26-09 Authorizing the Mayor to Negotiate and Execute a Contract with LONG for the Akutan School Boiler Replacement in an amount not to exceed \$95,000

In June 2025, LONG inspected and serviced the boilers at the Akutan School. The boilers are old and have numerous issues. Therefore, LONG has recommended that both boilers be replaced. LONG has provided a proposal that includes the following:

Demolition: LONG will provide the labor to remove the 2 existing boilers and associated burners.

Installation: LONG will provide and install 2 new WGO-4 boilers and 2 new Beckett burners for each boiler; re-pipe the supply and return water lines to each of the boilers; re-pipe the fuel lines to each of the boilers; boiler startup/checkouts for each and return the systems to operational mode and verify that there are no leaks.

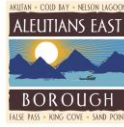
Disposal: LONG will provide the labor to dispose of the 2 existing boilers and associated burners.

The estimated cost for this work is \$80,776; however, Administration recommends funding this project in the amount of \$95,000 (including a contingency fund). Funds for this are available in the Project Contingency line-item (21-501-8030). If all the funds are not used, they will remain in the account and can be used for another project.

RECOMMENDATION

Administration recommends approval of Resolution 26-09 authorizing the Mayor to negotiate and execute a contract with LONG for the Akutan School Boiler Replacement in an amount not to exceed \$95,000.

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Resolution 26-09

A RESOLUTION AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A CONTRACT WITH LONG FOR THE AKUTAN SCHOOL BOILER REPLACEMENT IN AN AMOUNT NOT TO EXCEED \$95,000

WHEREAS, in June 2025, LONG inspected and serviced the boilers at the Akutan School; and

WHEREAS, LONG has recommended that both boilers be replaced; and

WHEREAS, LONG would remove and dispose of the existing boilers and associated burners and install two new WGO-4 boilers and two new Beckett burners and associated work; and

WHEREAS, the estimated cost for the work is \$80,776; however, Administration recommends funding this project in the amount of \$95,000 (including a contingency fund); and

WHEREAS, funds for this are available in the Project Contingency line-item; and

WHEREAS, if all the funds are not used, they will remain in the account and can be used for another purpose; and

WHEREAS, the Borough Administration recommends authorizing the Mayor to negotiate and execute a contract with LONG for the Akutan School Boiler Replacement in an amount not to exceed \$95,000.

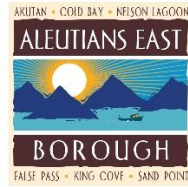
NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly authorizes the Borough Mayor to negotiate and execute a contract with LONG for the Akutan School Boiler Replacement in an Amount Not to exceed \$95,000.

PASSED AND APPROVED by the Aleutians East Borough on this 14th day of August, 2025.

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Borough Clerk



MEMORANDUM

To: Alvin D. Osterback, Mayor and Assembly

From: Anne Bailey, Borough Administrator

Date: August 8, 2025

Re: Resolution 26-10, Accepting the Basic Financial Statements, Required Supplementary Information, Supplementary Information and Single Audit Reports for Year Ended June 30, 2024

The Aleutians East Borough hired BDO to audit the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Borough as of and for the year ending June 30, 2024.

BDO has completed the audit for FY2024 and, in their opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Borough, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. The audit is attached for review.

For the FY 2024 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 the financial audits contained in *Governmental Auditing Standards*. For the FY 2024 Federal Award Findings and Questioned Costs there were no material weaknesses and one significant deficiency. For the FY 2024 State Single Audit there were no material weaknesses and one significant deficiency. The findings and corrective action plan are as follows:

Finding 2024-01 **Deadline for Federal Single Audit - Noncompliance and Internal Control Over Compliance - Significant Deficiency**

Corrective Action Plan Borough Management acknowledges that the State Single Audit was filed last for Fiscal Year 2024 due to unforeseen financial statement disclosure

requirements. As those disclosures have been resolved during Fiscal Year 2024, we do not anticipate any such issues for Fiscal Year 2025.

*Expected
Completion Date*

All matters relating to the financial statement disclosures were mad prior to June 30, 2025.

Finding 2024-002 Deadline for State Single Audit - Noncompliance and Internal Control over Compliance - Significant Deficiency

*Corrective Action
Plan*

Borough Management acknowledges that the State Single Audit was filed late for Fisal Year 2024 due to unforeseen financial statement disclosure requirements. As those disclosures have been resolved during Fiscal Year 2024, we do not anticipate any such issues for Fiscal Year 2025.

*Expected
Completion Date*

All matters relating to the financial statement disclosures were made prior to June 30, 2025.

RECOMMENDATION

Administration recommends approval of Resolution 26-10, Accepting the Basic Financial Statements, Required Supplementary Information, Supplementary Information and Single Audit Reports for Year Ended June 30, 2024.

Aleutians East Borough, Alaska

**Basic Financial Statements, Required
Supplementary Information, Supplementary
Information and Single Audit Reports
Year Ended June 30, 2024**

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.



Aleutians East Borough, Alaska

Basic Financial Statements, Required Supplementary Information,
Supplementary Information and Single Audit Reports
Year Ended June 30, 2024

Aleutians East Borough, Alaska

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Aleutians East Borough, Alaska

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Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Honorable Mayor and Borough Assembly
Aleutians East Borough, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Aleutians East Borough (The Borough), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Borough'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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Borough, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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 Borough 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 Borough'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 Borough'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 Borough'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 information and the schedules of the Borough's proportionate share of the net pension and OPEB liability or asset and Borough contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statement 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 Borough's basic financial statements. The accompanying combining and individual fund financial statements and schedules, and 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*, and Schedule of State Financial Assistance as required by the *State of Alaska Single Audit Guide and Compliance Supplement for State Single Audits* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules, and 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 August 8, 2025 on our consideration of the Borough'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 Borough'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 Borough's internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage, Alaska
August 8, 2025

Basic Financial Statements

Aleutians East Borough, Alaska

Statement of Net Position

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School District
<i>June 30, 2024</i>				
Assets and Deferred Outflows of Resources				
Assets				
Cash with central treasury	\$ 3,610,607	\$ 554,649	\$ 4,165,256	\$ -
Other cash and investments	82,339,949	-	82,339,949	4,909,699
Restricted assets - Unexpended bond proceeds	3,661,660	-	3,661,660	-
Receivables:				
Intergovernmental	1,232,421	-	1,232,421	264,918
Accrued interest	96,762	2,064	98,826	-
Taxes	182,351	-	182,351	-
Other	93,142	44,956	138,098	-
Prepaid items	2,400	-	2,400	127,915
Inventory	-	-	-	70,428
Investment in Southwest Governments, LLC	450,439	-	450,439	-
Net OPEB asset	595,702	23,341	619,043	1,795,942
Lease receivable	396,006	495,226	891,232	-
Capital assets:				
Not being depreciated or amortized	6,939,527	-	6,939,527	-
Being depreciated or amortized, net	39,202,570	5,480,574	44,683,144	88,622
Total Assets	138,803,536	6,600,810	145,404,346	7,257,524
Deferred Outflows of Resources				
Pension related	209,086	8,193	217,279	376,367
OPEB related	64,227	2,517	66,744	207,657
Deferred charge on refunding	164,399	-	164,399	-
Total Deferred Outflows of Resources	437,712	10,710	448,422	584,024
Total Assets and Deferred Outflows of Resources	\$ 139,241,248	\$ 6,611,520	\$ 145,852,768	\$ 7,841,548
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	\$ 314,822	\$ 107,458	\$ 422,280	\$ 40,060
Payable to the US ACOE	3,293,110	-	3,293,110	-
Accrued payroll and taxes	-	-	-	80,850
Accrued interest	44,066	-	44,066	-
Unearned revenue	1,644,465	-	1,644,465	25,622
Noncurrent liabilities:				
Due within one year:				
Bonds payable	2,276,677	-	2,276,677	-
Leases	118,866	1,281	120,147	-
Accrued leave	113,381	-	113,381	51,524
Due in more than one year:				
Bonds payable	10,181,145	-	10,181,145	-
Leases	270,934	114,467	385,401	-
Net pension liability	1,290,249	50,555	1,340,804	3,268,468
Total Liabilities	19,547,715	273,761	19,821,476	3,466,524
Deferred Inflows of Resources				
Lease related	382,020	463,911	845,931	-
OPEB related	27,734	1,087	28,821	108,916
Total Deferred Inflows of Resources	409,754	464,998	874,752	108,916
Net Position				
Net investment in capital assets	33,827,424	5,364,826	39,192,250	88,622
Restricted:				
Permanent fund, expendable	55,984,232	-	55,984,232	-
OPEB benefits	595,702	23,341	619,043	1,795,942
Unrestricted	28,876,421	484,594	29,361,015	2,381,544
Total Net Position	119,283,779	5,872,761	125,156,540	4,266,108
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 139,241,248	\$ 6,611,520	\$ 145,852,768	\$ 7,841,548

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska

Exhibit A-2

Statement of Activities

Year Ended June 30, 2024	Program Revenues				Net Revenue (Expense) and Changes in Net Position			Component
	Expenses	Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Primary Government			Unit
					Govern- mental Activities	Business- type Activities	Total	School District
Primary Government								
Governmental Activities								
General government	\$ 2,567,579	\$ 146,442	\$ 10,939	\$ -	\$ (2,410,198)	\$ -	\$ (2,410,198)	
Public works	4,464,295	-	3,566	2,463,922	(1,996,807)	-	(1,996,807)	
Education	1,418,911	-	-	-	(1,418,911)	-	(1,418,911)	
Community services	197,289	-	-	-	(197,289)	-	(197,289)	
Interest on long-term debt	373,003	-	1,098,921	-	725,918	-	725,918	
Total Governmental Activities	9,021,077	146,442	1,113,426	2,463,922	(5,297,287)	-	(5,297,287)	
Business-type Activities								
Terminal	611,739	272,802	-	-	-	(338,937)	(338,937)	
Helicopter	1,189,980	341,770	569	-	-	(847,641)	(847,641)	
Total Business-type Activities	1,801,719	614,572	569	-	-	(1,186,578)	(1,186,578)	
Total Primary Government	10,822,796	761,014	1,113,995	2,463,922	(5,297,287)	(1,186,578)	(6,483,865)	
Component Unit - School District	\$ 10,551,529	\$ 340,857	\$ 1,499,691	\$ -				\$ (8,710,981)
General Revenues								
Borough fish tax					2,781,707	-	2,781,707	-
Grants and entitlements not restricted to specific program					3,904,903	-	3,904,903	6,232,895
Investment earnings and interest					6,400,080	31,443	6,431,523	15,847
Support from primary government					-	-	-	1,057,406
Other					97,830	-	97,830	1,463,299
Net transfers of Harbor assets to US ACOE					(20,618,335)	-	(20,618,335)	-
Transfers					(855,873)	855,873	-	-
Total General Revenues and Transfers					(8,289,688)	887,316	(7,402,372)	8,769,447
Change in Net Position					(13,586,975)	(299,262)	(13,886,237)	58,466
Net Position, beginning					132,870,754	6,172,023	139,042,777	4,207,642
Net Position, ending					\$ 119,283,779	\$ 5,872,761	\$ 125,156,540	\$ 4,266,108

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska

Exhibit B-1

Governmental Funds
Balance Sheet

	Major Funds						Total Govern- mental Funds
	General	Permanent	Debt Service	Capital Improve- ments Project	Bond Construc- tion Capital Project	Nonmajor Funds	
<i>June 30, 2024</i>							
Assets							
Cash with central treasury	\$ 3,442,670	\$ -	\$ -	\$ -	\$ 49,098	\$ 118,839	\$ 3,610,607
Other cash and investments	30,880,108	46,508,548	-	4,785,325	-	165,968	82,339,949
Restricted assets - Unexpended bond proceeds	-	-	-	-	3,661,660	-	3,661,660
Receivables, net:							
Intergovernmental	-	-	6,781	1,225,640	-	-	1,232,421
Accrued interest	4,524	86,332	-	-	5,906	-	96,762
Taxes	182,351	-	-	-	-	-	182,351
Other	93,142	-	-	-	-	-	93,142
Lease receivable	396,006	-	-	-	-	-	396,006
Due from other funds	4,144,743	8,945,343	-	-	-	-	13,090,086
Investment in Southwest Governments, LLC	-	450,439	-	-	-	-	450,439
Prepaid items	-	-	-	-	-	2,400	2,400
Total Assets	\$39,143,544	\$55,990,662	\$ 6,781	\$6,010,965	\$3,716,664	\$ 287,207	\$ 105,155,823
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	\$ 79,854	\$ 6,430		\$ 228,538	\$ -	\$ -	\$ 314,822
Payable to US ACOE	-	-		-	3,293,110	-	3,293,110
Unearned revenue	-	-		1,644,465	-	-	1,644,465
Due to other funds	8,945,343	-	6,781	4,137,962	-	-	13,090,086
Total Liabilities	9,025,197	6,430	6,781	6,010,965	3,293,110	-	18,342,483
Deferred Inflows of Resources							
Lease related	382,020	-		-	-	-	382,020
Fund Balances							
Nonspendable:							
Prepaid items	-	-	-	-	-	2,400	2,400
Permanent fund corpus	-	-		-	-	-	-
Restricted:							
Permanent fund	-	55,984,232		-	-	-	55,984,232
Capital projects	-	-		-	3,667,566	-	3,667,566
Assigned:							
Maintenance	-	-		-	-	284,807	284,807
Unassigned (deficit)	29,736,327	-	-	-	(3,244,012)	-	26,492,315
Total Fund Balances	29,736,327	55,984,232	-	-	423,554	287,207	86,431,320
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$39,143,544	\$55,990,662	\$ 6,781	\$6,010,965	\$3,716,664	\$ 287,207	\$ 105,155,823

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2024

Total fund balances for governmental funds		\$ 86,431,320
The 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.		46,142,097
Certain other postemployment benefits (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		
Net OPEB asset		595,702
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds:		
General obligation bonds	\$ (11,885,000)	
Premiums on general obligation bonds	(572,822)	
Deferred charge on refunding	164,399	
Accrued interest on general obligation bonds	(44,066)	
Lease liabilities	(389,800)	
Accrued leave	(113,381)	
Net pension liability	(1,290,249)	
Total long-term liabilities		(14,130,919)
Certain changes in net pension, and net other postemployment benefits liabilities and assets are deferred rather than recognized immediately. These items are amortized over time:		
Deferred outflows of resources related to pensions	209,086	
Deferred outflows of resources related to OPEB assets	64,227	
Deferred inflows of resources related to OPEB assets	(27,734)	
Total deferred pension and OPEB items		245,579
Total Net Position of Governmental Activities		\$ 119,283,779

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances

	Major Funds						Total Govern- mental Funds
	General	Permanent	Debt Service	Capital Improve- ments Capital Project	Bond Construc- tion Capital Project	Nonmajor Funds	
Year Ended June 30, 2024							
Revenues							
Intergovernmental:							
Federal	\$ 780,933	\$ -	\$ -	\$ 1,949,228	\$ -	\$ 182,615	\$ 2,912,776
State of Alaska	3,147,833	-	1,098,921	332,079	-	-	4,578,833
Borough raw fish tax	2,781,707	-	-	-	-	-	2,781,707
Investment income	1,557,616	4,412,509	-	249,669	172,642	7,644	6,400,080
Other	209,155	35,117	-	-	-	-	244,272
Total Revenues	8,477,244	4,447,626	1,098,921	2,530,976	172,642	190,259	16,917,668
Expenditures							
Current:							
General government	2,697,408	73,175	-	-	-	-	2,770,583
Public works	126,764	-	-	-	-	83,565	210,329
Education	854,510	-	-	-	-	-	854,510
Community services	197,289	-	-	-	-	-	197,289
Debt service:							
Principal	111,226	-	1,965,000	-	-	-	2,076,226
Interest	22,525	-	564,525	-	-	-	587,050
Capital outlay	-	-	-	3,121,609	(384,660)	182,615	2,919,564
Total Expenditures	4,009,722	73,175	2,529,525	3,121,609	(384,660)	266,180	9,615,551
Excess of Revenues Over (Under) Expenditures	4,467,522	4,374,451	(1,430,604)	(590,633)	557,302	(75,921)	7,302,117
Other Financing Sources (Uses)							
Transfers in	280,770	-	1,430,604	590,633	-	-	2,302,007
Transfers out	(2,877,110)	-	-	-	-	(280,770)	(3,157,880)
Net Other Financing Sources (Uses)	(2,596,340)	-	1,430,604	590,633	-	(280,770)	(855,873)
Net Change in Fund Balances	1,871,182	4,374,451	-	-	557,302	(356,691)	6,446,244
Fund Balances (deficit), beginning	27,865,145	51,609,781	-	-	(133,748)	643,898	79,985,076
Fund Balances, ending	\$ 29,736,327	\$ 55,984,232	\$ -	\$ -	\$ 423,554	\$ 287,207	\$ 86,431,320

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska
Reconciliation of Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2024

Net change in fund balance - total governmental funds \$ 6,446,244

Amounts reported for governmental activities in the statement of
 Activities are different because:

Governmental funds report capital outlays as expenditures. However,
 on the Statement of Activities, the cost of those assets is allocated over
 their estimated useful lives and reported as depreciation, and amortization
 expense:

Capital outlay	1,100,963	
Abandonment of construction work-in-process	(386,904)	
Transfer of Harbor assets to the US ACOE	(21,716,099)	
Transfer of Harbor assets from the US ACOE	1,097,764	
Depreciation and amortization	<u>(2,759,658)</u>	
		(22,663,934)

The issuance of long-term debt provides current financial resources to
 governmental funds, while the repayment of principal of long-term debt
 consumes the current financial resources of governmental funds. Neither
 transaction, however, has any effect on net position. Also, governmental
 funds report the effects of issuance costs, premiums, discounts, and similar
 items when debt is first issued, whereas these amounts are deferred and
 amortized in the Statement of Activities:

Principal payments on general obligation bonds	1,965,000	
Amortization of bond premiums	241,440	
Principal paid on lease liabilities	111,226	
Amortization of deferred charge on refunding	<u>(36,533)</u>	
		2,281,133

Some expenses reported in the Statement of Activities do not require
 the use of current financial resources and, therefore are not reported
 as revenues or expenditures in the governmental funds:

Accrued leave	1,008	
Accrued interest	9,140	
Net pension liability and related deferred outflows and inflows of resources	369,819	
Net OPEB asset and related deferred outflows and inflows of resources	<u>(30,385)</u>	
		<u>349,582</u>

Total Change in Net Position of Governmental Activities \$ (13,586,975)

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska
Proprietary Funds
Statement of Net Position

<i>June 30, 2024</i>	Terminal	Helicopter	Total
Assets and Deferred Outflows of Resources			
Current Assets			
Cash with central treasury	\$ 502,111	\$ 52,538	\$ 554,649
Lease receivables	257,359	-	257,359
Receivables	2,064	44,956	47,020
Total Current Assets	761,534	97,494	859,028
Noncurrent Assets			
Lease receivables	237,867	-	237,867
Net OPEB asset	-	23,341	23,341
Capital assets, net	5,453,019	27,555	5,480,574
Total Noncurrent Assets	5,690,886	50,896	5,741,782
Total Assets	6,452,420	148,390	6,600,810
Deferred Outflows of Resources			
Pension related	-	8,193	8,193
OPEB related	-	2,517	2,517
Total Deferred Outflows of Resources	-	10,710	10,710
Total Assets and Deferred Outflows of Resources	\$ 6,452,420	\$ 159,100	\$ 6,611,520
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities			
Accounts payable	\$ -	\$ 107,458	\$ 107,458
Lease liability	1,281	-	1,281
Total Current Liabilities	1,281	107,458	108,739
Noncurrent Liabilities			
Lease liability	114,467	-	114,467
Net pension liability	-	50,555	50,555
Total Noncurrent Liabilities	114,467	50,555	165,022
Total Liabilities	115,748	158,013	273,761
Deferred Inflows of Resources			
Lease related	463,911	-	463,911
OPEB related	-	1,087	1,087
Total Deferred Inflows of Resources	463,911	1,087	464,998
Net Position			
Net Investment in capital assets	5,337,271	27,555	5,364,826
Restricted for OPEB benefits	-	23,341	23,341
Unrestricted (deficit)	535,490	(50,896)	484,594
Total Net Position	5,872,761	-	5,872,761
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 6,452,420	\$ 159,100	\$ 6,611,520

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended June 30, 2024</i>	Terminal	Helicopter	Total
Operating Revenues	\$ 272,802	\$ 341,770	\$ 614,572
Operating Expenses			
Salaries and benefits	62,937	33,617	96,554
Professional services	-	1,054,606	1,054,606
Telephone	2,234	433	2,667
Supplies	1,714	4,620	6,334
Utilities	120,262	-	120,262
Fuel	42,217	87,687	129,904
Maintenance	37,182	-	37,182
Depreciation and amortization	339,345	9,017	348,362
Total Operating Expenses	605,891	1,189,980	1,795,871
Operating Loss	(333,089)	(848,210)	(1,181,299)
Nonoperating Revenues (Expenses)			
Interest - lease related	31,443	-	31,443
Interest expense	(5,848)	-	(5,848)
Intergovernmental revenue	-	569	569
Loss before transfers	(307,494)	(847,641)	(1,155,135)
Transfers in	-	855,873	855,873
Change in Net Position	(307,494)	8,232	(299,262)
Net Position, beginning	6,180,255	(8,232)	6,172,023
Net Position, ending	\$ 5,872,761	\$ -	\$ 5,872,761

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska

Proprietary Funds
Statement of Cash Flows

<i>Year Ended June 30, 2024</i>	Terminal	Helicopter	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 27,969	\$ 335,368	\$ 363,337
Cash paid for goods and services	(203,609)	(1,195,336)	(1,398,945)
Cash paid for salaries and benefits	(62,937)	(33,617)	(96,554)
Net cash used for operating activities	(238,577)	(893,585)	(1,132,162)
Cash Flows from Noncapital Financing Activities:			
Transfers in	-	855,873	855,873
Cash Flows from Capital and Related Financing Activities			
Proceeds from leasing activities	272,646	-	272,646
Principal paid on leases	(1,221)	-	(1,221)
Interest paid on leases	(5,848)	-	(5,848)
Net cash provided by capital and related financing activities	265,577	-	265,577
Net Increase (decrease) in Cash and Cash Equivalents	27,000	(37,712)	(10,712)
Cash and Cash Equivalents, beginning	475,111	90,250	565,361
Cash and Cash Equivalents, ending	\$ 502,111	\$ 52,538	\$ 554,649
Reconciliation of Operating Loss to Net Cash Used For Operating Activities			
Operating Loss	\$ (333,089)	\$ (848,210)	\$ (1,181,299)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation and amortization	339,345	9,017	348,362
Lease revenue	(244,833)	-	(244,833)
Nonemployer pension and OPEB expense	-	569	569
Change in operating assets and liabilities and deferred outflows and inflows of resources that provided (used) cash:			
Receivables	-	(6,402)	(6,402)
Net OPEB	-	6,216	6,216
Pensions and OPEB related deferred outflows of resources	-	714	714
Accounts payable	-	(30,305)	(30,305)
Net pension liability	-	(23,920)	(23,920)
OPEB related deferred inflows of resources	-	(1,264)	(1,264)
Net Cash Used for Operating Activities	\$ (238,577)	\$ (893,585)	\$ (1,132,162)
Noncash Noncapital Financing Activities			
Intergovernment nonemployer pension and OPEB contributions	\$ -	\$ 569	\$ 569

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2024

1. Summary of Significant Accounting Policies

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

(a) Reporting Entity

The Aleutians East Borough, Alaska (the Borough) was incorporated October 23, 1987, under the laws of the State of Alaska as a second-class borough. All significant activities with which the Borough exercises oversight responsibilities have been included in the Borough's government-wide financial statements.

The accompanying financial statements include all activities of the Borough (the primary government) and the Aleutians East Borough School District (School District). The Borough Assembly, as the oversight authority, approves the total annual budget of the School District and also makes annual contributions to it. Based on financial interdependence, budget approval, responsibility for debt, and accountability and control of fiscal matters, the School District is a component unit of the Borough. The School District's audited financial statements may be obtained from their office at the address below:

Aleutians East Borough School District
PO Box 429
Sand Point, Alaska 99661-0429

No other entities exist over which the Borough has oversight responsibility.

(b) Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and proprietary funds are reported in separate columns in the fund financial statements.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The governmental fund financial statements report used the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Borough considers revenues to be available if they are collected within 180 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to accrued leave, pension and other postemployment benefits are recorded only to the extent they have matured.

Major revenue sources susceptible to accrual include intergovernmental revenues and investment income. In general, other revenues are recognized when cash is received.

When both restricted and unrestricted resources are available for use, it is the Borough's policy to use restricted resources first, then unrestricted resources as needed.

(d) Major Funds

The Borough reports the following major governmental funds:

- General Fund - Reports as the primary operating fund of the Borough. This fund is used to account for all financial resources not reported in other funds.
- Permanent Fund - Accounts for all investment activity, deposits and disbursements related to the Permanent Fund established by the Assembly, Code Section 6.04.40. The Borough Assembly may, in any fiscal year, appropriate an amount not to exceed four percent (4%) of the five-year average fund fair value, to be computed using the prior five calendar years fair value. Additional income is added to the fund. The fund corpus is to be held in perpetuity.
- Debt Service Fund - Accounts for all expenditures made for the retirement of and interest on general obligation bonds.
- Capital Improvements Capital Project Fund - Accounts for all revenue received and expenditures made for the development and administration of capital projects.
- Bond Construction Capital Project Fund - Accounts for all expenditures made on projects funded by bond proceeds.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

The Borough reports the following major proprietary funds:

- Terminal Enterprise Fund - Accounts for all activity associated with construction, operation, and maintenance of the airport terminal located in Cold Bay.
- Helicopter Enterprise Fund - Accounts for all activity associated with helicopter operations in Akutan.

(e) Budgetary Information

The Borough Assembly is required to approve an annual budget before the start of the new fiscal year. Public hearings are conducted to obtain taxpayer comments. The budget is legally enacted through passage of an ordinance. Budgets are prepared and presented on the modified accrual basis of accounting. Any revisions to the budget must be approved by passage of an ordinance by the Assembly. The Borough Assembly authorizes formal budget revisions several times each year to adjust revenues and expenditures to available resources and program needs. The final revised and approved budget is presented in these financial statements. The General Fund has a legally adopted annual budget. The other governmental funds, including special revenue funds, do not have legally adopted annual budgets.

(f) Assets and Liabilities

Cash and Investments

Certain investments of the Permanent Fund are deposited or invested in individual segregated bank accounts. Moneys of all other funds are maintained or invested in a common group of bank accounts. Collectively, these common bank accounts and investments represent the central treasury. Each fund whose moneys are included in the central treasury has equity therein. Each fund's portion of the central treasury is displayed on the balance sheet as "cash and investments with central treasury" or is included in "due to other funds" if negative.

For purposes of the statements of cash flows, cash and investments with central treasury held by proprietary funds are treated as cash equivalents.

Investments are stated at fair value. For marketable debt and equity securities fair values are obtained from independent sources using published market prices, quotations from national security exchanges, and security pricing services. Investments of all funds outside of the Permanent Fund are managed within the Borough's central treasury.

The Borough has primarily certain cash with the Alaska Municipal League Investment Pool, Inc. The Borough's investment in AMLIP represents its share of ownership in the pool rather than ownership of specific securities. AMLIP is considered to be an external investment pool as defined by generally accepted accounting principles. AMLIP is not SEC-registered and is unrated. Regulatory oversight of the pool is established by Alaska Statute 37.23. The law sets forth numerous requirements regarding authorized investments and reporting. The pool is incorporated in the State of Alaska as a nonprofit corporation and reports to a board of directors. Alaska Statute 37.23.050 requires the retention of an investment manager.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

The manager is required to produce monthly disclosure statements on the pool. The pool also has retained an investment adviser who monitors the performance of the investment manager to ensure compliance with investment policies. All participation in the pool is voluntary. The pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. On a monthly basis, the investments in the pool are reviewed for fair value by an independent pricing service. As of June 30, 2024, the fair value of the investments in the pool approximates amortized cost and is equal to the value of pool shares.

Investments in Southwest Governments, LLC

The Borough's investment in Southwest Governments, LLC is accounted for under the equity method. Under the equity method, original investments are recorded at cost and adjusted by the Borough's share of undistributed earnings or losses. The Borough would recognize an impairment loss when there is a loss in value in the equity method investment which is other than a temporary decline.

Receivables

All receivables are shown net of an allowance for uncollectible accounts.

Interfund Receivables and Payables

All outstanding balances between funds are reported as "due to/from other funds." These balances represent the numerous transactions that occur during the course of operations between individual funds for goods provided or services rendered. All amounts due to/from other funds are short-term in nature. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

The Borough's property, equipment, and infrastructure with useful lives of more than 1 year are stated at historical cost and comprehensively reported in the government-wide financial statements. The Borough maintains infrastructure asset records consistent with all other capital assets. Donated assets are recorded at the acquisition value. 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 date. The Borough generally capitalizes assets with a cost of \$5,000 or more as purchase and construction outlays occur.

Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Estimated useful lives in years for depreciable assets are as follows:

Buildings and improvements	25 years
Infrastructure	30 years
Furniture, vehicles and equipment	3-7 years

Accrued Leave

It is the Borough's policy to permit employees to accumulate earned but unused annual leave. Compensated absences are reported as accrued in government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

Unearned Revenue

Amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not been met are recorded as unearned revenue.

Long-term Liabilities

In the government-wide and proprietary fund financial statements, general obligation bonds and other long-term obligations are reported as liabilities. In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed within the year the bonds are sold.

In the fund financial statements, governmental fund types recognize bond proceeds, premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(g) Pensions and Other Postemployment Benefits (OPEB)

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

(h) Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of 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. Generally, the

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Borough reports deferred charges on bond refunding and pension and OPEB related items as deferred outflows of resources. These items are amortized to expense over time.

In addition to the liabilities, the financial statements may also present deferred inflows of resources. Deferred inflows of resources represent an acquisition of fund balance or net position that applies to a future period and will not be recognized until later. The Borough reports certain lease and OPEB related items as deferred inflows of resources in the government-wide financial statements. In the governmental funds, the Borough reports deferred inflows related to leases. These items are amortized as a reduction of expense over varying periods of time based on their nature.

(i) Leases

Lessor

The Borough is a lessor for ten noncancellable leases of office space, land and buildings. Remaining lease terms range from 3 to 32 years with fixed payments due monthly or annually. The Borough recognizes leases receivable and a deferred inflow of resources in the government-wide, proprietary fund, and governmental fund financial statements. The Borough does not consider its leasing activities to be a significant component of their principal ongoing operations.

At the commencement of a lease, the Borough initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the leases receivable and adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Borough determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Borough uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the leases receivable are composed of fixed payments from the lessees.

The Borough monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the leases receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the leases receivable.

During 2024, the City recognized \$390,982 in lease related inflows that included \$54,335 in interest revenue.

Lessee

The Borough is a lessee under three noncancellable leases of land, buildings, and equipment. The Borough recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. The Borough recognizes lease liabilities with an initial term of greater than twelve months and an individual value of \$5,000 or more. Remaining lease terms range from 3 to 38 years with fixed payments due monthly or annually.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

At the commencement of a lease, the Borough 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. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Borough determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Borough uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Borough 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 Borough is reasonably certain to exercise.

The Borough monitors changes in circumstances that would require a remeasurement of its lease payable and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

(j) Subscription-Based Information Technology Agreements

The Borough recognizes subscription-based information technology arrangement (SBITA) liabilities with an initial term of greater than twelve months and an individual value of \$5,000 or more. All of the Boroughs SBITA's have noncancelable terms of 12 months or less or have an individual value of less than \$5,000.

(k) Fund Balances

In the fund financial statements, governmental funds 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 balances comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted

Reflects funds with externally imposed constraints placed on them by either creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Committed

These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Assembly. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those requirements. Committed amounts cannot be used for any other purpose unless the Borough Assembly removes the constraint through a subsequent formal modification or rescinding action.

Assigned

This classification reflects the amounts constrained by the Borough's assembly members' "intent" to be used for specific purposes, but are neither restricted nor committed. 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

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 Borough's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

(I) Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net Investment in Capital Assets

This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, other borrowings, or accounts payable that are attributable to the acquisition, construction, or improvement of those assets.

Restricted

This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted

This consists of net position that does not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the Borough's policy to use restricted resources first, then unrestricted resources as needed.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

(m) Grants and Other Intergovernmental Revenues

In applying the measurable and available concept to grants and intergovernmental revenues, legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts are considered “earned”; therefore, revenues are recognized based on expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

(n) Recently Adopted and Issued Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62, was issued in June 2022. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as adjusted or restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The Borough adopted the standard on July 1, 2023 and the impact on the Borough was not significant.

GASB Statement No. 101, *Compensated Absences* was issued in June 2022. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This Statement also requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave - not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. The requirements of this statement are effective for the Borough’s fiscal year beginning July 1, 2024. Early adoption is permitted. The Borough is currently evaluating the impact GASB 101 will have on its future financial statements.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

GASB Statement No. 102, *Certain Risk Disclosures* was issue in December 2023. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for the Borough's fiscal year beginning July 1, 2024. Early adoption is permitted. The Borough is currently evaluating the impact GASB 102 will have on its future financial statements.

GASB Statement No. 103, Financial Reporting Model Improvements was issued in April 2024. This statement establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following:

- Management's discussion and analysis (MD&A)—the statement improves the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. The statement also will provide clarity regarding what information should be presented in MD&A.
- Unusual or infrequent items—the statement requires a separate presentation of unusual or infrequent items to provide clarity regarding which items should be reported separately from other inflows and outflows of resources.
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position—the statement standardizes the definition of operating revenues and expenses and of nonoperating revenues, thereby improving comparability between governments. The statement also requires the addition of a subtotal for operating income (loss) and noncapital subsidies in proprietary fund statements of revenues, expenses, and changes in fund net position.
- Information about major component units in basic financial statements—the statement requires presentation of each major component unit separately in the reporting entity's statements of net position and activities.
- Budgetary comparison information—the statement requires that budgetary comparison information be presented as RSI. The statement also requires that separate columns for the variances between (a) original and final budget amounts and (b) final budget amounts and actual results are required to be presented. An explanation of significant variations between original and final budget amounts and final budget amounts and actual results also is required to be presented in notes to RSI.
- Financial trends information in the statistical section—the statement requires that governments engaged only in business-type activities or only in business-type and fiduciary activities present in the statistical section revenues by major source for their business-type activities, distinguishing between operating, noncapital subsidy, and other nonoperating revenues and expenses.

The requirements of this statement are effective for the Borough's fiscal year beginning July 1, 2025. Early adoption is permitted. The Borough is currently evaluating the impact GASB 103 will have on its future financial statements.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

GASB Statement No. 104, *Disclosure of Certain Capital Assets* was issued in September 2024. This statement requires lease related assets, subscription assets, and certain intangible assets to be disclosed separately in the capital assets note disclosures. Additionally, this Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this statement are effective for the Borough's fiscal year beginning July 1, 2025. Early adoption is permitted. The Borough does not expect the adoption of GASB 104 to have a material effect on its financial statements.

2. Deposits and Investments

The Borough categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows: Level 1: Quoted prices for identical investments in active markets; Level 2: Observable inputs other than those in Level 1; and Level 3: Unobservable inputs. The Borough has the following recurring fair value measurements as of June 30, 2024.

Investments by fair value level	Fair value measurements using		
	Total	Level 1	Level 2
General			
Debt securities:			
Money market funds	\$ 44,820	44,820	—
U.S. treasuries	11,848,428	—	11,848,428
U.S. agencies	1,280,413	—	1,280,413
Domestic corporate bonds	3,631,451	—	3,631,451
Foreign corporate bonds	487,163	—	487,163
Total Central Treasury	17,292,275	44,820	17,247,455
Permanent Fund:			
Debt securities:			
Money market funds	1,364,767	1,364,767	—
U.S. treasuries	6,116,634	—	6,116,634
U.S. agencies	456,520	—	456,520
Domestic corporate bonds	1,855,768	—	1,855,768
Foreign corporate bonds	222,928	—	222,928
Mutual and exchange traded funds:			
Equity funds	31,656,131	31,656,131	—
Bond funds	4,835,800	4,835,800	—
Total Permanent Fund	46,508,548	37,856,698	8,651,850
Investment by Fair Value Level	\$ 63,800,823	\$ 37,901,518	25,899,305
General Investments at Amortized Cost:			
AMLIP	22,141,713		
Total Investments	\$ 85,942,536		

Debt and equity securities classified in Level 1 of their fair value hierarchy are valued using prices quoted in the active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

As of June 30, 2024, the Borough's investments matured as follows:

Investment type		Fair value	Investment maturities (in years)			
			Less than 1 or no scheduled maturity	1 to 5	6 to 10	More than 10
General						
Debt securities:						
Money market funds	\$	44,820	44,820	—	—	—
AMLIP		22,141,713	22,141,713	—	—	—
U.S. treasuries		11,848,427	9,647,398	2,201,029	—	—
U.S. agencies		1,280,414	685,930	552,881	—	41,603
Domestic corporate bonds		3,631,451	2,748,192	883,259	—	—
Foreign corporate bonds		487,163	369,660	117,503	—	—
Total Central Treasury		39,433,988	35,637,713	3,754,672	—	41,603
Permanent Fund:						
Debt securities:						
Money market funds		1,364,767	1,364,767	—	—	—
U.S. treasuries		6,116,634	—	4,373,828	1,742,806	—
U.S. agencies		456,520	—	164,759	291,761	—
Domestic corporate bonds		1,855,768	—	1,239,379	616,389	—
Foreign corporate bonds		222,928	—	60,626	162,302	—
Mutual and exchange traded funds:						
Equity funds		31,656,131	31,656,131	—	—	—
Bond funds		4,835,800	4,835,800	—	—	—
Total Permanent Fund		46,508,548	37,856,698	5,838,592	2,813,258	—
Investment by Maturity	\$	85,942,536	73,494,411	9,593,264	2,813,258	41,603

Interest Rate Risk

The risk that change in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The risk that an issuer or other counterparty to an investment will not fulfill its obligation. Borough Code authorizes investments in the following: U.S. Treasury securities; other obligations guaranteed by the U.S. government or its agencies or instrumentalities; repurchase agreements with financial institutions; certificates of deposits and other deposits at banks and savings and loan associations (collateralized); uncollateralized deposits at banks and savings and loan associations to the extent that the deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation; bonds and notes issued by any state or political subdivision thereof graded A or higher by Moody's Investor's Service, Inc. or Standard and Poor's Corporation; prime commercial paper graded A1 or higher by Moody's Investor's Service, Inc. or P1 or higher by Standard and Poor's Corporation; obligations of corporations graded "Baa" or higher by Moody's Investor's Service, Inc. or Standard and Poor's Corporation and issued in the United States and denominated in U.S. dollars; the AMLIP; and income producing real estate investments.

In addition to the above, certain additional investments are authorized for the Permanent Fund only. They are as follows: domestic (U.S.) equities (both large cap and mid cap), international equities, emerging market equities, and real estate investment trusts.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

As of June 30, 2024, the Borough's applicable debt securities were rated as follows:

Investment	Moody's Investor's Service	S & P Global Ratings Service
Domestic corporate bonds	Baa3 - A1	BBB- - A
Foreign corporate bonds	Aaa	AAA
AMLIP	N/A	AAAm
Federated Government Obligations Fund	Aaa-mf	AAAm
Vanguard Total International Bond Fund	A1	A+
Vanguard High-Yield Corporate Bond Fund	Ba3	BB-

Concentration of Credit Risk

The Borough places no limit on the amount it may invest in any one issuer. With the exception of the Permanent Fund, the Borough has no investments from any one issuer that represents 5% or more of total investments other than U.S. government securities or external investment pools such as AMLIP. The Permanent Fund does have three investments that exceed 5% of its total investment balance as follows:

Investment	Amount
iShares Core S&P 500	\$ 9,424,395
iShares Core S&P Mid Cap	4,221,340
Vanguard Total International Bond Fund	2,629,494

As of June 30, 2024, an actual asset allocation to target allocation is presented below for the Permanent Fund. All categories fell within the allowable range at June 30, 2024.

Investment Type	Actual \$	Actual vs. Target Allocation			% out of Policy Range
		% Actual	% Target	% Difference	
U.S. equities (large cap)	\$ 10,472,360	22.54%	22.00%	0.54 %	n/a
U.S. equities (mid cap)	4,706,781	10.12%	10.00%	0.12 %	n/a
U.S. equities (small cap)	2,192,183	4.71%	5.00%	(0.29)%	n/a
International equities	3,655,483	7.86%	6.00%	1.86 %	n/a
Emerging market equities	1,898,334	4.08%	4.00%	0.08 %	n/a
Real estate investment trusts	1,259,354	2.71%	3.00%	(0.29)%	n/a
Infrastructure	2,201,375	4.73%	5.00%	(0.27)%	n/a
Commodities	1,382,196	2.97%	3.00%	(0.03)%	n/a
Alternative beta	3,888,065	8.36%	10.00%	(1.64)%	n/a
U.S. high yield credit	2,206,306	4.74%	5.00%	(0.26)%	n/a
International fixed income	2,852,422	6.13%	5.00%	1.13 %	n/a
U.S. fixed income	8,428,922	18.12%	18.00%	0.12 %	n/a
U.S. TIPS	-	0.00%	2.00%	(2.00)%	n/a
Money market funds	1,364,767	2.93%	2.00%	0.93 %	n/a
Total Investments	\$ 46,508,548	100.00%	100.00%	0.00 %	n/a

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that, in the event of a bank failure, the Borough's deposits may not be returned to it. As of June 30, 2024, the Borough's deposits were covered by federal depository insurance or by collateral held by the Borough's agent or pledging financial institution's trust department or agent in the name of the Borough and, thus, had no deposits that were exposed to custodial credit risk.

Custodial Credit Risk - Investments

For an investment, this is a risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Borough had no debt securities exposed to custodial credit risk at June 30, 2024 because the investments were held by a custodian in the name of the Borough.

Foreign Currency Risk

The Borough's exposure to foreign currency risk derives from its positions in foreign currency-denominated debt and equity securities. The Borough's investment policies do not address foreign currency denominated investments. The Borough holds no foreign currency denominated debt or equity securities as of June 30, 2024, and thus, is not exposed to any foreign currency risk as of June 30, 2024.

Reconciliation to Statement of Net Position

Deposits and investments of the primary government are reported as follows on the statement of net position, as of June 30, 2024:

		Central Treasury	General	Permanent Fund	Total
Cash and restricted cash	\$	4,165,256	59,073	—	4,224,329
Investments		—	39,433,988	46,508,548	85,942,536
Total Primary Government	\$	4,165,256	39,493,061	46,508,548	90,166,865

3. Investments in Southwest Governments, LLC

The Borough has an interest in Southwest Governments, LLC. The partnership was formed by the City of Akutan (40%), the City of Sand Point (20%), the City of King Cove (10%), and the Borough (30%). The Borough leases office space from the partnership. The Borough's share of the partnership's net income in 2024 was \$35,115. This amount was recorded as other income in the Permanent Fund. The balance of the Borough's investment at June 30, 2024 was \$450,439.

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Aleutians East Borough, Alaska

Notes to Basic Financial Statements

4. Capital Assets

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

Governmental activities	Beginning balance	Additions	Transfers	Ending balance
Capital assets, not being depreciated or amortized:				
Land	\$ 5,443,288	\$ —	\$ —	\$ 5,443,288
Construction work-in-progress	971,633	1,034,744	(510,138)	1,496,239
Total	6,414,921	1,034,744	(510,138)	6,939,527
Capital assets, being depreciated or amortized:				
Buildings and improvements	43,887,244	123,234	—	44,010,478
Furniture and equipment	238,750	66,219	—	304,969
Vehicles	497,424	—	—	497,424
Infrastructure	102,260,915	1,097,764	(34,548,201)	68,810,478
Right-to-use assets - Office space	699,701	—	—	699,701
Right-to-use assets - Office equipment	10,429	—	—	10,429
Total	147,594,463	1,287,217	(34,548,201)	114,333,479
Less accumulated:				
Depreciation	84,967,873	2,641,918	(12,832,102)	74,777,689
Amortization	235,480	117,740	—	353,220
Total	85,203,353	2,759,658	(12,832,102)	75,130,909
Total capital assets being depreciated or amortized	62,391,110	(1,472,441)	(21,716,099)	39,202,570
Total governmental activities, net	\$ 68,806,031	\$ (437,697)	\$ (22,226,237)	\$ 46,142,097

During fiscal year 2024, the Borough transferred capital assets from the Akutan Harbor with a net book value of \$21,716,100 to the United States Army Corp. of Engineers (USACE). In addition as a result of the USACE's final accounting for the False Pass Harbor project the Borough recognized infrastructure assets of \$1,097,764 for the Borough's portion of the project cost.

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Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Business-type Activities	Balance July 1, 2023	Additions and Transfers	Deletions	Balance June 30, 2024
Capital assets being depreciated or amortized:				
Terminal	\$ 9,446,708	\$ -	\$ -	\$ 9,446,708
Right to use assets - Terminal	119,800	-	-	119,800
Helicopter	45,081	-	-	45,081
Total capital assets being depreciated or amortized	9,611,589	-	-	9,611,589
Less accumulated depreciation and amortization	3,782,653	348,362	-	4,131,015
Total capital assets being depreciated or amortized, net	5,828,936	(348,362)	-	5,480,574
Business-type Activities				
Capital Assets, net	\$ 5,828,936	\$ (348,362)	\$ -	\$ 5,480,574
Depreciation and amortization expense was charged to the functions as follows for the year ended June 30, 2024:				
Governmental Activities				
General government			\$	127,260
Public works				33,021
Education				564,401
Infrastructure				2,034,976
Total Depreciation and Amortization Expense - Governmental Activities			\$	2,759,658
Business-type Activities				
Terminal			\$	33,345
Helicopter				9,017
Total Depreciation and Amortization Expense - Business-type Activities			\$	348,362

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

5. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables are shown as “due from other funds” and “due to other funds” in each individual fund. These balances at June 30, 2024 were as follows:

	Due from Other Funds	Due to Other Funds
Governmental Funds:		
General Fund	\$ 4,144,743	\$ 8,945,343
Capital Improvements Capital Project Fund	-	4,137,962
Debt Service	-	6,781
Permanent Fund	8,945,343	-
Total Interfund Balances	\$ 13,090,086	\$ 13,090,086

A schedule of interfund transfers for the year ended June 30, 2024, follows:

From the General Fund to:

Capital Improvements Capital Project Fund for capital projects and acquisitions	\$ 590,633
Debt Service Fund for debt service	1,430,604
Helicopter Enterprise Fund for operating subsidy	855,873
Total Transfers from the General Fund	\$ 2,877,110

From the King Cove Access Capital Project Fund to:

General Fund (for purpose)	280,770
Total Transfers	\$ 3,157,880

6. Long-term Liabilities

General obligation bonds payable at June 30, 2024, are comprised of the following:

\$2,205,000 - 2015 Refunding series one bonds, due in annual installments ranging from \$95,000 to \$110,000 through October 1, 2025; interest rate is 5.0 percent	\$ 205,000
\$17,155,000 - 2016 Refunding series three bonds, due in annual installments ranging from \$1,680,000 to \$2,155,000 through December 1, 2028; interest rate is variable from 4.0 to 5.0 percent	9,635,000
\$2,895,000 - 2021 Refunding series for refinancing of 2010 series three general obligation bonds, due in annual installments ranging from \$285,000 to \$305,000 through December 1, 2030; interest rate is variable from 0.2 to 2.0 percent	2,045,000
Total Bonds Payable	\$ 11,885,000

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Annual required installments on all Borough general obligation bonds as of June 30 are as follows:

<i>Year Ending June 30,</i>	Principal	Interest	Total
2025	\$ 2,075,000	\$ 476,149	\$ 2,551,149
2026	2,200,000	381,158	2,581,158
2027	2,220,000	281,852	2,501,852
2028	2,340,000	178,323	2,518,323
2029	3,050,000	80,677	3,130,677
2030-2031	605,000	12,209	617,209
	\$ 11,885,000	\$ 1,397,159	\$ 13,282,159

Lease Liabilities

The future principal and interest lease payments for Governmental Activities as of June 30, 2024 are as follows:

<i>Fiscal Year Ending June 30,</i>	Principal	Interest	Total
2025	\$ 118,866	\$ 16,729	\$ 135,595
2026	125,118	10,766	135,884
2027	134,299	4,246	138,545
2028	11,517	48	11,565
Totals	\$ 389,800	\$ 31,789	\$ 421,589

The future principal and interest lease payments for the Terminal Fund as of June 30, 2024 are as follows:

<i>Fiscal Year Ending June 30,</i>	Principal	Interest	Total
2025	\$ 1,282	\$ 5,787	\$ 7,069
2026	1,346	5,723	7,069
2027	1,413	5,656	7,069
2028	1,484	5,585	7,069
2029	1,558	5,511	7,069
2030-2034	9,038	26,307	35,345
2035-2039	11,535	23,810	35,345
2040-2044	14,721	20,624	35,345
2045-2049	18,788	16,557	35,345
2050-2054	23,980	11,365	35,345
2055-2059	30,603	4,742	35,345
Totals	\$ 115,748	\$ 131,667	\$ 247,415

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Changes in Long-Term Liabilities

Following is a summary of the changes in long-term liabilities of the Borough for the year ended June 30, 2024:

Governmental Activities	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
General obligation bonds	\$ 13,850,000	\$ -	\$ (1,965,000)	\$ 11,885,000	\$ 2,075,000
Issuance premiums	814,262	-	(241,440)	572,822	201,677
Total bonds payable	14,664,262		(2,206,440)	12,457,822	2,276,677
Leases	501,026	-	(111,226)	389,800	118,866
Accrued leave	114,389	113,381	(114,389)	113,381	113,381
Net pension liability	1,638,055	-	(347,806)	1,290,249	-
Total Governmental Activities	\$ 16,917,732	\$ 113,381	\$ (2,779,861)	\$ 14,251,252	\$ 2,508,924

Business-type Activities	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Leases	\$ 116,969	\$ -	\$ (1,221)	\$ 115,748	\$ 1,281
Net pension liability	74,475	-	(23,920)	50,555	-
Total Business-type Activities	\$ 191,444	\$ -	\$ (25,141)	\$ 166,303	\$ 1,281

For governmental activities, accrued leave is generally liquidated by the General Fund. Pension liabilities are paid out of funds based on a percentage of payroll.

8. Retirement Commitments

Alaska Public Employees' Retirement System (PERS)

(a) PERS – Plan Description and Contributions

All full-time employees and certain permanent part time employees of the Borough participate in the PERS - cost-sharing multiple-employer defined benefit or defined contribution pension and postemployment healthcare plans administered by the Commissioner of Administration and the Alaska Retirement Management Board (ARMB). The ARMB has the authority to establish and amend the benefit terms. PERS issues a publicly available financial report that can be obtained at <https://drb.alaska.gov/docs/reports/#pers>.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

PERS provides retirement, disability, death, and postemployment health benefits. Benefits vest with five years of credited service. Employees enrolled prior to July 1, 1986 with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. For employees enrolled after June 30, 1986, but before July 1, 2006, the normal and early retirement ages are 60 and 55, respectively. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit.

PERS benefits are earned based on the following tiers:

1. Tier 1 employee: entered system between January 1, 1961 and June 30, 1986 - 5 years credited service for pension and OPEB benefits.
2. Tier 2 employee: entered system between July 1, 1986 and June 30, 1996 - 5 years credited service for pension and OPEB benefits.
3. Tier 3 employee: entered system between July 1, 1996 and June 30, 2005 - 5 years credited service for pension benefits and 10 years credited service for OPEB benefits.

Active PERS members are required to contribute 6.75% (general members) or 7.5% (police and fire) and 8% (defined contribution plan) of their annual covered salary and the actuarially determined contribution rates as follows:

	Others	Police/fire
Defined benefit plans:		
Pension	18.47 %	18.47 %
Alaska Healthcare Retirement Trust	—	—
Occupational Death and Disability	0.30	0.68
Retiree Medical Plan	1.01	1.01
Defined contribution - Pension	5.00	5.00

Alaska Statute 39.35.255(a) capped the employer rate at 22% (22% for pension and 0% for AHCRT), with the State of Alaska making a nonemployer contribution for the difference between actuarially required contribution and the cap. The contribution requirements of plan members and the Borough 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% on eligible salary less:

(B) Total of the employer contributions for:

- (1) Defined contribution employer matching amount
- (2) Major medical
- (3) Occupational death & 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.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

The defined benefit portion (Tiers I, II and III) of PERS has been closed to new entrants since July 1, 2006.

(b) Defined Benefit Pension Plan

Pension Benefits

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

The percentage multipliers for police/fire personnel are 2.00% for the first ten years of service and 2.50% for all service over 10 years. The percentage multipliers for all other participants are 2.00% for the first 10 years, 2.25% for the next 10 years, and 2.50% for all remaining service earned on or after July 1, 1986. All service before that date is calculated at 2.00%.

The Plan has two types of postretirement pension adjustments (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients, when the cost-of-living increases in the previous calendar year. The automatic PRPA increase is paid beginning July 1 of each year. The discretionary PRPA may be granted to eligible recipients by the Plan's Administrator if the funding ratio of the Plan meets or exceeds 105%. If both an automatic and discretionary PRPA are granted, and a retiree is eligible for both adjustments, the one that provides the retiree the greater increase will be paid.

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

As of June 30, 2024, the Borough reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Borough. The amount recognized by the Borough as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Borough were as follows:

Borough's proportionate share of the net pension liability	\$	1,340,804
State's proportionate share of the net pension liability associated with the Borough		446,202
Total	\$	1,787,006

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Aleutians East Borough, Alaska

Notes to Basic Financial Statements

The June 30, 2024 net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The Borough's proportion of the net pension liability was based on a projection on of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating political subdivisions and the State, actuarially determined. As of June 30, 2023, the Borough's proportion was .0259%, which was a decrease of .0077% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Borough recognized pension benefit of \$141,380 and revenue of \$49,110 for support provided by the State. As of June 30, 2024, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual earnings on pension plan investments	\$ 34,997	—
Borough contributions subsequent to the measurement date	182,282	—
Total	\$ 217,279	—

The Borough reported \$182,282 as deferred outflows of resources related to pensions resulting from Borough contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year ending June 30

2025	\$ (13,273)
2026	(29,356)
2027	79,417
2028	(1,791)
Total Amortization	\$ 34,997

Pension Plan Fiduciary Net Position

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

(c) PERS – Defined Benefit OPEB Plans

PERS includes three cost-sharing OPEB plans. Certain amounts for the three OPEB plans have been combined as certain amounts related to the Occupational Death and Disability and Retiree Medical plans are not significant.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Alaska Retiree Healthcare Trust (ARHCT)

ARHCT, a healthcare trust fund of the State, provides major medical coverage to retirees of the defined benefit plan. The ARHCT is self-funded and self-insured. The ARHCT is closed to all new members effective July 1, 2006. Major medical benefits are provided to retirees and their surviving spouses at no premium cost for all Tier 1 members or disabled retirees. Tier 2 and 3 members, and their surviving spouses, must pay the full monthly premium if they are under age 60 and will receive benefits at no premium cost if they are over age 60. Tier 3 members must pay the full monthly premium regardless of their age. Tier 2 and Tier 3 members with less than five years of credited service are not eligible for postemployment healthcare benefits. Tier 2 members who are receiving a conditional benefit and are age eligible are eligible for postemployment healthcare benefits. In addition, peace officers, and their surviving spouses, with 25 years of peace officer membership service and all other members and their surviving spouses with 30 years of membership service receive benefits at no premium cost, regardless of their age or date of hire. Peace officers/firefighters who are disabled between 20 and 25 years must pay the full monthly premium.

Occupational Death and Disability Plan (ODD)

ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS.

Retiree Medical Plan (RMP)

RMP provides major medical coverage to retirees of the DCR Plan. The RMP is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible.

OPEB Assets, OPEB Benefit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, 2024, the Borough reported an asset for its proportionate share of the net OPEB asset that reflected increases for State OPEB support provided to the Borough. The amount recognized by the Borough as its proportionate share of net OPEB assets, the related State support, and the total portion of the net OPEB assets that was associated with the Borough were as follows:

Borough's proportionate share of the net OPEB assets	\$	619,043
State's proportionate share of the net OPEB asset associated with the Borough (ARHCT)		199,722
Total	\$	818,765

The net OPEB assets were measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as June 30, 2022. The Borough's proportion of the ARHCT net OPEB asset was based on a projection of the present value of the Borough's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating political subdivisions and the State, actuarially determined. The Borough's proportion of the ODD and RMP plans' net OPEB asset was based on the Borough's ODD and RMP contributions relative to the total actual ODD and RMP contributions from all participating political subdivisions and the State. As of June 30, 2023, the Borough's proportion was 2.561%

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

(ARHCT), 3.30% (RMP), and 2.755% (ODD) which was decreases of .772%, and .747%, and .07%, respectively, from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Borough recognized an employer OPEB expense of \$21,022 and a nonemployer benefit of \$34,036, related to increases in the Borough's proportionate share of the net OPEB asset and the State's proportionate share attributable to the Borough. As of June 30, 2024, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

	Deferred outflows of resources			
	AHCRT	ODD	RMP	Total
Net difference between projected and actual earnings on OPEB plan investments	\$ 26,819	\$ 326	\$ 1,312	\$ 28,457
Changes in proportion and difference between Borough contributions and proportionate share of contributions	27,465	599	144	28,208
Change in assumptions	—	—	1,685	1,685
Difference between actual and expected experience	1,223	—	478	1,701
Borough contributions subsequent to the measurement date	—	1,533	5,160	6,693
Total	\$ 55,507	\$ 2,458	\$ 8,779	\$ 66,744

	Deferred inflows of resources			
	AHCRT	ODD	RMP	Total
Changes in proportion and difference between Borough contributions and proportionate share of contributions	\$ —	\$ 595	\$ 107	\$ 702
Change in assumptions	10,843	59	12,741	23,643
Difference between actual and expected experience	—	3,970	506	4,476
Total	\$ 10,843	\$ 4,624	\$ 13,354	\$ 28,821

The Borough reported \$6,693 as deferred outflows of resources related to OPEB plans resulting from Borough contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB assets in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense (benefit) as follows:

Year ending June 30	AHCRT	ODD	RMP	Total
2025	\$ 6,177	\$ (893)	\$ (1,980)	\$ 3,304
2026	(24,226)	(958)	(2,232)	(27,416)
2027	64,355	(336)	(55)	63,964
2028	(1,642)	(620)	(2,365)	(4,627)
2029	-	(511)	(1,677)	(2,188)
Thereafter	-	(381)	(1,426)	(1,807)
	\$ 44,664	\$ (3,699)	\$ (9,735)	\$ 31,230

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

OPEB Plans' Fiduciary Net Position

Detailed information about the OPEB Plans' fiduciary net position is available in the separately issued PERS financial report.

(d) Actuarial Assumptions

The total pension and OPEB liability (asset) were determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

	Pension	OPEB
Inflation rate	2.50 %	2.50 %
Projected salary increase:		
Graded productivity and merit:		
Peace officers and firefighters	3.85 to 8.50	3.85 to 8.50
Others	2.85 to 6.75	2.85 to 6.75
Discount	7.25 %	7.25 %
Investment rate of return	7.25	7.25
Healthcare cost and trend rates:		
Pre-65 medical	N/A	6.7 grading down to 4.5
Post 65 medical	N/A	5.5 grading down to 4.5
Prescription drugs	N/A	7.2 grading down to 4.5
EGWP	N/A	7.2 grading down to 4.5
Participation rates	N/A	100% of system paid members and spouses and 20% of non-system paid members and spouses

Pre-termination mortality rates for peace officers and firefighters were based upon the Pub-2010 Safety Employee table, amount weighted, for pension and Pub-2010 Safety Employee table, headcount-weighted, for OPEB, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Pre-termination mortality rates for others were based upon the Pub-2010 General Employee table, amount weighted, for pension and Pub-2010 General Employee table, headcount-weighted, for OPEB, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time.+

Post-termination mortality rates were based on 101% of male and 108% of female rates of the Pub-2010 General Retire table, amount-weighted for pension, headcount-weighted for OPEB, and projected with MP-2021 generational improvement.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation except that per capita claims costs were updated to reflect recent experience and the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from Plan assets.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

The long-term expected rate of return on pension and OPEB 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Target allocation	Long - term expected real rate of return
Asset class:		
Broad domestic equity	27.00 %	6.17 %
Global equity	22.00	6.55
Aggregate bonds	23.00	1.63
Real assets	14.00	4.87
Private equity	14.00	11.57
Cash equivalents	—	0.49
Total	100.00 %	

Discount Rate

The discount rate used to measure the total pension and total OPEB liabilities was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, contributions from employers will be made at contractually required rates (based on State statute), and nonemployer contributions from the State will continue to follow current funding policy. Based on those assumptions, the pension and OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

Sensitivity of the Borough's proportionate share of the net pension liability and OPEB liability (asset) to changes in the discount rate.

The following presents the Borough's proportionate share of the net pension liability and OPEB liability (asset) calculated using the discount rate of 7.25 percent, as well as what the Borough's proportionate share of the net pension and OPEB liability (assets) would be if it were calculated using a discount rate that is 1-percentage point-lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

Plan	1% decrease (6.25)%	Discount rate (7.25)%	1% increase (8.25)%
Pension	\$ 1,800,025	\$ 1,340,804	\$ 952,897
ARHCT	(391,666)	(589,243)	(755,219)
ODD	(13,279)	(14,132)	(14,797)
RMP	2,124	(15,668)	(21,974)

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Sensitivity of the Borough's proportionate share of the collective net OPEB liability (asset) to changes in the healthcare cost trends rates.

The following presents the Borough's proportionate share of the collective net OPEB liability for each plan, as well as the Borough's proportionate share of each plan's collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan	1% decrease	Current trend rate	1% increase
ARHCT	\$ (774,204)	\$ (589,243)	\$ (369,005)
ODD	N/A	(14,132)	N/A
RMP	(23,406)	(15,668)	4,424

(e) PERS – Defined Contribution Plan

The State of Alaska Legislature approved SB 141 to create the PERS Tier IV for employees hired after July 1, 2006 or for employees converting from the PERS Tier I, II, or III defined benefit plans. The plan is administered by the State of Alaska, Department of Administration, and 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 plan are individual pension accounts, 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.

Employees are required to contribute 8% of their annual covered salary, and the Borough is required to make the following contributions:

	Others Tier IV	Police/fire Tier IV
Individual account	6.31%	6.69%
Health reimbursement arrangement (HRA)*	3.00	3.00
	9.31%	9.69%

* HRA - AS 39.30.370 requires that the employer contribute "an amount equal to three percent (3%) of the employer's average annual employee compensation." For actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period.

Employees are immediately and fully vested in their own contributions and related earnings (losses). Employees vest in employer contributions and related earnings (losses), after five years of service. Employees are partially vested in the employer contributions and the related earnings (losses), in the ratio of (a) 25% with two years of service; (b) 50% with three years of service; (c) 75% with four years of service; and (d) 100% with five years of service. The Borough's contribution to PERS, including the HRA contribution, for the year ended June 30, 2024 was \$41,394.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

9. Deferred Compensation Plan

The Borough has a deferred compensation plan created and amended in accordance with Internal Revenue Code Section 457. This plan is available to all Borough employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Borough is the administrator of the plan and all amounts deferred under this plan are held in a trust that was established for the exclusive benefit of plan participants. There are no separately available audited financial statements for this plan. This plan does not meet the definition of a pension plan under current accounting guidance and does not meet the reporting criteria for inclusion as a fiduciary fund.

10. Commitments and Contingencies

(a) Grants

The Borough receives numerous grants, which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement for expenditures disallowed under the terms of the grant. Management believes that such disallowances, if any, would not be material to the financial statements

(b) Litigation

In the opinion of management and the Borough attorney, no litigation is pending, or to their knowledge, threatened, which is likely to result, either individually or in the aggregate, in final judgments against the Borough, which would have a material effect on its financial statements.

Required Supplementary Information

Aleutians East Borough, Alaska
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2024</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental:				
Federal	\$ 630,000	\$ 630,000	\$ 780,933	\$ 150,933
State of Alaska	2,316,500	2,316,500	3,147,833	831,333
Borough raw fish tax	4,000,000	4,000,000	2,781,707	(1,218,293)
Investment income	500,000	500,000	1,557,616	1,057,616
Other	79,000	79,000	209,155	130,155
Total Revenues	7,525,500	7,525,500	8,477,244	951,744
Expenditures				
Current:				
General government	2,899,711	2,934,638	2,697,408	237,230
Public works	222,500	224,453	126,764	97,689
Education	855,000	855,000	854,510	490
Community services	199,289	199,289	197,289	2,000
Debt Service:				
Principal	-	-	111,226	(111,226)
Interest	-	-	22,525	(22,525)
Total Expenditures	4,176,500	4,213,380	4,009,722	203,658
Excess of Revenues Over Expenditures	3,349,000	3,312,120	4,467,522	1,155,402
Other Financing Uses				
Transfers in	42,850	42,850	280,770	237,920
Transfers out	(3,054,285)	(2,284,403)	(2,877,110)	(592,707)
Net Change in Fund Balance	\$ 337,565	\$ 1,070,567	1,871,182	800,615
Fund Balance, beginning	27,865,145	27,865,145	27,865,145	-
Fund Balance, ending	\$28,202,710	\$28,935,712	\$29,736,327	\$ 800,615

See accompanying notes to Required Supplementary Information.

Aleutians East Borough, Alaska
Public Employees' Retirement System - Pension Plan
Schedule of the Borough's Proportionate Share of the Net Pension Liability

<i>Years Ended June 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Borough's Proportion of the Net Pension Liability	0.02590%	0.03360%	0.03777%	0.02968%	0.02944%	0.02926%	0.03046%	0.03650%	0.03284%	0.02858%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,340,804	\$ 1,712,529	\$ 1,385,594	\$ 1,751,249	\$ 1,611,440	\$ 1,453,693	\$ 1,574,500	\$ 2,040,097	\$ 1,592,614	\$ 1,332,935
State of Alaska Proportionate Share of the Net Pension Liability	446,202	472,305	189,274	725,062	641,549	419,234	588,884	260,943	426,877	782,704
Total Net Pension Liability	\$ 1,787,006	\$ 2,184,834	\$ 1,574,868	\$ 2,476,311	\$ 2,252,989	\$ 1,872,927	\$ 2,163,384	\$ 2,301,040	\$ 2,019,491	\$ 2,115,639
Borough's Covered Payroll	\$ 907,112	\$ 976,541	\$ 998,652	\$ 953,677	\$ 925,266	\$ 871,241	\$ 532,514	\$ 616,773	\$ 576,627	\$ 498,241
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	147.81%	175.37%	138.75%	183.63%	174.16%	166.85%	295.67%	330.77%	276.19%	267.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.23%	67.97%	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%	63.37%

Schedule of the Borough's Contributions

<i>Years Ended June 30,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 182,282	\$ 146,615	\$ 148,427	\$ 154,895	\$ 145,741	\$ 156,444	\$ 144,604	\$ 117,153	\$ 135,690	\$ 126,858
Contributions Relative to the Contractually Required Contribution	182,282	146,615	148,427	154,895	145,741	156,444	144,604	117,153	135,690	126,858
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 870,343	\$ 907,112	\$ 976,541	\$ 998,652	\$ 953,677	\$ 925,266	\$ 871,241	\$ 532,514	\$ 616,773	\$ 576,627
Contributions as a Percentage of Covered Payroll	20.94%	16.16%	15.20%	15.51%	15.28%	16.91%	16.60%	22.00%	22.00%	22.00%

See accompanying notes to Required Supplementary Information.

Aleutians East Borough, Alaska

Public Employees' Retirement System - ARHCT OPEB Plan

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

Years Ended June 30,	ARHCT						
	2024	2023	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.02561%	0.03333%	0.03794%	0.02973%	0.02949%	0.02921%	0.03052%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (589,243)	\$ (655,721)	\$ (973,329)	\$ (134,651)	\$ 43,757	\$ 299,740	\$ 257,835
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	(199,722)	(188,495)	(123,597)	(56,002)	17,287	87,351	96,277
Total Net OPEB Liability (Asset)	\$ (788,965)	\$ (844,216)	\$ (1,096,926)	\$ (190,653)	\$ 61,044	\$ 387,091	\$ 354,112
Borough's Covered Payroll	\$ 344,607	\$ 450,750	\$ 533,861	\$ 521,918	\$ 512,113	\$ 497,243	\$ 532,514
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-170.99%	-145.47%	-182.32%	-25.80%	8.54%	60.28%	48.42%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	133.96%	128.51%	135.54%	106.15%	98.13%	88.12%	89.68%

Schedule of the Borough's Contributions

Years Ended June 30,	ARHCT						
	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ -	\$ -	\$ 35,523	\$ 47,845	\$ 57,219	\$ 53,413	\$ 45,399
Contributions Relative to the Contractually Required Contribution	-	-	35,523	47,845	57,219	53,413	45,399
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 359,422	\$ 344,607	\$ 450,750	\$ 533,861	\$ 521,918	\$ 512,113	\$ 497,243
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	7.88%	8.96%	10.96%	10.43%	9.13%

See accompanying notes to Required Supplementary Information.

Aleutians East Borough, Alaska

Public Employees' Retirement System - RMP OPEB Plan

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

Years Ended June 30,	RMP						
	2024	2023	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.03300%	0.03325%	0.03174%	0.03195%	0.03314%	0.03305%	0.03299%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (15,668)	\$ (11,548)	\$ (8,520)	\$ 2,266	\$ 7,928	\$ 4,205	\$ 1,721
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (15,668)	\$ (11,548)	\$ (8,520)	\$ 2,266	\$ 7,928	\$ 4,205	\$ 1,721
Borough's Covered Payroll	\$ 562,505	\$ 525,791	\$ 464,790	\$ 431,760	\$ 413,153	\$ 373,998	\$ 532,514
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.79%	-2.20%	-1.83%	0.52%	1.92%	1.12%	0.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	124.29%	120.08%	115.10%	95.23%	83.17%	88.71%	93.98%

Schedule of the Borough's Contributions

Years Ended June 30,	RMP						
	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 5,160	\$ 6,188	\$ 5,626	\$ 5,891	\$ 5,699	\$ 3,889	\$ 3,852
Contributions Relative to the Contractually Required Contribution	5,160	6,188	5,626	5,891	5,699	3,889	3,852
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 510,920	\$ 562,505	\$ 525,791	\$ 464,790	\$ 431,760	\$ 413,153	\$ 373,998
Contributions as a Percentage of Covered Payroll	1.01%	1.10%	1.07%	1.27%	1.32%	0.94%	1.03%

See accompanying notes to Required Supplementary Information.

Aleutians East Borough, Alaska

Public Employees' Retirement System - ODD OPEB Plan

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

Years Ended June 30,	ODD						
	2024	2023	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.02755%	0.02825%	0.02696%	0.02560%	0.02633%	0.03305%	0.03299%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (14,132)	\$ (12,385)	\$ (11,882)	\$ (6,978)	\$ (6,385)	\$ (6,418)	\$ (4,681)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (14,132)	\$ (12,385)	\$ (11,882)	\$ (6,978)	\$ (6,385)	\$ (6,418)	\$ (4,681)
Borough's Covered Payroll	\$ 562,505	\$ 525,791	\$ 464,790	\$ 431,760	\$ 373,998	\$ 373,998	\$ 532,514
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.51%	-2.36%	-2.56%	-1.62%	-1.71%	-1.72%	-0.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	349.24%	348.80%	374.22%	283.80%	297.43%	270.62%	212.97%

Schedule of the Borough's Contributions

Years Ended June 30,	ODD						
	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 1,533	\$ 1,687	\$ 1,630	\$ 1,438	\$ 1,123	\$ 1,075	\$ 598
Contributions Relative to the Contractually Required Contribution	1,533	1,687	1,630	1,438	1,123	1,075	598
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 510,920	\$ 562,505	\$ 525,791	\$ 464,790	\$ 431,760	\$ 413,153	\$ 373,998
Contributions as a Percentage of Covered Payroll	0.30%	0.30%	0.31%	0.31%	0.26%	0.26%	0.16%

See accompanying notes to Required Supplementary Information.

Aleutians East Borough, Alaska

Notes to Required Supplementary Information Year Ended June 30, 2024

1. Budgetary Comparison Schedule

The budgetary comparison schedule is presented on the modified accrual basis of accounting.

The COVID-19 Special Revenue Fund, Permanent Fund, Capital Improvements Capital Project Fund, and Bond Construction Capital Project Fund do not have a legally adopted budget; therefore, no budgetary comparison schedule has been presented for these funds.

2. Public Employees' Retirement System Pension Plan

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

This table is presented based on the Plan measurement date. For June 30, 2024, the Plan measurement date is June 30, 2023.

Changes in Assumptions:

The total pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect expected future experience.

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 Borough will present only those years for which information is available.

Schedule of the Borough's Contributions

This table is based on the Borough'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 Borough will present only those years for which information is available.

Aleutians East Borough, Alaska

Notes to Required Supplementary Information, continued

3. Public Employees' Retirement System OPEB Plans

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

This table is presented based on the Plan measurement date. For June 30, 2024, the Plan measurement date is June 30, 2023.

Changes in Assumptions:

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect the expected future experience. For the ARHCT and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2022 actuarial valuation.

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 10 years of information is available, the Borough will present only those years for which information is available.

Schedule of the Borough's Contributions

This table is based on the Borough'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 Borough will present only those years for which information is available.

Supplementary Information

Aleutians East Borough, Alaska

Exhibit F-1

Nonmajor Governmental Funds Combining Balance Sheet

		Maint- enance Reserve Capital Project	Total Nonmajor Govern- mental Funds
<i>June 30, 2024</i>			
Assets			
Cash with central treasury	\$	118,839	\$ 118,839
Other cash and investments		165,968	165,968
Prepaid items		2,400	2,400
Total Assets	\$	287,207	\$ 287,207
Fund Balance			
Nonspendable	\$	2,400	\$ 2,400
Assigned:			
Maintenance reserve		284,807	284,807
Total Fund Balances		287,207	287,207
Total Liabilities and Fund Balances	\$	287,207	\$ 287,207

Aleutians East Borough, Alaska

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year Ended June 30, 2024</i>	COVID-19 Special Revenue	Maint- enance Reserve Capital Project	King Cove Access Capital Project	Total Nonmajor Govern- mental Funds
Revenues:				
Intergovernmental:				
Federal	\$ 182,615	\$ -	\$ -	\$ 182,615
Investment income	-	7,644	-	7,644
Total Revenues	182,615	7,644	-	190,259
Expenditures				
Current:				
Public Works	-	83,565	-	83,565
Capital outlay	182,615	-	-	182,615
Total Expenditures	182,615	83,565	-	266,180
Excess of expenditures over revenues	-	(75,921)	-	(75,921)
Other Financing Uses				
Transfers out	-	-	(280,770)	(280,770)
Net Change in Fund Balances	-	(75,921)	(280,770)	(356,691)
Fund Balances, beginning	-	363,128	280,770	643,898
Fund Balances, ending	\$ -	\$ 287,207	\$ -	\$ 287,207

Aleutians East Borough, Alaska

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Award Amount	Provided to Subre- cipients	Total Federal Expend- itures
U.S. Department of the Treasury					
Local Assistance and Tribal Consistency Fund	21.032		\$2,038,800	\$ -	\$ 346,500
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027		648,173	-	182,615
Total U.S. Department of the Treasury					529,115
U.S. Department of Commerce					
Passed through the National Fish and Wildlife Foundation - Research and Development Cluster:					
Unallied Science Program	11.472	0303.22.073568	521,062	-	44,639
Unallied Science Program	11.472	0303.23.076659	474,690	-	314,027
Unallied Science Program	11.472	0303.23.076659	576,896	-	291,306
Total Assistance Listing 11.472				-	649,972
Total U.S. Department of Commerce				-	649,972
Department Health and Human Services					
Passed through State of Alaska Department of Health and Social Services:					
Immunization Cooperative Agreements	93.268	C0622-584-KK	54,518	-	41,100
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	C0622-584-KK	54,517	-	41,099
Congressional Directives	93.493		2,000,000	-	200,118
Total U.S. Department of Health and Human Services					282,317
Total Expenditures of Federal Awards				\$ -	\$ 1,461,404

The accompanying notes are an integral part of this schedule.

Aleutians East Borough, Alaska

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

1. Basis of Presentation

The accompanying schedules of expenditures of federal awards (the “Schedules”) includes the federal award activity of Aleutians East Borough, Alaska (the Borough) excluding its component unit, Aleutians East Borough School District, under programs of the federal government for the year ended June 30, 2024. The information in the Schedules 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 Schedules presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Borough.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedules 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 Schedules, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3. Indirect Cost Rate

The Borough has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Aleutians East Borough, Alaska
Schedule of State Financial Assistance
Year Ended June 30, 2024

State Agency/Program Title	Award Number	Total Award Amount	Passed Through to Subrecipients	State Expend- itures
Department of Education and Early Development				
Sand Point School	GR-23-016	\$ 1,929,575	\$ -	\$ 332,079
* Debt Retirement Program	N/A	678,079	-	678,079
				1,010,158
Department of Transportation and Public Facilities				
Harbor Bond Reimbursement	N/A	420,842	-	420,842
Total State Financial Assistance			\$ -	\$ 1,431,000

* Denotes major program

The accompanying notes are an integral part of this schedule.

Aleutians East Borough, Alaska

Notes to the Schedule of State Financial Assistance Year Ended June 30, 2024

1. Basis of Presentation

The accompanying Schedule of State Financial Assistance (the “Schedule”) includes the state award activity of Aleutians East Borough, Alaska (the Borough) excluding its component unit, Aleutians East Borough School District, under programs of the State of Alaska for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position, changes in net position or cash flows of the Borough.

2. Summary of Significant Accounting Policies

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

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Single Audit Section



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

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*

Honorable Mayor and Borough Assembly
Aleutians East Borough, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Aleutians East Borough, (the Borough) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 8, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough'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 Borough'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 Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

Anchorage, Alaska
August 8, 2025



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor and Borough Assembly
Aleutians East Borough, Alaska

Report on Compliance

Opinion on Compliance for Each Major Federal Program

We have audited Aleutians East Borough's (the Borough) 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 Borough's major federal programs for the year ended June 30, 2024. The Borough'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 Borough 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 Borough 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 Borough's compliance with the compliance requirements referred to above.

Other Matter - Federal Expenditures Not Included in the Compliance Audit

The Borough's basic financial statements include the operations of its discretely presented component unit, the Aleutians East Borough School District (the School District) which expended \$3,645,605 in federal awards, which are not included in the Borough's schedule of federal awards during the year ended June 30, 2024. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of the School District because it was subjected to a separate audit in accordance with Uniform Guidance for the year ended June 30, 2024.

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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 Borough'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 Borough'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 Borough'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 Borough'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 Borough'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 Borough's internal control over compliance. Accordingly, no such opinion is expressed.

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



Other Matters

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

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

The Borough is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Borough's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.



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

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

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

BDO USA, P.C.

Anchorage, Alaska
August 8, 2025



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

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*

Honorable Mayor and Borough Assembly
Aleutians East Borough, Alaska

Report on Compliance for Each Major State Program

Opinion on Compliance for Each Major State Program

We have audited Aleutians East Borough's (the Borough) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement* that could have a direct and material effect on each of the Borough's major state programs for the year ended June 30, 2024. The Borough's major state programs are identified in the accompanying Schedule of State Financial Assistance.

In our opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

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

We are required to be independent of the Borough 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 Borough's compliance with the types of compliance requirements referred to above.

Other Matter - State Expenditures Not Included in the Compliance Audit

The Borough's basic financial statements include the operations of its component unit, the Aleutians East Borough School District (the School District) which expended \$3,939,155 of state awards which is not included in the Schedule of State Financial Assistance for the year ended June 30, 2024. Our compliance audit, described in the Opinion on Each Major State Program, does not include the operations of the School District because it was subjected to a separate audit in accordance with the *State of Alaska Audit Guide and Compliance* for the year ended June 30, 2024.

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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 Borough's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough'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* requirements will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of 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 Borough's compliance with the requirements of the 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 Borough's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough'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 Borough's internal control over compliance. Accordingly, no such opinion is expressed.

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



Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the State of Alaska Audit Guide and which are described in the accompanying schedule of findings and questioned costs as item 2024-002. Our opinion on each major state program is not modified with respect to these matters.

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

The Borough is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Borough's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

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



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

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

BDO USA, P.C.

Anchorage, Alaska
August 8, 2025

Aleutians East Borough, Alaska

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Section I - Summary of Auditors' 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 ☒ no
Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? ☐ yes ☒ no
Significant deficiency(ies) identified? ☒ yes ☐ 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 ☒ no

Identification of major federal programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster	Agency
11.472	Research & Development Cluster - Unallied Science Program	Department of Commerce

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

Auditee qualified as low-risk auditee? ☐ yes ☒ 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 ☒ no
Significant deficiency(ies) identified? ☒ yes ☐ no

Dollar threshold used to determine a state major program: \$ 750,000

Auditee qualified as low-risk auditee? ☐ yes ☒ No

Aleutians East Borough, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2024

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 the financial audits contained in *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

<u>Finding 2024-001</u>	Deadline for Federal Single Audit - Noncompliance and Internal Control Over Compliance - Significant Deficiency
<i>Agency</i>	Department of Commerce
<i>Pass-through Entity</i>	National Oceanic and Atmospheric Association
<i>Assistance Listing</i>	11.472
<i>Program</i>	Research and Development Cluster
<i>Award Year</i>	2022-2024
<i>Criteria</i>	The Borough is required to submit the single audit report and Form SF-SAC within nine months of the fiscal year end.
<i>Condition</i>	The Form SF-SAC for the fiscal year ended June 30, 2024 was not filed on time.
<i>Cause</i>	The audit was not completed in time to file the form, due to a delay in closing the books and records.
<i>Effect or potential effect</i>	The Schedule of Expenditures of Federal Awards were not available in a timely manner in order to allow for timely submission of Form SF-SAC.
<i>Questioned costs</i>	None noted.
<i>Context</i>	The Form SF-SAC is due nine months after the fiscal year end. The form for the fiscal year ended June 30, 2024 was filed late.
<i>Identification as a repeat finding</i>	No
<i>Recommendation</i>	We recommend the Form SF-SAC is filed timely in the future.
<i>Views of responsible officials</i>	Borough management acknowledges that the SF-SAC was filed late for Fiscal Year 2024 due to unforeseen financial reporting issues. As those reporting issues have been resolved, we do not anticipate any such issues for Fiscal Year 2025.

Aleutians East Borough, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2024

Section IV - State Award Findings and Questioned Costs

Finding 2024-002 **Deadline for State Single Audit - Noncompliance and Internal Control over Compliance - Significant Deficiency**

State Agency Department of Education & Early Development

*Grant Name and
Award Number* Debt Retirement Program
N/A
Award Year FY24

Criteria 2 AAC 45.010 (b) states an entity that expends a cumulative total of \$750,000 or more shall submit an audit report for the audit period by "...the earlier of 30 days after the entity receives its audit report for the audit period; or nine months after the end of the audit period" or a later date agreed upon in writing in advance of the date in this section.

Condition The State Single Audit for the fiscal year ended June 30, 2024 was not filed on time.

Questioned costs None noted.

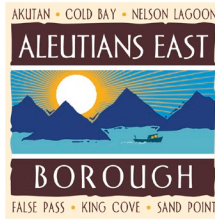
Context The Borough's audit in accordance with 2 AAC 45 was not completed within nine months after the audit period.

Cause The audit was not completed in time to file the form, due to a delay in closing the books and records.

*Effect or potential
effect* The Borough is not in compliance with 2 AAC 45.010 (b)(1).

Recommendation We recommend the State Single Audit is filed timely in the future.

*Views of responsible
officials* Borough Management acknowledges that the State Single Audit was filed late for Fiscal Year 2024 due to unforeseen financial reporting issues. As those reporting issues have been resolved, we do not anticipate any such issues for Fiscal Year 2025.



Aleutians East Borough, Alaska

Summary Schedule of Prior Audit Findings Year Ended June 30, 2024

Finding 2023-001 **Segregation of Duties - Internal Control over Financial Reporting - Significant Deficiency**

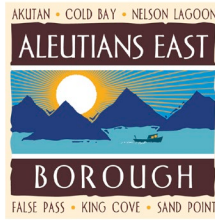
Finding Internal controls were not in place throughout the entire fiscal year to ensure that all ACH and wire transfer transactions were reviewed and approved by an individual who did not initiate the transaction.

Status This Finding did not repeat in Fiscal Year 2024.

Finding 2023-002 **General Ledger Reconciliation and External Financial Reporting - Significant Deficiency**

Finding Internal controls were not operating effectively to ensure that all general ledger accounts were properly reconciled and adjusted at year-end for GAAP-based financial reporting.

Status This Finding did not repeat in Fiscal Year 2024.



Aleutians East Borough, Alaska

Corrective Action Plan Year Ended June 30, 2024

Name of Contact Person Anne Bailey, Borough Administrator
abailey@aeboro.org
907-274-7580

Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards
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**Finding 2024-001 Deadline for Federal Single Audit - Noncompliance and Internal Control
Over Compliance - Significant Deficiency**

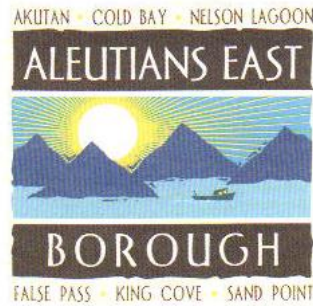
Corrective Action Plan Borough Management acknowledges that the SF-SAC was filed late for Fiscal Year 2024 due to unforeseen financial statement disclosure requirements. As those disclosures have been resolved during Fiscal Year 2024, we do not anticipate any such issues for Fiscal Year 2025.

Expected Completion Date All matters relating to the financial statement disclosures were made prior to June 30, 2025.

**Finding 2024-002 Deadline for State Single Audit - Noncompliance and Internal Control over
Compliance - Significant Deficiency**

Corrective Action Plan Borough Management acknowledges that the State Single Audit was filed late for Fiscal Year 2024 due to unforeseen financial statement disclosure requirements. As those disclosures have been resolved during Fiscal Year 2024, we do not anticipate any such issues for Fiscal Year 2025.

Expected Completion Date All matters relating to the financial statement disclosures were made prior to June 30, 2025.



RESOLUTION NO. 26-10

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY ACCEPTING THE BASIC FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY INFORMATION, SUPPLEMENTARY INFORMATION AND SINGLE AUDIT REPORTS FOR YEAR ENDED JUNE 30, 2024

WHEREAS, the Aleutians East Borough hired BDO to audit the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Borough as of and for the year ending June 30, 2024; and

WHEREAS, BDO has completed the audit for FY2024 and, in their opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Borough, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America; and

WHEREAS, there were no findings related to the financial statements; and

WHEREAS, for the FY2024 Federal Award Findings and Questioned Costs there were no material weaknesses and one significant deficiency; and

WHEREAS, for the FY 2024 State Single Audit there were no material weaknesses and one significant deficiency; and

WHEREAS, Borough Administration has reviewed the FY2024 audit and submitted the Corrective Action Plan; and

WHEREAS, BDO will submit the audit and submission letter to meet the State of Alaska's submission deadline.

NOW, THEREFORE, BE IT RESOLVED by the Aleutians East Borough Assembly accepts the basic financial statements, required supplementary information, supplementary information and single audit reports for year ended June 30, 2024.

PASSED AND APPROVED BY THE ALEUTIANS EAST BOROUGH ASSEMBLY on this 14th day of August 2025.

ALEUTIANS EAST BOROUGH, ALASKA

Alvin D. Osterback, Mayor

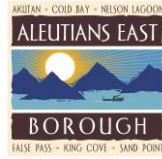
ATTEST:

Beverly Rosete, Clerk

OLD BUSINESS

NEW BUSINESS

REPORTS AND UPDATES



To: Honorable Mayor Osterback and AEB Assembly
From: Anne Bailey, Borough Administrator
Subject: Assembly Report
Date: August 7, 2025

King Cove Road

The US Fish and Wildlife Service is currently completing regulatory compliance reviews and assessments for a 2025 proposed land exchange with the King Cove Corporation for the purpose of providing a road corridor through Izembek to access the all-weather airport located at Cold Bay. The effort furthers direction in Executive Order 14153 – Unleashing Alaska’s Extraordinary Resources Potential – and Secretarial Order 3422 to facilitate the expedited development of this road corridor. As part of the current process, the Services is drawing on previous planning and environmental reviews, including but not limited to a 2013 Environmental Impact Statement (EIS), a 2019 Land Exchange Agreement, and a 2024 Draft Supplemental EIS.

Following consultation with the King Cove Corporation, the Department of Interior and King Cove representatives mutually agreed to move forward with evaluating a new proposed equal value and land exchange agreement.

The purpose of the land exchange would be to provide for a road corridor that allows for the construction and operation of a long-term, safe, reliable, and affordable year-round road. The proposed exchange is being evaluated pursuant to the Secretary of the Interiors’s authority under Section 1302(h) of ANILCA, subject to Section 910 of ANILCA.

As part of the land exchange proposal analysis, the Service is conducting ANILCA Section 810 hearings on August 18-21, 2025. The Service has evaluated the effects on subsistence uses and needs in determining whether to withdraw, reserve, lease, or otherwise permit the use, occupancy, or disposition of public lands on National Wildlife Refuges in Alaska. ANILCA requires the Service to hold a hearing on subsistence resources for the vicinity of the area for which the Service has identified a significant restriction on subsistence uses.

The hearings will be for the following Alaskan communities: King Cove, Cold Bay, Sand Point, Nelson Lagoon and False Pass.

The hearing schedule is as follows:

- King Cove – Monday, August 18, 2025 at 6:00 p.m. at the Agdaagux Tribal Center
- Cold Bay – Tuesday, August 19, 2025 at 6:00 p.m. at the Cold Bay Lodge

- Sand Point, Nelson Lagoon, False Pass – Thursday, August 21, 2025 at 6:00 p.m. Virtual Hearing

Cold Bay Clinic

On April 25, 2025, Cold Bay Clinic Renovations Additive Alternates Change Order No. 1 was executed in the amount of \$18,466 to conduct selective demolition of the existing Cementous lap siding on both exterior pop-outs and vapor barrier. They the installation of lap siding and vapor-shield rainscreen material.

On June 25, 2025, Change Order No. 2 in the amount of \$1,419.00 for additional door hardware was finalized. Change Order No. 3 removed the morgue from the HRSA grant reduced the HRSA funding by \$18,655.24. UIC Napparit will be billing the Borough for the morgue separately.

As of June 23, 2025, the interior (base bid) work was 99% complete. The only remaining items were paint touch up. The exterior (additive alternate work) was 90% complete. The remaining items included exterior paint, exterior signage, pop out vestibule siding and roof flashing. This work is scheduled to be complete July 1-3, 2025.

ECI conducted the substantial completion inspection on June 30 to July 1, 2025. ECI provided a checklist of items that UIC needed to address, which UIC has since taken care of. On July 17, 2025, Certificates of Completion were provided for the HRSA grant scope of work and the Additive Alternate scope of work.

The HRSA project was completed by July 31, 2025. Administration is working on completing the close out documentation.

Cold Bay Dock

In early July 2025, Western Marine Construction arrived in Cold Bay and conducted the repair work. Moffatt & Nichol arrived to inspect the work and it generally looked good. Western Marine Construction provided the City of Cold Bay with a few deck boards that they will install. Therefore, this project is now considered complete.

Sand Point Harbor Float

On May 29, 2024, the draft EAS was submitted to USDOT for their review. On June 10, 2024, additional information and edits were submitted to MARAD, per their request.

On June 12, 2024, the Borough received the fully executed Department of Army permit, which authorizes the construction of a new float system within the New Harbor. The permit expires on June 30, 2029.

In July, Moffatt & Nichol sent letters to NOAA and US Fish & Wildlife from MARAD requesting the respective agencies concurrence to apply the previous USACE consultation to fulfill MARAD's obligation under Section 7(a)(2). Both entities responded that this would work.

On July 11, 2024, M&N submitted the revised NEPA Environmental Assessment to MARAD for their legal review. MARAD had some questions and the updated NEPA was sent to MARAD on July 29, 2024

On August 27, 2024, MARAD emailed the Borough and M&N the signed Finding of No Significant Impact, completing the NEPA process for this project. MARAD has also informed us that the Engineering Risk Register has been completed. On September 5, 2024, the Borough signed the grant agreement. The last two steps for grant concurrence is:

- Step 10: MARAD's Office of Acquisition signs the grant agreement; MARAD will send AEB the fully signed grant agreement
- Step 11: MARAD obligates the funds and sends AEB the Notice To Proceed (NTP)

On September 6, 2024, M&N issued the Request for Proposal (RFP) documents for the project. The Borough is seeking proposals from qualified Contractors for the furnishing of all materials, labor, and equipment necessary to construct a new floating timber dock facility. The proposals are due on October 21, 2024 at 3:00 p.m. in the Borough Anchorage Office. The items have been posted in the Plans Room, on AGC Online Plans, on SeattleDJC.com, on the Borough website and Facebook page and in the Borough communities. It has also been posted in the Anchorage Daily News.

On September 20, 2024, Addendum No. 1 was issued answering numerous questions from interested contractors. On September 24, 2025, Addendum No. 2 was issued, which provided the meeting code for the Pre-Bid Meeting.

On September 25, 2025, M&N hosted a Pre-Bid meeting and provided a high-level overview of the project. Numerous people attended the meeting.

On October 4, 2024, Addendum No. 3 was issued and on October 16, 2024, Addendum No. 4 was issued. Both answered general questions. On October 17, 2024, a revision to Addendum No. 4 was issued.

On October 16, 2024, the Borough, M&N and MARAD met to discuss Post Award items. This included getting access to the USDOT "Delphi eInvoicing System", how to apply for reimbursements and submit quarterly reports.

The bid opening for the project occurred on October 21, 2024. Three proposals were received by the deadline.

On October 25, 2023, the evaluation committee met to review the proposals. It was determined that all three entities met the qualification criteria. Therefore, on October 28, 2024, a Notice of Intent to Award was submitted to Western Marine in the amount of \$7,855,000.

On November 5, 2024, the Borough, M&N and Western Marine met to discuss a few alternate layouts for the floats in an amount not to exceed \$399,095.

On November 12, 2024, the Borough received approval from MARAD to award the contract for

construction phase services to M&N without going out to competitive bid.

On November 20, 2024, the Borough and Western Marine Construction contract was executed and a Notice to Proceed was submitted to WMC in the amount of \$7,855,000.

On November 25, 2024, the Borough and M&N executed a contract for Construction Phase Services in an amount not to exceed \$399,095.

On January 2, 2025, the Borough received permission from MARAD to proceed with adjusting the dock structure, putting a rub strip on the dock facility and purchasing additional piles and some additional work items.

On January 27, 2025, M&N conducted a shop visit at Transpac Marine. As of the 27th, nearly all the fabrication materials have been received by Transpac from the material suppliers. The main components that are awaiting shipment to Transpac are the timber bullrails, HDPE rubstrips, pile hoop fabrications, and the thru-rods. The current manufacturing progress is on schedule for delivery to Seattle in April.

On February 12, 2025, the Borough and State executed the State Harbor Facility Grant Agreement.

On February 27, 2025, M&N conducted a shop visit at Transpac Marine. As of the 27th, all the float modules were structurally complete, with the status decking, pile, guides and other miscellaneous parts varying by float. None of the floats had decking completed, and none of the float modules had rub board, steel bullrail or power pedestal installation started.

On March 14, 2025, the Borough and State executed Amendment No. 1 for the Sand Point Harbor Facility Grant.

On March 19, 2025, M&N conducted a shop visit at Transpac Marine. As of the 19th, all the float modules were structurally complete and the decking, pile guides and other miscellaneous parts were either installed or waiting quality control inspection by Transpac. None of the floats had decking completed, and none of the float modules had rub board, steel bullrail or power pedestal installation started. Some deck boards where utilities were expected to be run were either installed with removable screws or not installed but ready for inspection. Transpac was ahead of schedule for delivery of all items on or before the required contract date. Per Western Marine, Transpac is scheduled to start shipping modules to Seattle on March 31, 2025 for barge loading over the next few weeks.

On April 1, 2025, the Borough, M&N and WMC held their monthly meeting. The project is still in the fabrication and procurement stage. First four float modules are in Seattle and WMC expects them to all be in Seattle the week of April 8th. Piles expected to start arriving in Seattle next week, and the gangway is already in Seattle.

On April 10, 2025, the Borough received approval to construct the floats from the Fire Marshall.

On May 8, 2025, the Borough executed Change Order No. 2 in the amount of \$59,995 to address a series of electrical conflicts within the project plans and specifications.

On May 9, 2025, the barge arrived in Sand Point. The floats will be stored until work begins in middle to late July 2025.

In mid-July, WMC arrived in Sand Point and has conducted a lot of work. This project is ahead of schedule. The piles have been driven, the gangway installed and the majority of the float has been installed. The WMC crew should be moving off site on August 13, 2025. The electrical company will be completing the electrical work over the next two weeks.

As WMC was driving the piles, a water line was discovered that was buried without being completed. M&N, WMC and the Borough are considering installing the waterline to the float system. In order to do this, a lot of information needs to be gathered, and a DEC permit will need to be obtained. The Borough will also need to determine if this work is something they can afford and whether MARAD and the State of Alaska will allow the remaining grant funds to be used for this purpose.

Sand Point School DEED Grant

The DEED project is underway. The State of Alaska has reviewed and provided comments on the 35% design. DOWL/ECI are in the process of working on the 65% and the Construction Manager – General Contractor Solicitation. At the May 9, 2024 Assembly Meeting, the Borough approved Resolution 24-39 Authorizing the Mayor to use the Construction Manager/General Contractor Qualifications Based Selection project delivery method for the Sand Point K-12 School Major Maintenance Project. On May 22, 2024, Administration sent a request to the State of Alaska seeking authorization from DEED for the Aleutians East Borough to use a Construction Manager/General Contractor Qualifications Based Selection (CM/GC QBS) alternative delivery for the Sand Point School Major Maintenance Project. On May 24, 2024, the State approved the request to use a CM/GC QBS Selection alternative.

On June 7, 2024, the Construction Manager/General Contractor Qualifications Based Selection Request for Proposal was issued and one proposal was received by the June 28, 2024 deadline. The Borough issued a Notice of Intent to Negotiate for pre-construction services contract to UIC Construction, LLC. The contract with UIC Construction for pre-construction services has been executed.

On August 8, 2024, Administration signed a contract with EHS in the amount of \$40,388 to supplement the previous AHERA sampling information and conduct a hazardous materials survey for asbestos, lead, and interior PCB materials, prepare an abbreviated survey report, prepare a hazardous materials removal and disposal design and provide limited “in-house” oversight of the hazardous materials portion of the construction phase. The consultant travelled to Sand Point on August 27-29, 2024 and conducted the survey. Results on the samples will occur later than expected, but the surveyor was able to get enough materials that he wants results from.

On August 22, 2024, the Borough and the DOWL design team met with DEED to discuss the

Commissioning Agent requirement. After discussing, DEED has agreed that we do not have to hire a third party to conduct this work and that it is already included in our existing contract with DOWL for the design work.

On August 23, 2024, Administration attended a 65% design review with UIC and the design team to address initial questions that UIC has. UIC is planning on conducting a site visit to the school on September 5-6, 2024.

On September 3, 2024, Amendment No. 2 for the Sand Point K-12 School Major Maintenance Grant was fully executed. The Amendment revised the project budget as follows:

	Current Budget	Change this Amendment	Revised Funding Source Total
Grant Amount	\$1,929,575	\$2,497,832	\$4,427,407
Recipient's Participating Share	\$1,039,002	\$1,344,987	\$2,383,989
Other Funds	\$0	\$0	\$0
Project Total	\$2,968,577	\$3,842,819	\$6,811,396

On September 16, 2024, Talia and I attended a 65% Cost Reconciliation Meeting with the design team and UIC to go over their cost estimate. A lot of items were identified to review further.

On October 16, 2024, Talia and I attended a value engineering, allowance and contingency discussion with the design team and UIC. We are almost done narrowing in on the scope of work and cost estimate for the 65% design.

On November 4, 2024, Talia and I attended the final cost reconciliation meeting with the design team and UIC. Numerous cost savings were identified, and the project came under the Borough's designed budget. The design team also received official notice to begin the 95% design. On November 5, 2024, DOWL and the Borough met to do the last review of the value engineering items and agreed on some of the add alternate work that will be included in the 95% design. On November 6, 2024, the Borough and DOWL met with the State of Alaska to provide them an update on the project and received permission to initiate early authorization requests for long-lead items.

On February 13, 2025, DOWL/ECI issued the 100% contract documents for the project. UIC Construction is aiming to submit the guaranteed maximum price by March 4, 2025.

On February 25, 2025, the Borough received a response from DEED stating they reviewed and approved the 95% construction documents.

UIC Construction has provided the Guaranteed Maximum Price for the project. Resolution 25-44 authorizing the Mayor to negotiate and execute a contract with UIC Construction to provide construction services for the Sand Point Maintenance Project in an amount not \$8,800,123.

On March 3, 2025, the Alaska State Fire Marshall Office issued the permit for the SP School DEED project.

On March 26, 2025, the Borough executed a contract with UIC for construction of the SP School DEED Project in an amount of \$8,144,227. There will be a deductive change order for the doors. The project's commencement date is March 25, 2025 and the substantial completion date is October 25, 2025.

UIC arrived onsite in June 2025 and are in the process of conducting demolition of the site.

On June 20, 2025, the Borough and UIC executed Change Order No. 2 that deducted \$263,753 from Additive Alternate 1 – Additional Doors, Frames and Hardware. This change order removed the wireless door hardware from the project.

UIC has made significant progress at the Sand Point School. On July 31, 2025, the following Change Orders were approved:

- Change Order No. 3 - \$21,486 – Heat Gate Valve
- Change Order No. 4 - \$16,442 – AHU Coil Disposal
- Change Order No. 11 - \$9,182 – Locker Room Framing

On August 5, 2025, Change Order No. 10 was approved in the amount of \$113,301 to conduct additional asbestos wainscot removal and disposal in the shops. This work will need to be completed prior to school being in session.

Additional change orders will be carried out in the next few weeks.

School Items

King Cove School Water Systems Repair Project: On April 11, 2025, the Borough issued a Request for Proposal for the King Cove School Water Systems Repair Project. The scope of work includes performing domestic water piping repairs which includes work done on the west wing main line, the central wing main line, the east wing main line, and branch lines.

One proposal was received by the deadline and on May 9, 2025 a Notice of Intent to Award was sent to Ameresco. The Borough entered into a contract with Ameresco for an amount not to exceed \$595,125.

On June 3, 2025, a pre-construction meeting was held. Ameresco mobilized to King Cove and began demolition for the project.

When they began working on the project, Ameresco noticed additional items that were not identified in the original scope of work. On July 8, 2025, Change Order No. 1 in the amount of \$147,678 was executed to add the hot water line replacement to the scope of work. The overall contract amount is now \$742,893.

On August 5, 2025, Ameresco had completed the following over the week:

1. Complete pressure testing in both locker rooms, woodshop, home ec. and science room
2. Continue insulation in walls on east end, woodshop, science room and girl's locker room
3. Continue wall repair throughout
4. Continue plumbing trim, angle stops, etc. throughout
5. Complete insulation in walls and ceiling in girl's locker room, start in boy's locker room
6. Start ceiling tile install where work is complete
7. Start wall tile install in bathrooms throughout
8. Continue insulating mainline piping throughout west wing

Ameresco anticipates completing the project on August 13, 2025.

Akutan School Water Heater: The water heater install and boiler inspection work have been completed. The cost of the project was originally \$91,865 (\$78,084 for the water heater work and \$13,781 for the boiler inspection) but, the electrician was stuck on site for an additional 5 days due to weather which was not planned for and the daily charge of \$1,800 was incurred. Therefore, the project cost ended up being \$100,865 which exceeded the Borough Administrator's \$100,000 procurement limit. Please consider this the Administrators notification of the overage.

The boilers at the Akutan School need to be replaced. At the April 14, 2025 Assembly Meeting, resolution 26-09 authorizing the mayor to negotiate and execute a contract with LONG for the Akutan School Boiler Replacement in the amount not to exceed \$95,000 is before the Assembly for consideration.

King Cove and False Pass Boiler Inspections: On August 5, 2025, the Borough executed a contract with Cool Air Mechanical in the amount of \$24,106.25 to conduct boiler inspections for the King Cove and False Pass Schools.

Other Items

- The upcoming Assembly Meeting Schedule is as follows:
 - September 11, 2025 Regular Assembly Meeting
 - October 9, 2025 Regular Assembly Meeting

If you have any questions, comments, or concerns please contact me at (907) 274-7580 or abailey@aeboro.org.

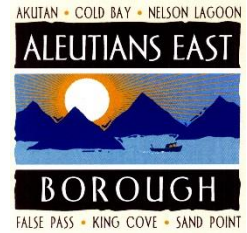


Sand Point Harbor Floats



King Cove
School Piping

To: The Honorable Mayor Osterback, Aleutians East Borough Assembly
From: Ernie Weiss, Natural Resources Department Director
Subj: Report to the Assembly
Date: August 8, 2025



Area M Salmon

Southeastern District Mainland

SEDM management is based on Chignik sockeye harvest: no fishing through July 8th unless 300,000 sockeye are harvested in CMA, and by 7/6/25 there were only 223,864 CMA sockeye harvested. Additionally, SEDM is managed so that CMA sockeye harvest is 600,000 by July 25, and SEDM harvest will be near to 7.6% before July 25. CMA harvest reached 600,159 on July 25. First reported harvest in SEDM this year was on 7/23/25. As of August 7th, CMA harvest is at 773,738 sockeye, SEDM is at 231,549 sockeye harvest.

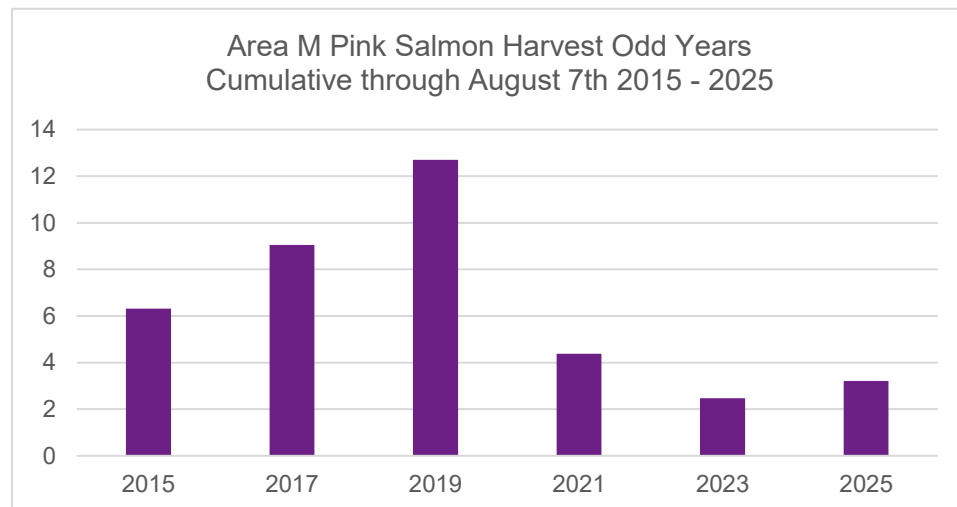
Chignik total sockeye escapement is 879,736 as of August 8th, higher than the end of the year escapement for the past ten years, 35% higher than the previous 5-year average Chignik escapement, and above the upper bound of the Chignik total escapement objective -760,000.

Chum and Chinook

A recent [report](#) points to Area M salmon fisheries as partial blame for AYK salmon woes, despite our fishermen's stellar performance and sacrifice, avoiding chum and chinook this year, and resulting in foregone harvest and revenue. [Alaska Beacon August 1 article](#).

Pink Salmon

Pink salmon harvests are picking up in the South Peninsula fishery – chart shows this year's pink harvest compared to previous odd years as of August 7.



Pollock

I will be attending the annual Association of Genuine Alaska Pollock Producers (GAPP) Meeting in September to receive [presentations](#) of 2 new pollock studies.

AEB NRD staff will again be testifying in support of pollock processing communities, when the North Pacific Fishery Management Council takes final action on the Pollock Chum Bycatch analysis in February, as we have testified in previous iterations of the analysis.

Alaska Board of Fisheries

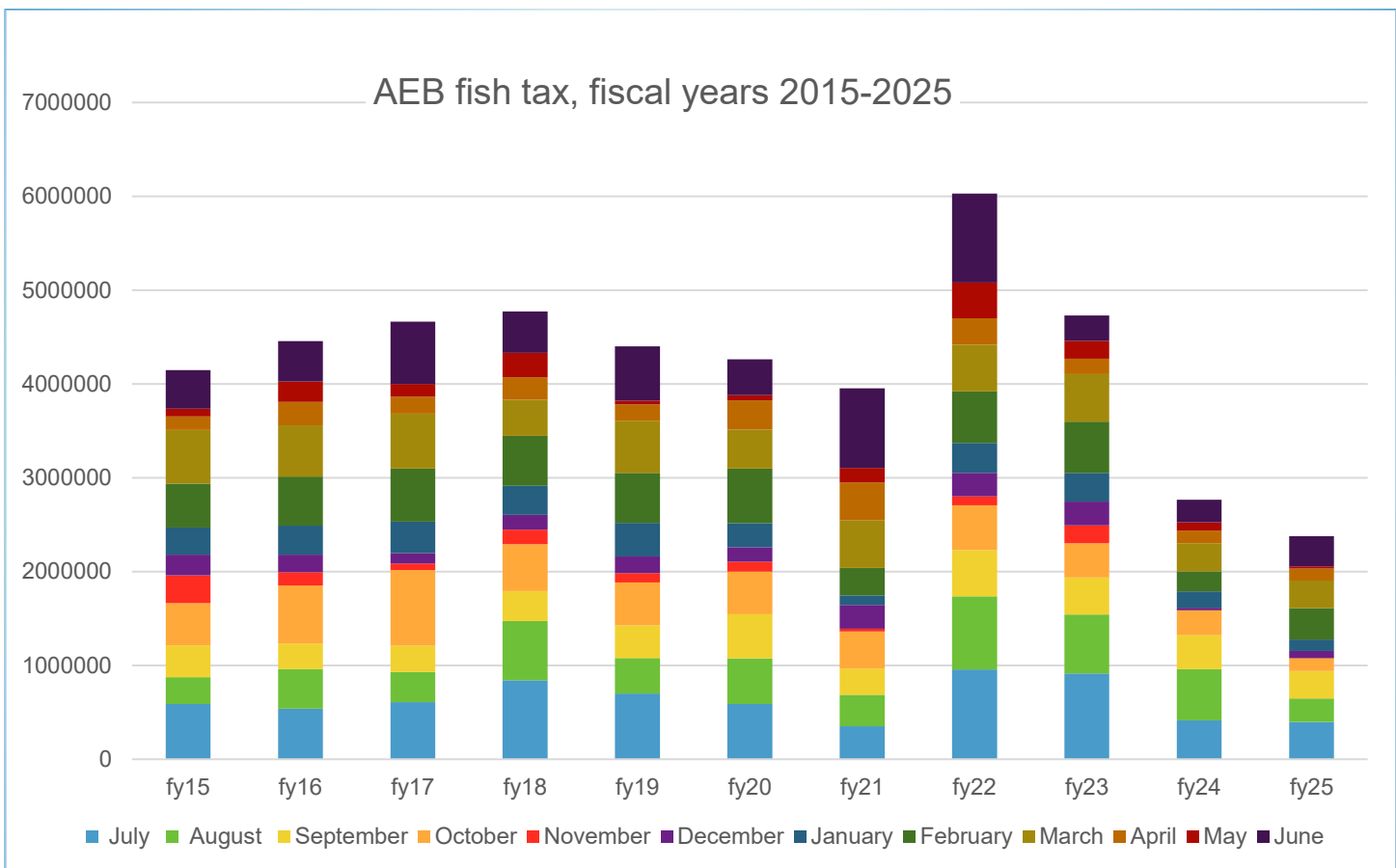
Board of Fisheries Proposal Books for the 2025/2026 meeting cycle are expected to be available in late August or early September. Agenda change requests are due August 10.

Jobs Report

A recent [KUCB article](#) highlights the recent [Alaska Economic TRENDS](#) report showing the AEB has lost more jobs in 2024 than any other part of the state, In large part due to the Peter Pan Seafoods plant closure in King Cove.

The 2025/2026 Board of Fisheries meetings

- October 28-29 Work Session
- **October 30-31 Pacific cod**
- November 18-22 AYK finfish
- January 13-17 Bristol Bay
- **February 18-24 Area M/Chignik**
- March 17-20 Statewide finfish



Recently Attended

Special Board of Game – Intensive Mangt
Alaska Fishing Communities
AMHS Operations Board
Alaska Legislature [Special Session](#)

July 14-15
 July 25
 July 25
 August 2

Coast Inn/Webcast
 Zoom
 Zoom
 akleg.org

Upcoming meetings

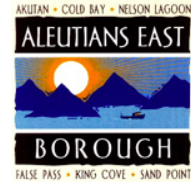
Alaska Fishing Communities
Aleutian Islands Waterways Safety Committee
Crab Plan Team
Groundfish Plan Teams
Genuine Alaska Pollock Producers meeting
NPFMC, AP, SSC
Anchorage AC
Board of Fish Work Session
Board of Fish Pacific Cod meeting

Aug 22, Sept 5
 Sept 3
 Sept 8-12
 Sept 16-19
 Sept 18
 Sept 29-Oct 8
 Oct 7
 Oct 28-29
 Oct 30-31

Zoom
 Zoom
 Zoom
 Zoom
 Seattle W Hotel
 Zoom
 WJ Hernandez Hatchery
 Egan Center
 Egan Center

Please call or email if you have any questions or concerns.

To: Honorable Mayor Osterback, Aleutians East Borough Assembly
From: Charlotte Levy, Fishery Analyst
Re: Report to the Assembly
Date: August 14th, 2025



AFSC Cod Tagging Project:

- PSMFC has granted us an extension on the cod project, allowing us to spend the remaining funds and reallocating them primarily to salary for Julie Nielsen, Kim Rand, and myself. There were myriad factors that delayed the project, but primarily having an unexpected charter to release warranty tags in March 2025 and significant changes in AFSC available staff and resources. We submitted a no-cost extension with a remaining budget of \$172,158.37 and a new award ending date of 7/31/2026.
- Kim Rand's contract with Lynker LLC is finished 8/15/2025 so her remaining contract will migrate to a new contract with firm Atka Blue LLC.
- All of the tags 2023/2024 tags have been completed and Kim is finalizing the tech memos which will be submitted to NOAA for publication. With the extension, we are now able to finish the 2021/2022/2025 tags as well and complete a comprehensive analysis of the entire project for publication.

Unimak Acoustic Telemetry Project:

- The project team has completed all the supply purchases for this project and Julie Nielsen will be at AFSC the week of August 11th to work with our collaborators to finish preparing and modifying our gear (pre-assembling moorings, attaching hardware to collar floats, etc.)
- I am finalizing the vessel charter RFP to secure a vessel for field work in October 2025 and March/April 2026. I am hoping to have the notice posted August 11th and open for two weeks.

June Salmon Management:

- I assisted with the June management report that summarizes results from the Adaptive Management program. Key takeaways included:
 - The Seine fleet implemented 132.48 hours of mandatory and 107.73 hours of voluntary foregone fishing time and/or time and area closures above and beyond what is required in regulation, for a total of 241.43 hours.
 - The Concerned Area M Drifters (CAMF) recorded individual voluntary stand downs and collectively logged 554.75 hours across 28 vessels and 64 individual stand down events. Additionally, the entire fleet stood down on June 20th along with the seine fleet.
 - The preliminary ADF&G reported total June harvest of chum salmon is 160,426 and sockeye salmon is 436,763 across all gear types and areas. The data portal estimated roughly 121,553 chum salmon (76% of total harvest) were harvested by the seine fleet.
 - 2025 harvest of chum was 67% below the 5- and 10-year average and 63% below the 20-year average, and a 62% YOY decrease from 2024. Given this very low abundance year, the most recent 5-year average is now very close to the 10-year average even when including the anomalously high harvest in 2021.

Salmon Tagging Pilot:

- As of August 6th, all of the tags have finished reporting and I am currently working on analyzing the tags and working on the preliminary report. A preliminary report will be available by the next Assembly meeting. Early results show that of the 27 tagged chum, 5 (19%) survived to the scheduled pop-up date, 14 (52%) were predated by salmon sharks, 3 were caught in a fishery (11%), 4 (15%)

eventually died of unknown causes although marine mammal predation is suspected, and 1 (3%) did not report. Given the unusual behavior pattern of fish with “unknown” mortality and the location of tag pop-up, this could be due to sea lion predation or possibly from setting the fail-safe tag release too low at 3 days at the surface (if chum spend more time at the surface, it could inadvertently trigger a release while the fish is still alive). Most of the salmon shark predation (70%) occurred within the first 5 days and within 35km of distance traveled by the fish. Approximately 60% of all chum survived to travel at least 100km, and the fish that survived to scheduled pop-up traveled > 500km. Of the 3 Chinook tagged, 1 was caught in a fishery 266km from release, 1 had unknown early mortality, and 1 survived to pop-up.

- Preliminary results suggest this pilot successfully demonstrated that **1) chum salmon can be successfully satellite tagged**, and **2) both chum and Chinook salmon can survive post-release from seine vessels**.
- Genetic and scale samples have been submitted to the ADFG genetics conservation lab/age lab. I met with ADF&G geneticist Tyler Dann who is willing to integrate our samples into their existing pipeline this fall as an in-kind contribution.

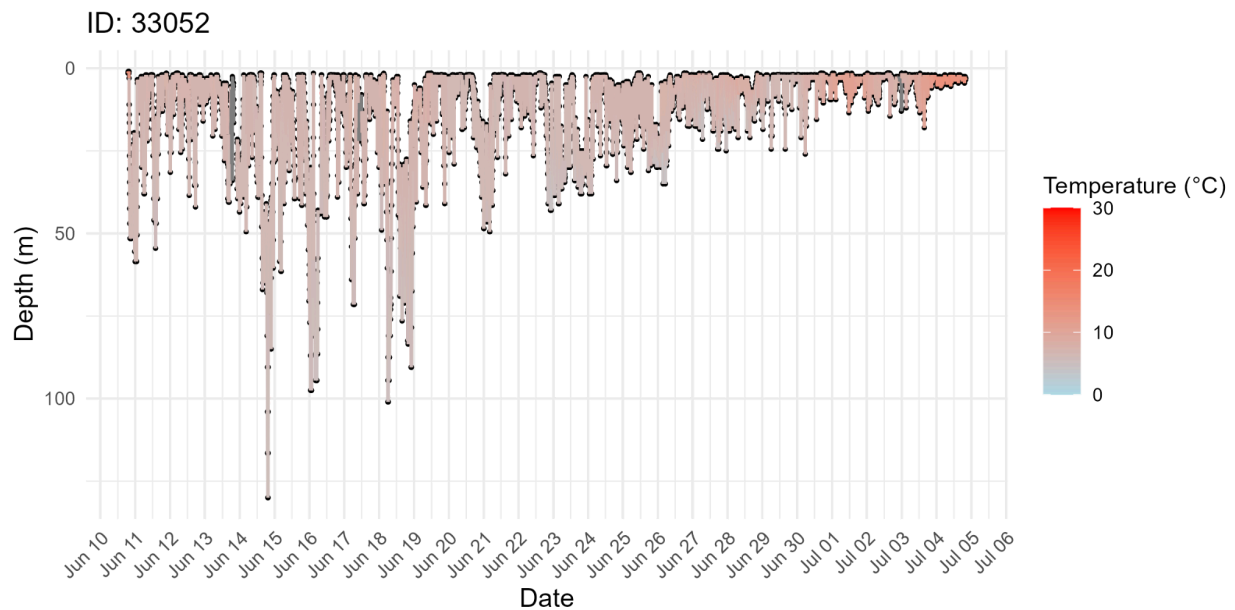


Figure 1. This is an example of a chum that survived the entire deployment. The is a time series showing the daily depth and temperature occupied, with a gradual decrease in depth and increase in temperature as the fish gets closer to the mouth of the river. This tag popped up right before entering the mouth.

ASSEMBLY COMMENTS

PUBLIC COMMENTS

NEXT MEETING DATE, TIME
AND PLACE

ADJOURNMENT