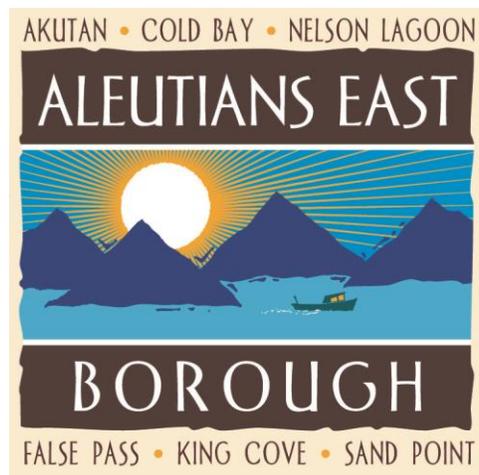


Aleutians East Borough Assembly Meeting

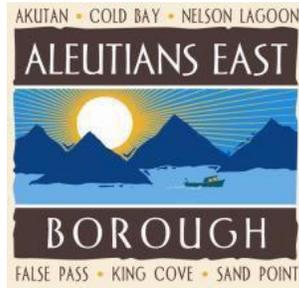


Workshop: Financial Workshop 11:30 A.M

Meeting: Thursday, March, 2026– 2:00 P.M.

ROLL CALL & ESTABLISHMENT OF QUORUM

ADOPTION OF AGENDA



Agenda

Assembly Meeting

(packet available on website www.aleutianseast.org)

Date: Thursday, March 12, 2026

Time: **Financial Work Session 11:30 A.M.**

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
 - FY25 Audit Presentation by BDO
6. Minutes
 - February 12, 2026 Assembly Regular Meeting Minutes
7. Financials
 - Finance Director's Report
 - January 2026 Financials
8. Investment Report
 - APCM January 2026 Investment Report
9. Executive Session
 - Aleutians East Borough Fishery Matters

The Assembly may move to enter into Executive Session with an attorney to discuss fishery strategy matters, which by law, municipal charter, or ordinance are required to be confidential; potential litigation and attorney-client privilege. AS 44.62.310 (c) (3).

10. Consent Agenda
11. Public Hearings
12. Ordinances
13. Resolutions
 - **Resolution 26-39**, Approving certain unincorporated communities and their respective Native Village Council and/or Incorporated Nonprofit Entity for Participation in the FY26 Community Assistance Program
 - **Resolution 26-40**, Supporting the reappointment of Mike Wood to the Alaska Board of Fisheries
 - **Resolution 26-41**, Contesting Unlawful Actions by the Alaska Board of Fisheries at the February 2026 Meeting that Effectively End the South Alaska Peninsula Fishermen's Adaptive Management Program Proven to Conserve Chum Salmon
 - **Resolution 26-42**, Authorizing the Mayor to negotiate and execute contracts for legal and public relations services for fishery issues
 - **Resolution 26-43**, Accepting the Basic Financial Statements, Required Supplementary Information, Supplementary Information and Single Audit Reports for Year Ended June 30, 2025
 - **Resolution 26-44**, Authorizing the Mayor to Negotiate and Execute a Contract with DOWL for a Sand Point School Re-Roof Design in an amount not to exceed \$254,185
14. Old Business
 - Sand Point Swimming Pool Update (Informational Only)
15. New Business
 - Strategic Plan Quarter 4 Update (Informational Only)
16. Reports and Updates
17. Assembly/Mayor Comments
18. Public Comments
19. Next Meeting Date
 - April 9, 2026
20. 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

FY2025 Audit Presentation by BDO

MINUTES

Aleutians East Borough
Regular Assembly Meeting Minutes

Mayor Alvin D. Osterback called the Aleutians East Borough Regular Assembly Meeting to order by videoconference in each community on February 12, 2026, at 2:00 PM.

Roll Call for Elected Officials

Mayor Alvin D. Osterback	Present
Brenda Wilson	Present
Chris Babcock	Present
Glen Gardner Jr.	Present
Jim Smith Sr.	Present
Josephine Shangin	Present
Paul Gronholdt	Present
Warren Wilson	Present

Advisory

Samantha McNeley	Present
Tom Hoblet	Present

A quorum was present.

Staff Present

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

Others Present

Christi Heun
Isabel Grant
Joseph Levesque
Sean Solie

Adoption of the Agenda

MOTION Paul made a motion to adopt the Agenda, with some discussion regarding Assembly travel.
SECOND Warren 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.

Christi Heun from Defenders of Wildlife, one of the plaintiffs in a case against the government, said the information she wanted to share with the Assembly is the resolutions from various tribal governments and one corporation that is coming to the Assembly digitally. Second is a couple of selected notices for the application of permits for the 404 wetland drilling for the Army Corps of Engineers comment period. Christi said she was requested to share these with the Assembly.

Mayor Osterback commented that all the documents were sent to the Assembly via email.

Conflict of Interest

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

Minutes

- January 08, 2026, Regular Assembly Minutes
- MOTION Josy made a motion to accept the January 08, 2026, Regular Assembly Meeting Minutes.
SECOND Brenda seconded the motion.
Hearing no objections, the minutes will stand as written.

Financials

- Finance Director’s Report.
Finance Director Brandell reviewed her report.

 - December 2025 Financials
- MOTION Brenda made a motion to approve the December 2025 Financials.
SECOND Glen seconded the motion.
DISCUSSION
Administrator Bailey said there are two items to point out: one is the Raw Fish Tax, which we received \$48,873.84 in December, which is 28.4% of the 5-year average and 29.6% of the 10-year average. It is low compared to the past. Another item to point out is the Interest Revenue, which we received \$83,931.21 this month, but that is a lot lower than in the past. So our interest revenue has decreased and we anticipate this decline to continue. We are about 50% in expenditure throughout the year.

ROLL CALL Yeas: Chris, Jim, Warren, Josy, Paul, Brenda, Glen Advisory: Tom, Samantha,
MOTION CARRIED Nays: None.

Investment Report

- November 2025 Investment Report
- December 2025 Investment Report

Consent Agenda

Public Hearings

Ordinances

Resolutions

- **Resolution 26-29**, Relating to the disposal of surplus, obsolete, or unneeded supplies
- MOTION Chris made a motion to approve Resolution 26-29.
SECOND Brenda seconded the motion.
DISCUSSION
The Executive Assistant reviewed the resolution.
ROLL CALL Yeas: Resolution passed, no objection.
MOTION CARRIED Nays: None.
- **Resolution 26-30**, Authorizing the Mayor to amend the term of Helicopter Services Agreement with Maritime Helicopters, Inc. to June 30, 2026

MOTION Brenda made a motion to approve Resolution 26-30.
SECOND Glen seconded the motion.

Aleutians East Borough
Regular Assembly Meeting Minutes

DISCUSSION

Administrator Bailey reviewed the resolution.

ROLL CALL Yeas: Glen, Brenda, Paul, Josy, Warren, Jim, Chris Advisory: Samantha, Tom
MOTION CARRIED Nays: None.

- **Resolution 26-31**, Selecting and Promoting FY27 Capital Projects for the Health, Safety, and Welfare of Its Residents

MOTION Warren made a motion to approve Resolution 26-31.

SECOND Brenda seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Paul asked whether the administration was considering or rejecting any projects when she put this resolution together. Administrator Bailey responded that at this point, there were no other projects that we are going to ask for funding for; this will be through the State CAPSIS program. The only two projects we have are the King Cove Road and the False Pass Airport.

ROLL CALL Yeas: Josy, Paul, Brenda, Glen, Chris, Jim, Warren Advisory: Tom, Samantha,
MOTION CARRIED Nays: None.

- **Resolution 26-32**, Requesting Congressionally Directed Spending/Community Project Funding for Construction of the King Cove Road

MOTION Brenda made a motion to approve Resolution 26-32.

SECOND Chris seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Paul asked when we are expecting the Judge's ruling in the 3 cases. Administrator Bailey said there is a timeline included in her Assembly Report. There is a case management agreement that was agreed on January 7, 2026. Plaintiffs' opening briefs are due on February 20th, oppositions briefs are due on March 23rd, Plaintiffs' reply is due on April 6th.

ROLL CALL Yeas: Jim, Brenda, Josy, Chris, Warren, Paul, Glen Advisory: Samantha, Tom
MOTION CARRIED Nays: None.

- **Resolution 26-33**, Authorizing the Mayor to Convey and Quitclaim to the United States through U.S. Fish and Wildlife Service Division of Realty Land Situated in the Aleutian Islands Recording District

MOTION Brenda made a motion to approve Resolution 26-33.

SECOND Glen seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Paul asked if things would change in the future; is there a way we can get this land back? Administrator Bailey said she is not sure and would have to ask.

Aleutians East Borough
Regular Assembly Meeting Minutes

Jim asked for clarification on the map that shows the quitclaim. The administrator responded that the one marked in red is the quitclaim land.

ROLL CALL Yeas: Paul, Glen, Warren, Jim, Chris, Brenda, Josy, Advisory: Tom, Samantha
MOTION CARRIED Nays: None.

- **Resolution 26-34**, Authorizing the appropriation of \$150,000 in the Deferred Maintenance Line Item (21-502-8025) for the Sand Point School Project

MOTION Brenda made a motion to approve Resolution 26-34.

SECOND Josy seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Glen asked, is there any stipulation on the original contract that mentions a timeframe. Administrator Bailey said there is a liquidated damages line item, but they are not charging us for additional time for UIC's purposes. Administrator Bailey added that some of the delays that are occurring are because, as they are working in the building, they found more issues. We also issued a couple of change orders that weren't in the original contract.

Glen mentioned that there are doors that don't lock, and some doors are mismatched. Administrator Bailey said she will have to ask. The locks are not final until they are ready to transfer the keys over. To the School District.

Jim asked if this project will go on until next summer. Mayor Osterback said he is not expecting it to go on until next summer, and Administrator Bailey agreed. He continued to ask if we have a lot of communication of who ever oversees that project? Administrator Bailey said yes.

ROLL CALL Yeas: Warren, Josy, Chris, Paul, Glen, Brenda, Jim Advisory: Samantha, Tom
MOTION CARRIED Nays: None.

- **Resolution 26-35**, Authorizing the Mayor to negotiate and execute Contract Amendment No. 1 with DOWL to provide additional services for the Sand Point School DEED Grant Project in an amount not to exceed \$194,147

MOTION Brenda made a motion to approve Resolution 26-35.

SECOND Warren seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Paul commented that it seems like we have a timeline problem with the contractor, and DOWL has to take some responsibility because they are overseeing the project. Paul said it feels like they got us back in the corner, and we just keep throwing more money at them.

Josy agreed with Paul and Glen. She said that the project keeps getting delayed, and we have to pay for it.

Aleutians East Borough
Regular Assembly Meeting Minutes

ROLL CALL Yeas: Brenda, Jim, Glen, Warren, Josy, Chris, Paul Advisory: Tom, Samantha
MOTION CARRIED Nays: None.

- **Resolution 26-36**, Authorizing the Mayor to Negotiate and Execute Change Order No. 4 with Western Marine Construction, Inc in an amount not to exceed \$174,453 for Sand Point New Harbor A-Float Project

MOTION Brenda made a motion to approve Resolution 26-36.

SECOND Josy seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Paul commented that with this amount of money, the better option would be to contract with the City of Sand Point. Perhaps the City could finish connecting the waterline. Sooner or later, we must have water there anyway.

Mayor Osterback commented that, based on the City of Sand Point staff, he was told there was no pipe in the ground. At that time, we only had about \$400,000 left for the project, and that money would not be enough to put in a waterline. We have to comply with the State of Alaska fire code, so we decided to get a water pump.

Further discussion was made.

ROLL CALL Yeas: Chris, Jim, Warren, Brenda Advisory: Samantha, Tom
MOTION CARRIED Nays: Glen, Paul

- **Resolution 26-37**, In Support of Full Funding for 2026 and Future Years AMHS Operations and the Tustumena Replacement Project

MOTION Brenda made a motion to approve Resolution 26-37.

SECOND Chris seconded the motion.

DISCUSSION

Natural Resources Director Weiss reviewed the resolution.

Paul commented that we should weigh in on the upcoming ferry bid this May. Paul also recognized Glen as a new board member on the Marine Highway Operations Support.

Chris asked Ernie for confirmation whether every part that will be used for the ferry has to be U.S. made. Natural Resources Director Weiss said yes, but there are waivers because they can't get everything in U.S. Company.

Tom asked if the False Pass Dock was big enough to accommodate the new ferry. Mayor Osterback said they are making sure the ferry will fit on all the docks we have.

ROLL CALL Yeas: Chris, Jim, Warren, Paul, Brenda, Glen Advisory: Tom, Samantha
MOTION CARRIED Nays: None.

Aleutians East Borough
Regular Assembly Meeting Minutes

- **Resolution 26-38**, Supporting the full funding (\$18,186,535) for the State of Alaska Harbor Facility Grant Program in the FY 2027 State Capitol Budget

MOTION Brenda made a motion to approve Resolution 26-38.

SECOND Jim seconded the motion.

DISCUSSION

Administrator Bailey reviewed the resolution.

Mayor Osterback said it is important to keep pushing this forward because sometimes they don't get funded all the way.

Administrator Bailey added that she believes that the Governor did not put any funding in for this program this fiscal year in the State budget.

ROLL CALL NO Objection, Resolution passed.

MOTION CARRIED Nays: None.

Old Business

- Sand Point Swimming Pool Update (Informational Only)
Administrator Bailey reviewed the Sand Point Swimming Pool update.

Paul commented that he is glad that this is moving ahead for sure. He asked what the timeline is after the contract is signed. Administrator Bailey said that after the Borough signs the document, the company is free to do its job.

Mayor Osterback added that they will prefab the materials, load them in the container, and ship them here, and then start on the project. The completion date will be November 1st.

New Business

- Response to Assembly Member Babcock's Letter (Informational Only)
Administrator Bailey reviewed the Response to Assembly Member Babcock's Letter.

Chris thanked Anne for taking the time to address each issue that was stated in the letter.

Reports and Updates

- **Administrator's Report**
Sand Point Harbor Float: The substations have been installed, and WMC will arrive in March 2026 to complete the additional punch list items. And with the resolution passing, we are not going to purchase a fire pump, and hopefully, we can close out the grant.
Sand Point School DEED Grant: There is a lot of information in this project, 2 resolutions have been passed. The substantial completion date will be pushed back slightly.
False Pass School Items: Currently, Bearing Sea Services is on site in False Pass to do roof repair. They are working as quickly as they can. They also just found a big hole, so they are fixing that, and they are also doing exploratory work on the interior.
False Pass Boiler Inspections: In mid-January 2026, Cool Air Mechanical travelled to False Pass to conduct additional repairs to the False Pass Boilers. Unfortunately, Cool Air Mechanical's tools did not arrive and the technician was able to get the heat running and conduct a few other items. The

Aleutians East Borough
Regular Assembly Meeting Minutes

technician flew back to Anchorage and will make another trip to False Pass to conduct the remainder of the work. Due to these delays, the work will most likely exceed the original costs to conduct the work.

False Pass Dry Valve Replacement and Fire Suppression Inspection: On February 4, 2026, the Borough entered into a contract with Chinook Fire Protection in the amount of \$35,388 for the replacement of the dry valve and to conduct a comprehensive annual fire suppression system inspection.

False Pass Condition Assessment: The Borough hired DOWL to conduct a condition assessment of the False Pass School. The school is in pretty bad shape, and the costs for the work that needs to be completed over the next 5-10 years is about \$6,052,939. The Borough will meet with DOWL and the School District to determine the most immediate needs, but the Administration is interested in looking at building a new school facility. The next step is to conduct a Life Cycle Cost Analysis and Concept Design, for which I have asked DOWL to provide a proposal. Based on this, they will help determine if we do a renewal of the existing facility; partial renewal of the existing facility with addition (possibly keep the gym and redo the rest of the school), and/or replace the existing facility in its entirety. More information will be provided as we learn more.

King Cove Road: Case Management Agreement was agreed on January 7, 2026. Plaintiff's Opening Briefs are due on February 20, 2026, our Opposition Brief is due on March 23, 2026, and the Plaintiff's Reply Briefs are due on April 6, 2026. The Corps of Engineers is currently analyzing public comments on the Corps permit for the project, which is expected to be issued at the end of March. Quite a few of those comments were sent to the Assembly from Defenders of Wildlife. We do anticipate litigation on the Corps Permit, separate from the litigation on the Land Exchange Agreement. On February 4, 2026, the State of Alaska Department of Law released a press release stating that the State of Alaska has filed three new motions to intervene in support of the King Cove Road project.

Administrator Bailey said the Borough received a Public Records Request for the road in Izembek National Wildlife Refuge. Three emails from the clerk were sent to the Assembly.

Akutan-Akun Transportation Link: At the July 10, 2025 Assembly meeting the Assembly approved Resolution 25-04 Authorizing the Mayor to negotiate and execute an MOA between the State and the Borough, and on January 26, 2026, the MOA was executed. A total of not more than \$1 million in state funds will be provided to reimburse the Borough for 50% of the Borough's share of Maritime Helicopters costs to provide helicopter services between the Airport on Akun Island and the City of Akutan. The Borough can begin submitting requests once the Co-Sponsorship Agreement Amendment No. 5 is fully executed.

Co-Sponsorship Agreement Amendment: We have to make an amendment. The State of Alaska and the Borough have signed the CSA Amendment. The City of Akutan still needs to sign.

Cold Bay Dock: The State has put in an additional \$14 million in the Statewide Transportation Improvement Plan. We have \$14million delta, so they were able to fill that, so we are back at option 4. More information will be provided at the next meeting.

The upcoming Assembly Meeting Schedule is as follows:

- March 12, 2025 Regular Assembly Meeting
- April 9, 2026 Regular Assembly Meeting

- **Executive Assistant's Report**

APRA Training and Inspections: All building inspections have been completed. On January 28, 2026, I met with our consultant to review the inspection results, and most of our properties had no improvement needs, and the few that did were minor. Funds from a APRA Safety Grant will be used to purchase equipment for the properties that have improvement needs. Staff safety training is ongoing.

Deeptree, Inc: IT Provider: On January 27, 2026, I had my first quarterly meeting with Deeptree. The only recommendation was to upgrade all computers to Windows 11, which was scheduled and completed. We are also looking at the possibility of switching the King Cove office from the current phone provider to Teams Phones.

Essential Air Service: I drafted a letter to the U.S. Department of Transportation outlining the need for Essential Air Service to the Aleutians. On January 22, 2026, I met with our D.C. lobbyist to review the letter and discuss next steps. Additionally, the letter has been sent to others in the region, asking for signatory support.

Rasmuson Foundation Community Support Grant - Sand Point Swimming Pool: On January 26, 2026, I applied to the Rasmuson Foundation's Community Support Grant, requesting \$250,000 to support the Sand Point Swimming Pool project. The Program Officer assigned to our application reached to schedule a March meeting to review the project. Grant award announcements are expected in late May or early June.

Other Items: Ordered jackets for staff and elected officials. Ordered catering for the Strategic Planning Session in March 2026. Met OperationsHERO to discuss that platform as a potential replacement for Maintenance Connection.

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

North Pacific Fishery Management Council: The February 2026 NPFMC meeting is ongoing at the Egan Center, as of this writing. I testified to the AP in support of Alternative 4 since our AEB communities are highly dependent on onshore pollock deliveries. I plan to also testify to the Council on C2. The council took action, and they took up the AP's recommendation, which is alternative 4, Regulatory Requirements for Incentive Plan Agreements, with amendments, rather than any hard cap on chum salmon bycatch. Yesterday Thursday February 5th, the Council reviewed the updated GOA Pacific cod data from the Groundfish Plan Team and SSC, and set revised OFLs, ABCs and TACs for the 2026 and 2027 GOA Pacific cod seasons. (Council Motion) Soon after, the ADFG published revised Pacific cod GHGs for Kodiak, Chignik and the South Peninsula. The Council will also set harvest specs for federally managed salmon in the Cook Inlet EEZ at this meeting. The Council will meet next in June, in Vancouver WA.

Alaska Board of Fisheries: I attended the Board of Fish Bristol Bay meeting and gave the Anchorage AC report for the meeting. I also gave personal testimony at the BB meeting in support of Proposal 188 that would increase the Dutch Harbor food and bait herring quota. Proposal 188 will be deliberated at the February meeting. The Alaska Peninsula/Aleutian Islands/Chignik Finfish meeting February 18-24 will be critical for the future of AEB salmon fisheries. The meeting page now includes ADFG Staff Comments on proposals, the Genetic Stock Composition of Chum Salmon Harvested in the South Alaska Peninsula, 2022-2024 report, and all proposals. The Natural Resources Department continues to coordinate with and support fishermen associations CAMF and

Aleutians East Borough
Regular Assembly Meeting Minutes

Area M Seiners in advance of the February meeting. I am scheduled to provide the Anchorage AC report at the Statewide meeting as well.

International Pacific Halibut Commission: I traveled to Bellevue WA to attend the annual IPHC meeting January 19-22. Final adoption of halibut TCEYs kept quotas the same as last year for all US fishing areas, with reductions only impacting the Canadian Pacific halibut area 2B. Total Constant Exploitation yield is in the packet.

Land Issues: As noted in my November report we received final patent to our Sandy River municipal land selections totaling 2480 acres in October. In January, we just received final patent for our land selections near Bear River totaling 1217 acres. Surveys by McClintock Land Assoc. authorized by Assembly Resolution 19-05, set us on the path to formal ownership of these lands, chosen to be surveyed based on commercial activity on or near the land selections.

- **Fishery Analyst's Report**

AFSC Cod Tagging Project: I have finalized a subsampling design for otoliths that will be sent to the NOAA age and growth lab with corresponding metadata. Samples were randomly selected across tagging years 2021-2025 and will be used to analyze growth rate and any spatial differences. There was a slight discrepancy in calculating indirect during the last budget amendment. It shouldn't affect the financials, but I am working with the grant administrator to modify the remaining budget. Several WGOA cod fishermen testified at the SSC and Council meeting on agenda item C1 GOA Cod Harvest Specs in support of the expedited stock assessment, and specifically requesting the SSC/Council convey their concerns over current stock management and connectivity between the WG/BS.

Unimak Acoustic Telemetry Project: Dr. Nielsen submitted an interim progress report to the NPRB. The project team met to discuss the upcoming May field work and the potential to redeploy some of the moorings.

Salmon Tagging Pilot: I submitted the completion report to ADFG for the Aquatic Resource Permit used for this project. I also attached it to my BOF comments as a preliminary update on project results. Much of my time has been spent finalizing the manuscript, and I will send it out for review from collaborators this week.

Board of Fish: I assisted with writing the 3-year Performance Review of the Adaptive Management Program. I assist with writing these at the end of each June, and have completed a comprehensive review of the program performance relative to metrics outlined in the RC104. My current priority is finalizing the manuscript for the chum tagging program, and I submitted public comments describing some of the cooperative research the AEB supports, and attached the preliminary results from the tagging project that was submitted to ADFG. I am also preparing for the statewide BOF meeting in March, reviewing proposals and preparing potential written comments.

Mayor Osterback asked Charlotte if she would be limited to 3 minutes or if she would be a presenter at the BOF meeting. Fishery Analyst Levy said she does not think they would allow her additional time, but they will ask a lot of questions, so there will be a lot of time to talk about it.

Mayor Osterback said that with the amount of work our Fishery Analysis has been doing, he thinks she should be allowed to present because it shows how much work Area M has been doing to limit the amount of prohibited species.

Aleutians East Borough
Regular Assembly Meeting Minutes

Assembly/ Mayor’s Comments

Glen thanked the administration for all the hard work on the Sand Point Pool.

Tom thanked the staff for the work in False Pass School.

Public Comments

Assembly

Next Meeting Date

The assembly held discussions about which meetings they are going to attend in Anchorage.

- March 11, 2026 - Strategic Planning in Anchorage
- March 12, 2026 – Regular Assembly Meeting @ 2 pm

Adjournment

Meeting Adjourned at 3:47 PM.

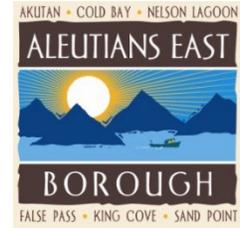
ATTEST

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: March 12, 2026



Audit – Now that the FY25 audit has been presented, it is time to start prepping for FY26. With the first year in Caselle complete, next year’s prep should go smoothly. I have already coordinated with our CPA to ensure FY25 balances align with the BDO and that our FY26 beginning balances have no issues. An updated the task list for the new year is already in place.

Retention – This past month I have had more time to organize and upload documents to the Laserfiche. Since the FY25 audit is complete, I was able to clear all the audit requests off my desktop folders, so I can input FY26 files as needed.

Financial Policies and Procedures – The policy and procedure work for my strategic planning project is going well and coming close to an end. I have been working on preparing next year’s workload. All relevant accounting procedures should have a policy in place by the end of next year’s planning cycle.

Budget 2027 – With the approach of the new fiscal year and the start of the budget process, my workpapers need to be updated. I have already updated the payroll and fringe workbook to include the Pers expense estimate as well as the budget to actual data workbook for FY26. Seward has begun working on analyzing the current year utility costs.

Routine tasks- February routine tasks have been completed with the exception of the receivable data and the accounts payable entry for Key2Purchase. This past month I have also updated the data in the liquidity analysis workbook. Since this workbook uses annual financial figures from the audit, I have started preparing a similar one that can be used with monthly financial data that is not aggregated to see if this provides useful information.

Please let me know if you have any questions.

ALEUTIANS EAST BOROUGH
REVENUES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>REVENUES</u>					
10-000-4000 AEB RAW FISH TAX	163,166.53	1,610,843.08	1,600,000.00	(10,843.08)	100.7
10-000-4010 STATE SHARED RAW FISH TAX	.00	1,317,915.04	1,450,000.00	132,084.96	90.9
10-000-4020 STATE SHARED FISHFMA2	.00	.00	70,000.00	70,000.00	.0
10-000-4030 STATE SHARED FISHFMA3	.00	.00	1,000.00	1,000.00	.0
10-000-4100 INTEREST REVENUE	91,659.84	786,660.49	500,000.00	(286,660.49)	157.3
10-000-4150 UNREALIZED GAINS/LOSS	2,730.83	(23,795.53)	.00	23,795.53	.0
10-000-4200 ANC OFFICE LEASE	6,104.15	42,609.37	.00	(42,609.37)	.0
10-000-4350 STATE REVENUE OTHER	.00	330,277.91	314,445.00	(15,832.91)	105.0
10-000-4400 USFWS LANDS	.00	.00	15,000.00	15,000.00	.0
10-000-4450 PLO-95 PAYMNT IN LIEU OF TAXES	.00	.00	615,000.00	615,000.00	.0
10-000-4900 OTHER REVENUE	34,350.00	224,877.13	68,110.00	(156,767.13)	330.2
TOTAL REVENUES	298,011.35	4,289,387.49	4,633,555.00	344,167.51	92.6
TOTAL FUND REVENUE	298,011.35	4,289,387.49	4,633,555.00	344,167.51	92.6

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT	
<u>MAYORS OFFICE</u>						
10-100-6000	SALARIES	11,025.30	56,644.00	95,553.00	38,909.00	59.3
10-100-6010	FRINGE BENEFITS	159.87	852.64	3,000.00	2,147.36	28.4
10-100-6011	HEALTH INSURANCE	3,138.75	15,693.75	27,580.00	11,886.25	56.9
10-100-6012	RETIREMENT	2,425.56	12,936.32	20,570.00	7,633.68	62.9
10-100-6025	AK LOBBIST	3,500.00	24,500.00	45,000.00	20,500.00	54.4
10-100-6030	FEDERAL LOBBIST	.00	37,800.00	75,600.00	37,800.00	50.0
10-100-6035	DUES AND FEES	195.00	965.00	3,000.00	2,035.00	32.2
10-100-6040	TRAVEL AND PERDIEM	1,577.99	17,551.19	33,000.00	15,448.81	53.2
10-100-6045	SUPPLIES	.00	162.00	600.00	438.00	27.0
10-100-6060	TELEPHONE	82.48	542.10	300.00	(242.10)	180.7
	TOTAL MAYORS OFFICE	22,104.95	167,647.00	304,203.00	136,556.00	55.1
<u>ASSEMBLY</u>						
10-125-6000	SALARIES	2,700.00	14,400.00	43,200.00	28,800.00	33.3
10-125-6010	FRINGE BENEFITS	150.75	804.00	3,000.00	2,196.00	26.8
10-125-6011	HEALTH INSURANCE	14,648.00	104,625.50	193,060.00	88,434.50	54.2
10-125-6012	RETIREMENT	198.00	1,056.00	5,000.00	3,944.00	21.1
10-125-6035	DUES AND FEES	(495.00)	1,610.00	2,800.00	1,190.00	57.5
10-125-6040	TRAVEL AND PERDIEM	.00	6,706.00	50,000.00	43,294.00	13.4
10-125-6045	SUPPLIES	349.00	722.99	750.00	27.01	96.4
	TOTAL ASSEMBLY	17,550.75	129,924.49	297,810.00	167,885.51	43.6

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT	
<u>CLERKS DEPARMENT</u>						
10-150-6000	SALARIES	9,040.11	46,351.13	78,348.00	31,996.87	59.2
10-150-6010	FRINGE BENEFITS	214.23	1,992.79	3,000.00	1,007.21	66.4
10-150-6011	HEALTH INSURANCE	3,138.75	14,647.50	27,580.00	12,932.50	53.1
10-150-6012	RETIREMENT	2,249.34	11,996.48	17,237.00	5,240.52	69.6
10-150-6035	DUES AND FEES	72.99	583.90	2,500.00	1,916.10	23.4
10-150-6040	TRAVEL AND PERDIEM	1,577.99	2,975.99	9,500.00	6,524.01	31.3
10-150-6045	SUPPLIES	.00	1,039.99	2,000.00	960.01	52.0
10-150-6050	POSTAGE	1.90	43.88	800.00	756.12	5.5
10-150-6060	TELEPHONE	852.61	5,732.23	12,000.00	6,267.77	47.8
10-150-6085	ELECTION	.00	4,837.06	8,500.00	3,662.94	56.9
10-150-7005	MANAGEMENT FEES	.00	.00	8,550.00	8,550.00	.0
	TOTAL CLERKS DEPARMENT	17,147.92	90,200.95	170,015.00	79,814.05	53.1
<u>ADMINISTRATION</u>						
10-200-6000	SALARIES	27,115.07	153,261.96	255,864.00	102,602.04	59.9
10-200-6001	SALARIES OVERTIME	.00	.00	2,500.00	2,500.00	.0
10-200-6010	FRINGE BENEFITS	645.02	2,877.51	7,500.00	4,622.49	38.4
10-200-6011	HEALTH INSURANCE	6,277.50	31,387.50	55,160.00	23,772.50	56.9
10-200-6012	RETIREMENT	6,225.83	33,202.82	48,184.00	14,981.18	68.9
10-200-6015	CONTRACT LABOR	.00	12,000.00	40,000.00	28,000.00	30.0
10-200-6035	DUES AND FEES	541.54	8,416.68	11,000.00	2,583.32	76.5
10-200-6040	TRAVEL AND PERDIEM	10.40	2,731.48	15,000.00	12,268.52	18.2
10-200-6045	SUPPLIES	329.29	1,411.72	2,500.00	1,088.28	56.5
10-200-6050	POSTAGE	31.35	66.15	500.00	433.85	13.2
10-200-6060	TELEPHONE	114.84	872.38	5,000.00	4,127.62	17.5
10-200-8090	ANCHORAGE OFFICE	6,099.63	40,820.62	.00	(40,820.62)	.0
	TOTAL ADMINISTRATION	47,390.47	287,048.82	443,208.00	156,159.18	64.8

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>FINANCE DEPARTMENT</u>					
10-250-6000 SALARIES	16,090.17	80,528.17	139,449.00	58,920.83	57.8
10-250-6001 SALARIES OVERTIME	.00	.00	3,250.00	3,250.00	.0
10-250-6010 FRINGE BENEFITS	381.36	1,813.86	4,000.00	2,186.14	45.4
10-250-6011 HEALTH INSURANCE	6,277.50	31,387.50	55,160.00	23,772.50	56.9
10-250-6012 RETIREMENT	4,060.86	21,657.92	30,700.00	9,042.08	70.6
10-250-6015 CONTRACT LABOR	.00	25,800.00	45,000.00	19,200.00	57.3
10-250-6035 DUES AND FEES	.00	745.00	1,000.00	255.00	74.5
10-250-6040 TRAVEL AND PERDIEM	.00	3,674.49	12,000.00	8,325.51	30.6
10-250-6045 SUPPLIES	162.49	1,952.03	4,500.00	2,547.97	43.4
10-250-6050 POSTAGE	.00	39.35	500.00	460.65	7.9
10-250-6055 RENTAL/LEASE	1,500.00	5,250.00	9,000.00	3,750.00	58.3
10-250-6060 TELEPHONE	613.12	4,110.57	7,500.00	3,389.43	54.8
10-250-6095 AUDIT	.00	113,840.20	100,500.00	(13,340.20)	113.3
10-250-7005 MANAGEMENT FEES	756.00	5,292.00	10,000.00	4,708.00	52.9
TOTAL FINANCE DEPARTMENT	29,841.50	296,091.09	422,559.00	126,467.91	70.1
<u>NATURAL RESOURCE</u>					
10-275-6000 SALARIES	25,743.45	120,511.13	229,518.00	109,006.87	52.5
10-275-6010 FRINGE BENEFITS	611.79	844.75	6,000.00	5,155.25	14.1
10-275-6011 HEALTH INSURANCE	6,277.50	29,295.00	55,160.00	25,865.00	53.1
10-275-6012 RETIREMENT	5,924.07	31,317.89	48,458.00	17,140.11	64.6
10-275-6015 CONTRACT LABOR	3,752.50	3,752.50	20,000.00	16,247.50	18.8
10-275-6035 DUES AND FEES	.00	470.42	2,000.00	1,529.58	23.5
10-275-6040 TRAVEL AND PERDIEM	672.50	3,274.25	12,500.00	9,225.75	26.2
10-275-6045 SUPPLIES	4.20	176.02	1,750.00	1,573.98	10.1
10-275-6060 TELEPHONE	72.49	507.43	2,000.00	1,492.57	25.4
10-275-7030 BOF MEETINGS	.00	646.88	30,000.00	29,353.12	2.2
10-275-7035 NPFMC MEETINGS	.00	.00	7,000.00	7,000.00	.0
TOTAL NATURAL RESOURCE	43,058.50	190,796.27	414,386.00	223,589.73	46.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PUBLIC WORKS DEPARTMENT</u>					
10-300-6000 SALARIES	1,232.49	7,996.56	15,000.00	7,003.44	53.3
10-300-6010 FRINGE BENEFITS	89.32	719.81	5,000.00	4,280.19	14.4
10-300-6045 SUPPLIES	.00	1,110.04	5,000.00	3,889.96	22.2
10-300-8010 ENGINEERING	.00	41,805.25	75,000.00	33,194.75	55.7
TOTAL PUBLIC WORKS DEPARTMENT	1,321.81	51,631.66	100,000.00	48,368.34	51.6
<u>KCAP</u>					
10-325-6045 SUPPLIES	.00	.00	1,000.00	1,000.00	.0
10-325-8020 MAINTENANCE	.00	1,435.00	110,000.00	108,565.00	1.3
TOTAL KCAP	.00	1,435.00	111,000.00	109,565.00	1.3
<u>EDUCATION</u>					
10-350-7065 LOCAL SCHOOL CONTRIBUTION	.00	650,000.00	1,300,000.00	650,000.00	50.0
10-350-7070 SCHOOL SCHOLARSHIPS	.00	.00	35,000.00	35,000.00	.0
10-350-7075 STUDENT TRAVEL	.00	.00	20,000.00	20,000.00	.0
TOTAL EDUCATION	.00	650,000.00	1,355,000.00	705,000.00	48.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT	
<u>GENERAL GOVERNMENT</u>						
10-900-6020	LEGAL	4,646.50	24,744.50	70,000.00	45,255.50	35.4
10-900-6025	ADVERTISING	.00	2,239.89	6,000.00	3,760.11	37.3
10-900-6055	RENTAL/LEASE	5,233.43	36,531.39	64,071.00	27,539.61	57.0
10-900-6065	UTILITIES	1,866.76	10,693.50	26,000.00	15,306.50	41.1
10-900-6070	FUEL	10,185.84	34,147.81	45,000.00	10,852.19	75.9
10-900-6075	AEB VEHICLES	72.88	1,444.62	2,500.00	1,055.38	57.8
10-900-6080	WEB SERVICE	4,978.70	38,165.78	67,439.00	29,273.22	56.6
10-900-6090	PERS EXPENSE	.00	.00	50,000.00	50,000.00	.0
10-900-7005	MANAGEMENT FEES	5,042.40	14,762.99	23,216.00	8,453.01	63.6
10-900-7015	BANK FEES	.00	39.17	3,000.00	2,960.83	1.3
10-900-7020	INSURANCE	(2,514.65)	339,875.28	346,493.00	6,617.72	98.1
10-900-7040	REVENUE SHARING NELSON LAGOO	.00	15,789.00	15,789.00	.00	100.0
10-900-7045	MISC EXPENSE	1,287.66	53,450.93	18,000.00	(35,450.93)	297.0
10-900-7050	DONATIONS	.00	16,000.00	20,000.00	4,000.00	80.0
10-900-7055	CONTRIBUTION TO KSDP	.00	.00	10,000.00	10,000.00	.0
10-900-7060	CONTRIBUTION TO EATS	.00	75,000.00	150,000.00	75,000.00	50.0
10-900-8000	EQUIPMENT	.00	4,083.38	20,000.00	15,916.62	20.4
	TOTAL GENERAL GOVERNMENT	30,799.52	666,968.24	937,508.00	270,539.76	71.1
	TOTAL FUND EXPENDITURES	209,215.42	2,531,743.52	4,555,689.00	2,023,945.48	55.6
	NET REVENUE OVER EXPENDITURES	88,795.93	1,757,643.97	77,866.00	(1,679,777.97)	2257.3

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

GRANT PROGRAMS

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUES</u>					
20-000-4100 INTEREST REVENUE	9,277.77	71,027.89	.00	(71,027.89)	.0
20-000-4600 PRIVATE FUNDED PROJECTS/GRANT	.00	.00	3,557,414.66	3,557,414.66	.0
20-000-4700 STATE FUNDED GRANT REV	.00	1,489,729.30	2,660,398.79	1,170,669.49	56.0
20-000-4800 FEDERALLY FUNDED GRANT REV	.00	2,046,330.83	2,599,771.96	553,441.13	78.7
20-000-4900 OTHER REVENUE	(1,238,275.60)	2,277,850.40	2,277,850.40	.00	100.0
TOTAL REVENUES	(1,228,997.83)	5,884,938.42	11,095,435.81	5,210,497.39	53.0
TOTAL FUND REVENUE	(1,228,997.83)	5,884,938.42	11,095,435.81	5,210,497.39	53.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

GRANT PROGRAMS

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>TRIDENT CONTRIBUTION AKU AIRPO</u>					
20-601-8050	CAPITAL CONSTRUCTION	.00	.00	313,738.96	313,738.96	.0
	TOTAL TRIDENT CONTRIBUTION AKU	.00	.00	313,738.96	313,738.96	.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	.00	.00	140,281.00	140,281.00	.0
	TOTAL HOVERCRAFT PROCEEDS KIN	.00	.00	140,281.00	140,281.00	.0
	<u>SAND POINT POOL</u>					
20-605-8050	SAND POINT POOL	.00	.00	1,500,000.00	1,500,000.00	.0
	TOTAL SAND POINT POOL	.00	.00	1,500,000.00	1,500,000.00	.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

GRANT PROGRAMS

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>DCCED KCAP</u>					
20-701-8010	ENGINEERING	.00	.00	75,591.00	75,591.00	.0
20-701-8050	CAPITAL CONSTRUCTION	.00	37,500.00	843,439.12	805,939.12	4.5
	TOTAL DCCED KCAP	.00	37,500.00	919,030.12	881,530.12	4.1
	<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>					
20-703-8030	PROJECT CONTINGENCY	(161,275.22)	.00	392,080.00	392,080.00	.0
20-703-8045	CONSTRUCTION MANAGEMENT	.00	9,130.40	9,130.40	.00	100.0
20-703-8050	CONSTRUCTION	.00	3,345,720.38	3,794,520.00	448,799.62	88.2
20-703-8070	ADMINISTRATIVE	.00	.00	466,109.00	466,109.00	.0
	TOTAL DEED SDP SCHOOL	(161,275.22)	3,354,850.78	4,661,839.40	1,306,988.62	72.0
	<u>SAND POINT HARBOR FLOATS</u>					
20-704-8045	CONSTRUCTION MANAGEMENT	.00	134,036.28	197,411.54	63,375.26	67.9
20-704-8050	CONSTRUCTION	.00	1,318,192.97	1,467,185.12	148,992.15	89.9
	TOTAL SAND POINT HARBOR FLOATS	.00	1,452,229.25	1,664,596.66	212,367.41	87.2

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

GRANT PROGRAMS

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT	
<u>PSMFC COD TAGGING</u>						
20-802-6000	SALARIES	.00	10,553.79	34,693.05	24,139.26	30.4
20-802-6010	FRINGE BENEFITS	.00	3,458.85	11,261.92	7,803.07	30.7
20-802-6015	CONTRACT LABOR	.00	40,060.60	67,762.33	27,701.73	59.1
20-802-6040	TRAVEL AND PERDIEM	.00	.00	1,660.55	1,660.55	.0
20-802-6045	SUPPLIES	.00	23,229.68	100,071.66	76,841.98	23.2
20-802-8070	INDIRECT/ADMINISTRATION	.00	3,724.22	9,469.77	5,745.55	39.3
	TOTAL PSMFC COD TAGGING	.00	81,027.14	224,919.28	143,892.14	36.0
<u>SAND POINT HARBOR FLOATS MARA</u>						
20-806-8045	CONSTRUCTION MANAGEMENT	.00	174,305.77	256,760.41	82,454.64	67.9
20-806-8050	CONSTRUCTION	.00	1,714,227.03	1,908,639.88	194,412.85	89.8
	TOTAL SAND POINT HARBOR FLOATS	.00	1,888,532.80	2,165,400.29	276,867.49	87.2
<u>DEPARTMENT 807</u>						
20-807-8000	EECBG KVC SCHOOL LIGHTING	.00	.00	74,152.39	74,152.39	.0
	TOTAL DEPARTMENT 807	.00	.00	74,152.39	74,152.39	.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

GRANT PROGRAMS

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>NPRB PROJECT 2503</u>					
20-808-6000 SALARIES	.00	.00	8,000.00	8,000.00	.0
20-808-6015 CONTRACT	.00	58,183.50	95,000.00	36,816.50	61.3
20-808-6040 TRAVEL	.00	5,306.90	7,000.00	1,693.10	75.8
20-808-6045 SUPPLIES	.00	360.51	3,000.00	2,639.49	12.0
20-808-7045 OTHER EXPENSES	.00	5,940.81	10,000.00	4,059.19	59.4
20-808-8070 INDIRECT/ADMINISTRATION	.00	6,979.17	12,300.00	5,320.83	56.7
TOTAL NPRB PROJECT 2503	.00	76,770.89	135,300.00	58,529.11	56.7
TOTAL FUND EXPENDITURES	(161,275.22)	6,890,910.86	14,635,773.77	7,744,862.91	47.1
NET REVENUE OVER EXPENDITURES	(1,067,722.61)	(1,005,972.44)	(3,540,337.96)	(2,534,365.52)	(28.4)

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

PERM FUND APPROPRIATIONS

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>PROJECT CONTINGENCY</u>					
21-501-8030	PROJECT CONTINGENCY	3,585.82	357,670.63	1,849,048.77	1,491,378.14	19.3
	TOTAL PROJECT CONTINGENCY	3,585.82	357,670.63	1,849,048.77	1,491,378.14	19.3
	<u>DEFERRED MAINTENANCE</u>					
21-502-8025	DEFERRED MAINTENANCE	.00	613,473.12	2,020,143.85	1,406,670.73	30.4
	TOTAL DEFERRED MAINTENANCE	.00	613,473.12	2,020,143.85	1,406,670.73	30.4
	<u>FISHERIES RESEARCH</u>					
21-503-8040	RESEARCH	.00	3,827.00	238,814.11	234,987.11	1.6
	TOTAL FISHERIES RESEARCH	.00	3,827.00	238,814.11	234,987.11	1.6
	<u>MARICULTURE</u>					
21-504-8065	PROJECTS	.00	.00	40,293.89	40,293.89	.0
	TOTAL MARICULTURE	.00	.00	40,293.89	40,293.89	.0
	<u>SDP/AKU FLOATS</u>					
21-505-8050	CAPITAL CONSTRUCTION	.00	.00	1,359,656.80	1,359,656.80	.0
	TOTAL SDP/AKU FLOATS	.00	.00	1,359,656.80	1,359,656.80	.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

PERM FUND APPROPRIATIONS

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>COMMUNITY TRAVEL</u>					
21-507-6040	.00	.00	32,601.61	32,601.61	.0
	.00	.00	32,601.61	32,601.61	.0
<u>AKUTAN HARBOR</u>					
21-508-8050	.00	.00	46,998.99	46,998.99	.0
	.00	.00	46,998.99	46,998.99	.0
<u>COLD BAY CLINIC</u>					
21-509-8045	.00	18,527.00	252,251.08	233,724.08	7.3
	.00	18,527.00	252,251.08	233,724.08	7.3
<u>COLD BAY DOCK</u>					
21-510-8050	.00	.00	682,781.73	682,781.73	.0
	.00	.00	682,781.73	682,781.73	.0
<u>SDP SCHOOL</u>					
21-513-8050	161,275.22	161,275.22	2,668,889.82	2,507,614.60	6.0
	161,275.22	161,275.22	2,668,889.82	2,507,614.60	6.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

PERM FUND APPROPRIATIONS

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>COMMUNITY BUDGET REQUESTS</u>					
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	.00	.00	155,750.70	155,750.70	.0
TOTAL FUND EXPENDITURES	164,861.04	1,154,772.97	9,347,231.35	8,192,458.38	12.4
NET REVENUE OVER EXPENDITURES	(164,861.04)	(1,154,772.97)	(9,347,231.35)	(8,192,458.38)	(12.4)

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

ENTERPRISE TERMINAL

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUES</u>						
22-000-4050	COLD BAY TERMINAL LEASES	17,288.00	131,016.00	278,000.00	146,984.00	47.1
22-000-4060	COLD BAY TERMINAL OTHER	2,511.69	24,649.82	25,000.00	350.18	98.6
	TOTAL REVENUES	19,799.69	155,665.82	303,000.00	147,334.18	51.4
	TOTAL FUND REVENUE	19,799.69	155,665.82	303,000.00	147,334.18	51.4

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

ENTERPRISE TERMINAL

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>EXPENDITURES</u>					
22-000-6000 SALARIES	6,230.76	31,984.57	55,000.00	23,015.43	58.2
22-000-6010 FRINGE BENEFITS	501.60	2,790.41	5,000.00	2,209.59	55.8
22-000-6015 CONTRACT LABOR	585.00	585.00	6,000.00	5,415.00	9.8
22-000-6045 SUPPLIES	319.88	984.30	6,018.00	5,033.70	16.4
22-000-6060 TELEPHONE	187.35	1,310.89	2,500.00	1,189.11	52.4
22-000-6065 UTILITIES	9,019.13	55,836.94	92,652.00	36,815.06	60.3
22-000-6070 FUEL	4,296.00	21,179.28	34,777.00	13,597.72	60.9
22-000-6075 GAS	.00	.00	400.00	400.00	.0
22-000-8020 MAINTENANCE	.00	10,202.50	50,000.00	39,797.50	20.4
22-000-8080 LAND	.00	.00	7,803.00	7,803.00	.0
TOTAL EXPENDITURES	21,139.72	124,873.89	260,150.00	135,276.11	48.0
TOTAL FUND EXPENDITURES	21,139.72	124,873.89	260,150.00	135,276.11	48.0
NET REVENUE OVER EXPENDITURES	(1,340.03)	30,791.93	42,850.00	12,058.07	71.9

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

ENTERPRISE HELICOPTER

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUES</u>					
23-000-4040 HELICOPTER REVENUE	27,405.75	200,599.26	389,887.00	189,287.74	51.5
TOTAL REVENUES	27,405.75	200,599.26	389,887.00	189,287.74	51.5
TOTAL FUND REVENUE	27,405.75	200,599.26	389,887.00	189,287.74	51.5

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

ENTERPRISE HELICOPTER

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>EXPENDITURES</u>					
23-000-6000 SALARIES	4,576.00	15,048.00	45,000.00	29,952.00	33.4
23-000-6010 FRINGE BENEFITS	395.84	1,341.65	4,000.00	2,658.35	33.5
23-000-6015 CONTRACT LABOR	96,016.25	672,567.35	1,173,146.00	500,578.65	57.3
23-000-6045 SUPPLIES	589.66	20,928.42	30,000.00	9,071.58	69.8
23-000-6060 TELEPHONE	.00	.00	444.00	444.00	.0
23-000-6065 UTILITIES	.00	.00	7,000.00	7,000.00	.0
23-000-6070 FUEL	(9,855.68)	64,074.10	75,000.00	10,925.90	85.4
23-000-6075 GAS	11,371.20	11,371.20	9,000.00	(2,371.20)	126.4
TOTAL EXPENDITURES	<u>103,093.27</u>	<u>785,330.72</u>	<u>1,343,590.00</u>	<u>558,259.28</u>	<u>58.5</u>
TOTAL FUND EXPENDITURES	<u>103,093.27</u>	<u>785,330.72</u>	<u>1,343,590.00</u>	<u>558,259.28</u>	<u>58.5</u>
NET REVENUE OVER EXPENDITURES	<u>(75,687.52)</u>	<u>(584,731.46)</u>	<u>(953,703.00)</u>	<u>(368,971.54)</u>	<u>(61.3)</u>

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

BOND CONSTRUCTION

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUES</u>						
24-000-4100	INTEREST REVENUE	2,969.44	84,040.50	.00	(84,040.50)	.0
24-000-4150	UNREALIZED GAINS/LOSS	(2,905.13)	(35,646.01)	.00	35,646.01	.0
	TOTAL REVENUES	64.31	48,394.49	.00	(48,394.49)	.0
	TOTAL FUND REVENUE	64.31	48,394.49	.00	(48,394.49)	.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

BOND CONSTRUCTION

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>AKUTAN AIRPORT BOND FUNDS</u>						
24-401-8050	CAPITAL CONSTRUCTION	.00	.00	196,326.32	196,326.32	.0
	TOTAL AKUTAN AIRPORT BOND FUND	.00	.00	196,326.32	196,326.32	.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	229.69	1,833.83	6,154.00	4,320.17	29.8
	TOTAL GENERAL GOVERNMENT	229.69	1,833.83	6,154.00	4,320.17	29.8
	TOTAL FUND EXPENDITURES	229.69	1,833.83	776,629.22	774,795.39	.2
	NET REVENUE OVER EXPENDITURES	(165.38)	46,560.66	(776,629.22)	(823,189.88)	6.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

BOND FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUES</u>						
30-000-4300	STATE BOND REBATE SCHOOL	.00	465,989.00	539,000.00	73,011.00	86.5
30-000-4325	STATE BOND REBATE HARBOR	.00	323,033.00	323,033.00	.00	100.0
TOTAL REVENUES		.00	789,022.00	862,033.00	73,011.00	91.5
TOTAL FUND REVENUE		.00	789,022.00	862,033.00	73,011.00	91.5

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

BOND FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>GENERAL GOVERNMENT</u>						
30-900-6100	BOND INTEREST PAYMENT	.00	215,202.20	381,158.00	165,955.80	56.5
30-900-6200	BOND PRINCIPAL PAYMENT	.00	2,200,000.00	2,200,000.00	.00	100.0
	TOTAL GENERAL GOVERNMENT	.00	2,415,202.20	2,581,158.00	165,955.80	93.6
	TOTAL FUND EXPENDITURES	.00	2,415,202.20	2,581,158.00	165,955.80	93.6
	NET REVENUE OVER EXPENDITURES	.00	(1,626,180.20)	(1,719,125.00)	(92,944.80)	(94.6)

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

PERMANENT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUES</u>						
40-000-4100	INTEREST REVENUE	447,147.06	1,715,635.84	.00	(1,715,635.84)	.0
40-000-4150	UNREALIZED GAINS/LOSS	863,407.41	2,061,234.07	.00	(2,061,234.07)	.0
	TOTAL REVENUES	1,310,554.47	3,776,869.91	.00	(3,776,869.91)	.0
	TOTAL FUND REVENUE	1,310,554.47	3,776,869.91	.00	(3,776,869.91)	.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

PERMANENT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>GENERAL GOVERNMENT</u>						
40-900-7005	MANAGEMENT FEES	13,965.16	41,332.28	77,689.00	36,356.72	53.2
	TOTAL GENERAL GOVERNMENT	13,965.16	41,332.28	77,689.00	36,356.72	53.2
	TOTAL FUND EXPENDITURES	13,965.16	41,332.28	77,689.00	36,356.72	53.2
	NET REVENUE OVER EXPENDITURES	1,296,589.31	3,735,537.63	(77,689.00)	(3,813,226.63)	4808.3

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

MAINTENANCE RESERVE FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>REVENUES</u>				
41-000-4100 INTEREST REVENUE	1,024.51	7,230.49	.00	(7,230.49)	.0
TOTAL REVENUES	1,024.51	7,230.49	.00	(7,230.49)	.0
TOTAL FUND REVENUE	1,024.51	7,230.49	.00	(7,230.49)	.0

ALEUTIANS EAST BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 7 MONTHS ENDING JANUARY 31, 2026

MAINTENANCE RESERVE FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>GENERAL GOVERNMENT</u>						
41-900-8020	MAINTENANCE	.00	.00	150,000.00	150,000.00	.0
	TOTAL GENERAL GOVERNMENT	.00	.00	150,000.00	150,000.00	.0
	TOTAL FUND EXPENDITURES	.00	.00	150,000.00	150,000.00	.0
	NET REVENUE OVER EXPENDITURES	1,024.51	7,230.49	(150,000.00)	(157,230.49)	4.8

INVESTMENT REPORT



ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

AEB 2010 SERIES B BOND/AKUTAN Investment Report

January 2026

Portfolio Overview

BEGINNING VALUE + ACCRUED **\$840,584**

TRANSFERS IN/OUT **-\$35**

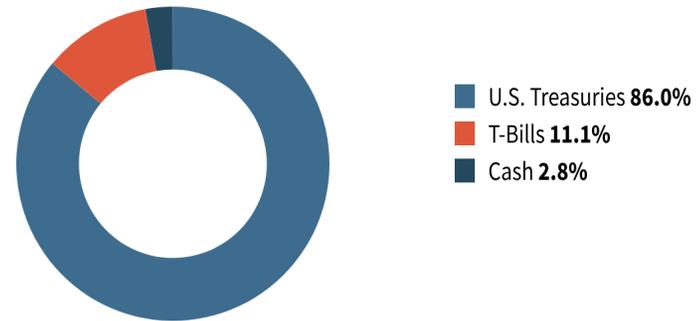
REALIZED GAINS **\$300**

CHANGE IN MARKET VALUE **-\$749**

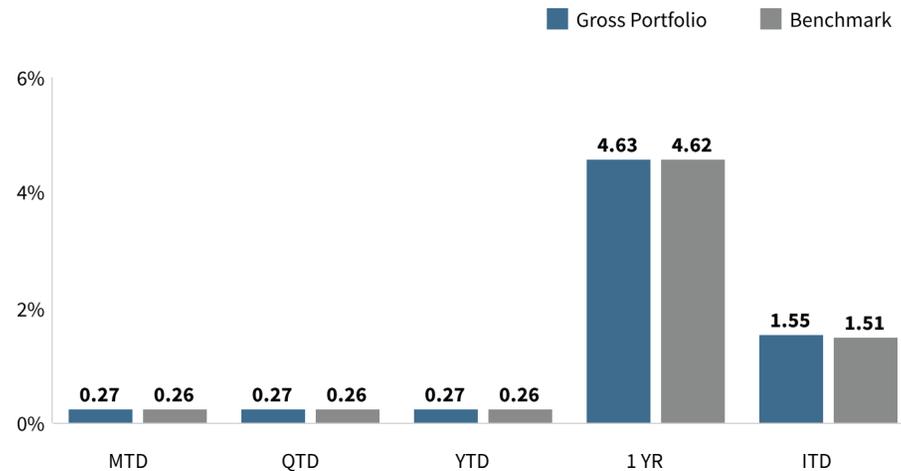
INTEREST INCOME **\$2,774**

ENDING VALUE + ACCRUED **\$842,875**

Portfolio Composition



Investment Performance



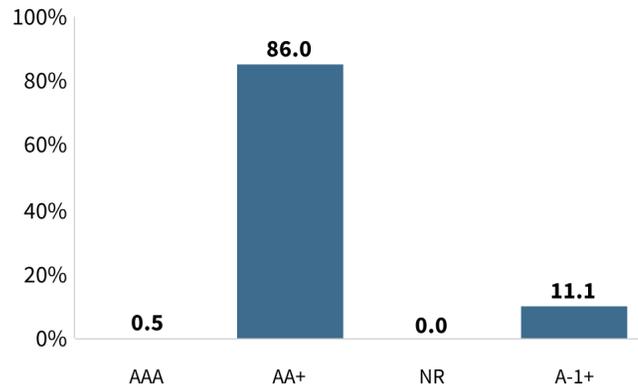
Performance is annualized for periods greater than one year. Inception to date performance begins September 01, 2011
 Past performance is not indicative of future results.



Risk Management

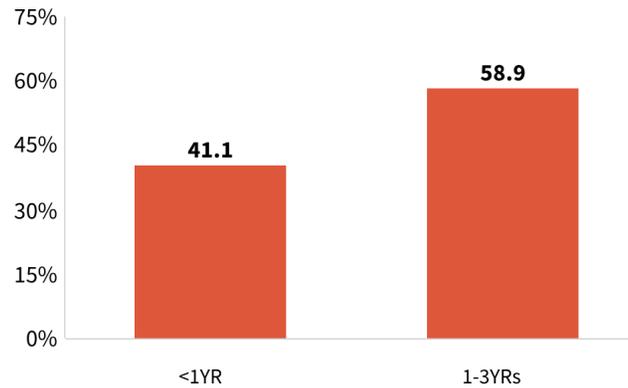


Credit Rating Exposure



Source: Clearwater Composite Rating

Duration Exposure (Years)



Sector Exposure

Sector	%MV
U.S. Treasuries	86.04%
T-Bills	11.15%
Cash	2.82%

Top 10 Issuer Concentration

Issuer	%MV
United States	99.47%
Federated Hermes, Inc.	0.53%

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
\$840,374

BOOK VALUE
\$837,222

UNREALIZED GAIN/LOSS
\$3,152

YIELD TO MATURITY
3.51%

COUPON RATE
2.98%

DURATION
1.30

WAL
1.50

MOODY'S RATING
Aa1

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.



APCM

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ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

AEB OPERATING RESERVE FUND Investment Report

January 2026

Portfolio Overview

BEGINNING VALUE + ACCRUED **\$10,666,403**

TRANSFERS IN/OUT **-\$577**

REALIZED GAINS **\$0**

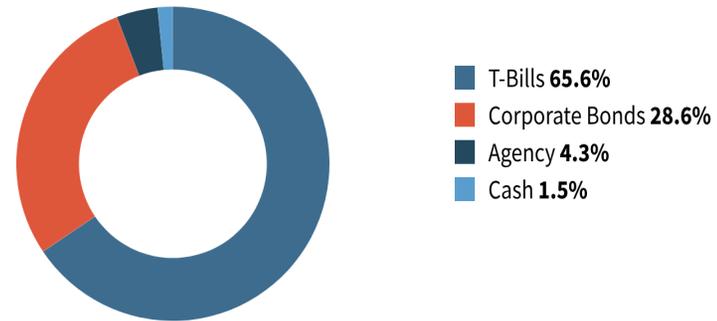
CHANGE IN MARKET VALUE **-\$1,541**

INTEREST INCOME **\$34,952**

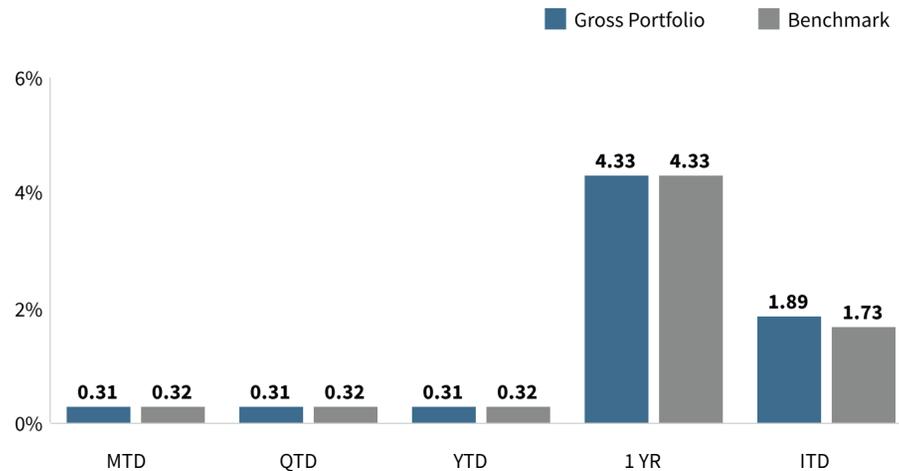
ENDING VALUE + ACCRUED **\$10,699,236**



Portfolio Composition



Investment Performance

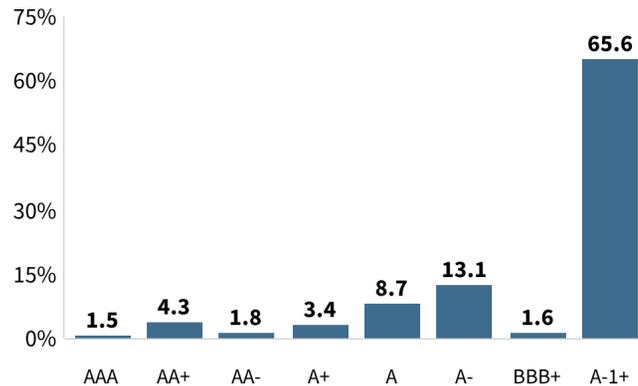


Performance is annualized for periods greater than one year. Inception to date performance begins August 01, 2001. Past performance is not indicative of future results.

Risk Management

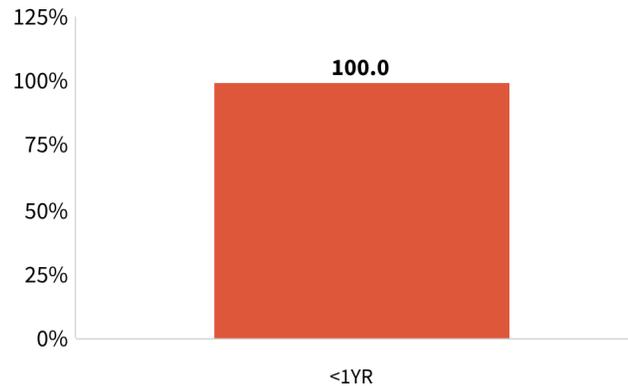


Credit Rating Exposure



Source: Clearwater Composite Rating

Duration Exposure (Years)



Sector Exposure

	%MV
T-Bills	65.56%
Corporate Bonds	28.63%
Agency	4.26%
Cash	1.55%

Top 10 Issuer Concentration

	%MV
United States	65.57%
Federal Home Loan Banks	4.26%
Federated Hermes, Inc.	1.54%
Realty Income Corporation	1.43%
TE Connectivity plc	1.43%
Philip Morris International Inc.	1.42%
Kimco Realty OP, LLC	1.42%
Canadian National Railway Company	1.42%
JPMorgan Chase & Co.	1.41%
The Goldman Sachs Group, Inc.	1.41%

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
\$10,662,900

BOOK VALUE
\$10,660,865

UNREALIZED GAIN/LOSS
\$2,035

YIELD TO MATURITY
3.87%

COUPON RATE
1.08%

DURATION
0.27

WAL
0.28

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.

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.

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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 Unhedged

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.



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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

ALEUTIANS EAST BOR. PERM FUND Investment Report

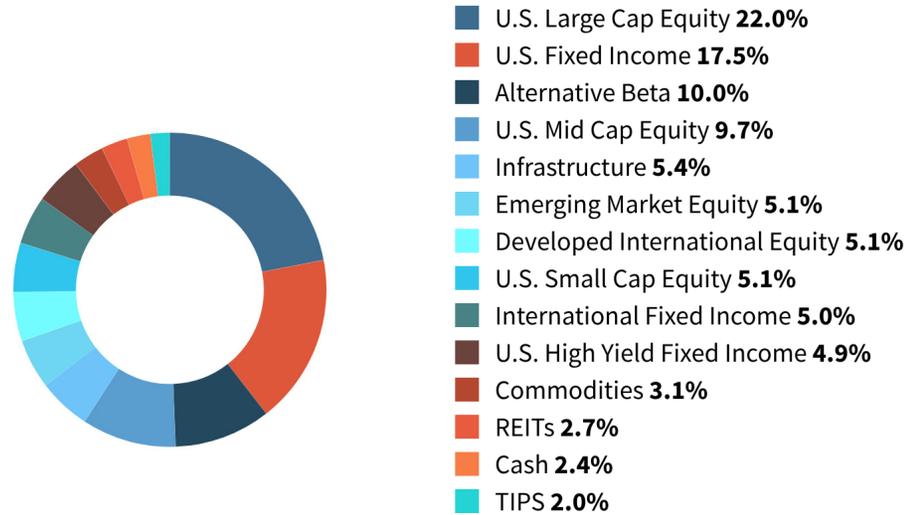
January 2026

Portfolio Overview

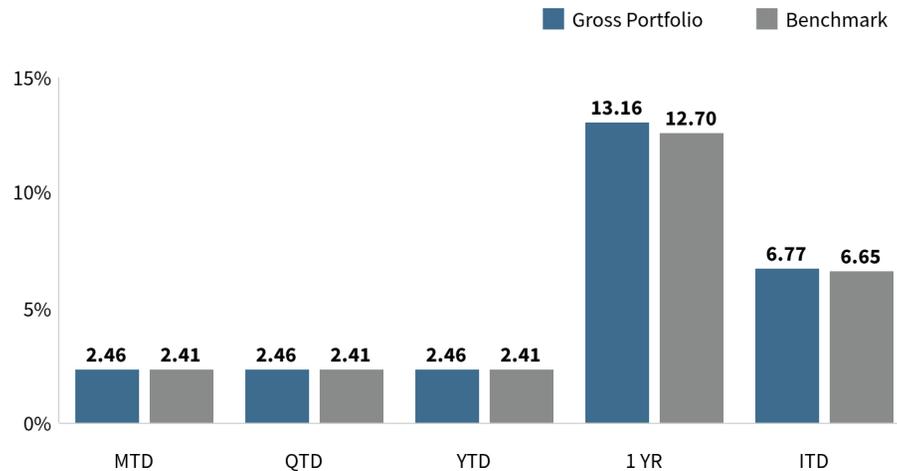
BEGINNING VALUE + ACCRUED	\$51,106,909
TRANSFERS IN/ OUT	-\$1,130
REALIZED GAINS/ LOSSES	\$407,214
CHANGE IN MARKET VALUE	\$809,540
INTEREST INCOME	\$42,405
DIVIDEND INCOME	\$0
ENDING VALUE + ACCRUED	\$52,364,938



Portfolio Composition



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	9,152,641	17.5%	18%	8% to 28%
TIPS	1,041,463	2.0%	2%	0% to 10%
International Fixed Income	2,598,005	5.0%	5%	0% to 10%
Cash	1,270,555	2.4%	2%	0% to 10%
Risk Control Total	14,062,664	26.9%		
RISK ASSET				
U.S. High Yield Fixed Income	2,583,331	4.9%	5%	0% to 10%
U.S. Large Cap Equity	11,503,829	22.0%	22%	12% to 32%
U.S. Mid Cap Equity	5,105,354	9.7%	10%	5% to 15%
U.S. Small Cap Equity	2,652,394	5.1%	5%	0% to 10%
Developed International Equity	2,660,747	5.1%	6%	0% to 12%
Emerging Market Equity	2,683,556	5.1%	4%	0% to 8%
Risk Asset Total	27,189,212	51.9%		
ALTERNATIVES				
REITs	1,426,013	2.7%	3%	0% to 6%
Alternative Beta	5,225,433	10.0%	10%	0% to 15%
Infrastructure	2,830,524	5.4%	5%	0% to 10%
Commodities	1,631,091	3.1%	3%	0% to 6%
Alternatives Total	11,113,061	21.2%		
TOTAL PORTFOLIO	52,364,938	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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Bloomberg 1-5 Yr Gov TR Index

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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.



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ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

AEB APPROPRIATIONS FUND Investment Report

January 2026

Portfolio Overview

BEGINNING VALUE + ACCRUED **\$7,789,417**

TRANSFERS IN/OUT **-\$1,281**

REALIZED GAINS **\$262**

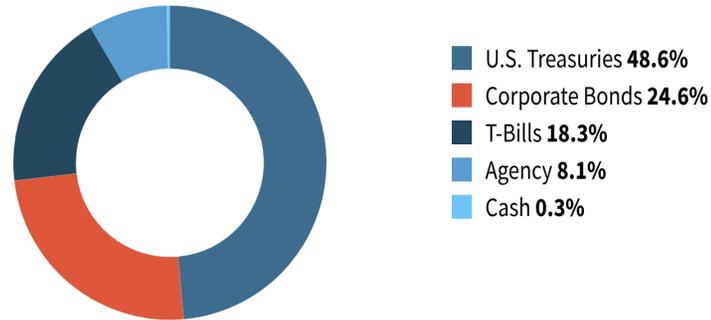
CHANGE IN MARKET VALUE **-\$3,462**

INTEREST INCOME **\$26,687**

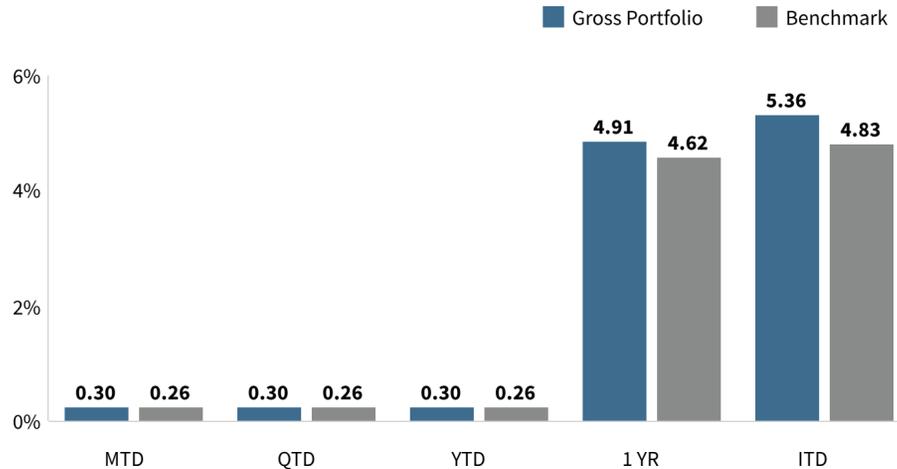
ENDING VALUE + ACCRUED **\$7,811,623**



Portfolio Composition



Investment Performance

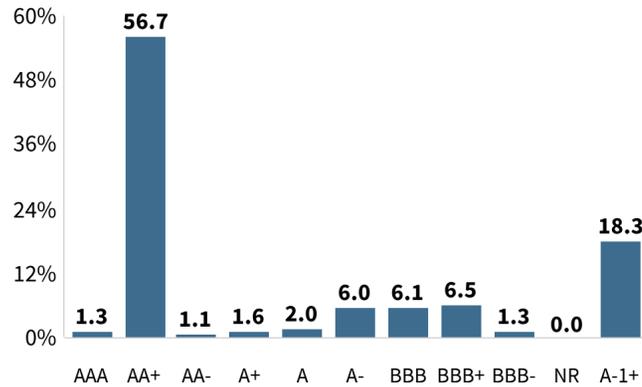


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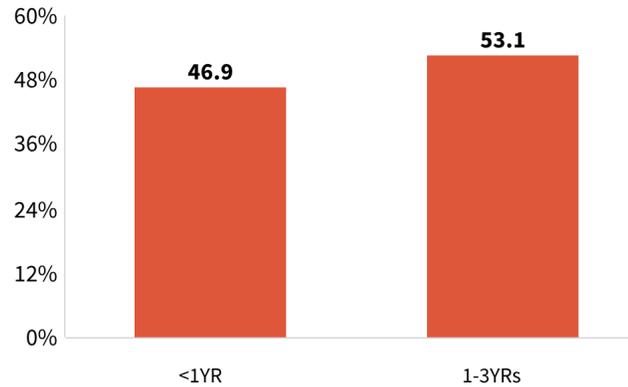


Credit Rating Exposure



Source: Clearwater Composite Rating

Duration Exposure (Years)



Sector Exposure

	%MV
U.S. Treasuries	48.60%
Corporate Bonds	24.60%
T-Bills	18.34%
Agency	8.13%
Cash	0.33%

Top 10 Issuer Concentration

	%MV
United States	66.30%
Farm Credit System	5.55%
Federal Home Loan Banks	2.08%
Federated Hermes, Inc.	1.29%
American Water Works Company, Inc.	1.14%
State Street Corporation	1.10%
Marathon Petroleum Corporation	0.98%
Dow Inc.	0.97%
Tyson Foods, Inc.	0.97%
Essex Property Trust, Inc.	0.96%

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MARKET VALUE
\$7,776,750

BOOK VALUE
\$7,745,093

UNREALIZED GAIN/LOSS
\$31,657

YIELD TO MATURITY
3.79%

COUPON RATE
2.84%

DURATION
1.23

WAL
1.39

MOODY'S RATING
A1

Disclosures



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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 Unhedged

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.



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EXECUTIVE SESSION

Aleutians East Borough Fishery Matters

The Assembly may move to enter into Executive Session with an attorney to discuss fishery strategy matters, which by law, municipal charter, or ordinance are required to be confidential; potential litigation and attorney-client privilege.

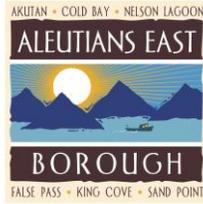
AS 44.62.310 (c) (3).

CONSENT AGENDA

PUBLIC HEARING

ORDINANCES

RESOLUTIONS



RESOLUTION 26-39

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY APPROVING CERTAIN UNINCORPORATED COMMUNITIES AND THEIR RESPECTIVE NATIVE VILLAGE COUNCIL AND/OR INCORPORATED NONPROFIT ENTITY FOR PARTICIPATION IN THE FY27 COMMUNITY ASSISTANCE PROGRAM

WHEREAS, AS 29.60.865 and 3 AAC 180.010 require the assembly of a borough or unified municipality to adopt a resolution identifying those unincorporated communities located within their municipal boundaries that the assembly determines meet the Community Assistance Program eligibility criteria established under AS 29.60.865, AS 29.60.879, and 3 AAC 180.110; and

WHEREAS, the unincorporated community has either a Native village council or incorporated nonprofit entity that will agree to receive and spend the Community Assistance payment for the public benefit of the unincorporated community; and

WHEREAS, the unincorporated community has 25 or more residents residing as a social unit; and

WHEREAS, at least three of the following services; fire protection, emergency medical, water and sewer, solid waste management, public road or ice road maintenance, public health, and search and rescue; are generally available to all residents of the unincorporated community and each of the three services, in any combination, are provided by one or more qualifying Native village council or incorporated nonprofit entity or are substantially paid for by the residents of the unincorporated community through taxes, charges, or assessments levied or authorized by the borough or unified municipality;

NOW THEREFORE BE IT RESOLVED THAT: The Assembly by this resolution hereby certifies that the following unincorporated communities and their respective Native village council or incorporated nonprofit entity are eligible for funding under the FY27 Community Assistance Program:

Unincorporated Community

Native village council or nonprofit entity

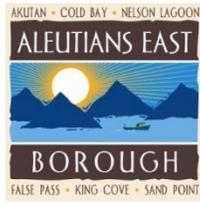
Nelson Lagoon Village Council

PASSED AND ADOPTED by a duly constituted quorum of the Aleutians East Borough on this 12th day of March, 2026.

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Clerk



RESOLUTION 26-40

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH SUPPORTING THE REAPPOINTMENT OF MIKE WOOD TO THE ALASKA BOARD OF FISHERIES.

WHEREAS, Mike Wood completes a full Board of Fisheries meeting cycle this month and has shown a full understanding of all the issues to come before the Board, and

WHEREAS, Mr. Wood's leadership and experience on the Board, as well as his knowledge and experience of sport and commercial fisheries make him extremely well-qualified for re-appointment to the Board, and

WHEREAS, Mike's experience before joining the Board, including his service on the Matanuska-Susitna Borough Fish and Wildlife Commission for eight years and Chair for four years have been a solid foundation for the excellent work he has accomplished on the Board, and his firsthand experience commercial fishing in Cook Inlet will continue to inform the upcoming Board Cook Inlet discussions, and

WHEREAS, Mike Wood has the trust and respect of his fellow Board members as evidenced by his commitment to the Board process, and his reappointment will ensure the continuity of a well-functioning Board of Fisheries, and

WHEREAS, Mike Wood has demonstrated a willingness to reach out to experts and advocates on all sides of every issue, and

WHEREAS, Mike Wood has the full support of fishermen and communities of the Aleutians East Borough to continue service on the Alaska Board of Fisheries.

NOW THEREFORE BE IT RESOLVED, the Aleutians East Borough Assembly supports the reappointment of Mike Wood to the Alaska Board of Fisheries at this critical period for Alaska's fisheries and communities, and

BE IT FURTHER RESOLVED, the Aleutians East Borough Assembly urges the Alaska Legislature to confirm the reappointment of Mike Wood to the Alaska Board of Fisheries for the benefit of Alaska's fisheries and all Alaskans.

PASSED AND APPROVED by the Aleutians East Borough Assembly on this 12th day of March 2026.

Alvin D. Osterback, Mayor

ATTEST: _____
Beverly Rosete, Clerk

Memo: Resolution 26-41

To: Aleutians East Borough Assembly

From: Natural Resources Department

Date: March 4, 2025

Since 2022, Area M salmon fishermen have participated in an [adaptive management program](#), proven to reduce chum salmon harvest, to potentially help mitigate dwindling AYK chum salmon returns.

The Alaska Board of Fisheries met February 18-25, 2026 on Alaska Peninsula/Aleutian Islands/Chignik finfish issues, excluding cod. AEB staff and fishermen, and representatives of local tribes, corporations and municipalities fully participated in the meeting through attendance, testimony and other public comment and advocacy for Area M salmon fisheries.

During the meeting local Tribes, the Native Village of Unga, Qagan Tayagungin Tribe, Native Village of Belkofski, Native Village of False Pass, Agdaagux Tribe of King Cove and the Pauloff Harbor Tribe brought to light potential conflicts of interest of several Board members in [RC 004](#), and further expanded on conflicts of interest by Board Member Chamberlain in [RC 139](#).

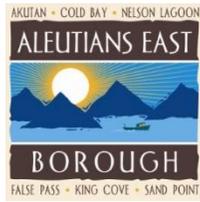
2 votes by margins of 4-3 on [RC 245](#) for Proposal 127 and on [Proposal 126](#), will severely restrict South Alaska Peninsula salmon fisheries by time and area, effectively ending the successful chum conservation adaptive management program, and the votes would have failed if Member Chamberlain had recused or been conflicted out on those issues.

On February 27th, AEB Administration and Staff, working with local Tribes, posted a [Press Release](#) calling on:

- The Alaska Attorney General's office to act on a formal ethics complaint filed on February 23, 2026, and to review the legal validity of votes cast by a Board member with a documented, unresolved conflict of interest, including the 4-3 passage of RC 245.
- The Alaska Legislature to examine the Board of Fisheries appointment and ethics process, including the absence of any cooling-off period requirement for board appointees with prior advocacy positions on matters before the board.
- The Alaska Board of Fisheries to take no further votes on Area M fisheries until the conflict of interest question raised in the ethics complaint is fully resolved.

Resolution 26-41 is confirmation by the Assembly of the assertions made in the February 27, 2026 AEB and Tribes Press Release.

AEB Administration and Natural Resources Department recommend Assembly approval of Resolution 26-41.



RESOLUTION 26-41

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH CONTESTING UNLAWFUL ACTIONS BY THE ALASKA BOARD OF FISHERIES AT THE FEBRUARY 2026 MEETING THAT EFFECTIVELY END THE SOUTH ALASKA PENINSULA FISHERMEN'S ADAPTIVE MANAGEMENT PROGRAM PROVEN TO CONSERVE CHUM SALMON.

WHEREAS, since 2022, all South Alaska Peninsula seine gear fishermen, working with Area M drift net fishermen, local processors, the Alaska Department of Fish & Game and the Aleutians East Borough Natural Resources Department, have developed and implemented a real-time adaptive management program, proven successful at reducing chum salmon harvest in the June South Alaska Peninsula salmon fishery, in an earnest attempt to share in the burden of conservation of dwindling AYK salmon returns, and

WHEREAS, the Alaska Board of Fisheries met February 18-25, 2026 in Anchorage to consider proposals to change Alaska Peninsula, Aleutian Islands and Chignik finfish regulations, and

WHEREAS, the Board took several 4-3 votes to further restrict South Alaska Peninsula salmon fisheries, including on RC 245, that essentially ends the successful adaptive management chum salmon conservation program by local fishermen, and

WHEREAS, local tribal representatives from the Native Village of Unga, the Qagan Tayagungin Tribe, the Native Village of Belkofski, the Native Village of False Pass, the Agdaagux Tribe of King Cove and the Pauloff Harbor Tribe presented facts during the meeting in RC 4 and in RC 139, demonstrating that Board Member Chamberlain had significant conflicts of interest that should have precluded Member Chamberlain from voting on any Area M proposals, including South Peninsula salmon proposals, and

WHEREAS, following the 4-3 votes on RC 245 for Proposal 127 and on Proposal 126, that will essentially end the adaptive management salmon chum salmon conservation program, chum salmon harvest is likely to go up in the South Alaska Peninsula salmon fishery, and

WHEREAS, the Aleutians East Borough applauds the efforts of local fishermen to conserve chum salmon in June and the leadership provided by Fishery Analyst Charlotte Levy to implement the adaptive management program, and

WHEREAS, the Aleutians East Borough stands with our tribal partners in asserting that the 4-3 votes by the Board of Fisheries that further restrict Area M Fisheries, and effectively end the successful adaptive management program, should be voided due to the unlawful participation by Board Member Chamberlain who had multiple conflicts that should have precluded him voting on these issues.

NOW THEREFORE BE IT RESOLVED, the Aleutians East Borough Assembly contests the unlawful actions by the Alaska Board of Fisheries at the February 2026 Board Meeting that effectively end the successful Adaptive Management Program, proven to conserve chum salmon, and

BE IT FURTHER RESOLVED, the Aleutians East Borough Assembly calls on the Alaska Attorney General to act on the formal ethics complaint filed on February 23, 2026, and to review the legal validity of votes cast by a Board member with a documented, unresolved conflict of interest, including the 4-3 passage of RC 245, and

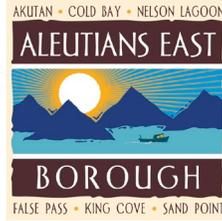
BE IT FURTHER RESOLVED, the Aleutians East Borough Assembly calls on the Alaska Legislature to examine the Board of Fisheries appointment and ethics process, including the absence of any cooling-off period requirement for Board appointees with prior advocacy positions on matters before the Board, and

BE IT FURTHER RESOLVED, the Aleutians East Borough Assembly calls on the Alaska Board of Fisheries to take no further votes on Area M fisheries until the conflict-of-interest question raised in the ethics complaint is fully resolved.

PASSED AND APPROVED by the Aleutians East Borough Assembly on this 12th day of March 2026.

Alvin D. Osterback, Mayor

ATTEST: _____
Beverly Rosete, Clerk



RESOLUTION 26-42

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE CONTRACTS FOR LEGAL AND PUBLIC RELATION SERVICES FOR FISHERY ISSUES

WHEREAS, the Alaska Borough of Fisheries held the Alaska Peninsula/Aleutian Islands/Chignik Finfish meetings in Anchorage, Alaska from February 18 to 25, 2026; and

WHEREAS, at the meeting, two formal conflicts of interest complaints were entered into the meeting record, which the Board Chair failed to acknowledge; and

WHEREAS, at the meeting, the Borough adopted a suite of regulatory changes that substantially reduced commercial fishing opportunities in Area M and dismantled an adaptive management plan program that was utilized by the Area M Fishermen; and

WHEREAS, based off these decisions, the Borough Mayor believes it is in the Borough's best interest to enter into contracts for legal and public relation services to address fishery issues.

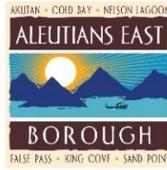
NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly authorizes the Mayor to negotiate and execute contracts for legal and public relation services for fishery issued in an amount not to exceed \$300,000.

PASSED AND ADOPTED by the Aleutians East Borough on this 12th day of March, 2026.

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Clerk



MEMORANDUM

To: Alvin D. Osterback, Mayor and Assembly

From: Anne Bailey, Borough Administrator

Date: March 4, 2026

Re: Resolution 26-43, Accepting the Basic Financial Statements, Required Supplementary Information, Supplementary Information and Single Audit Reports for Year Ended June 30, 2025

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, 2025.

BDO has completed the draft audit for FY2025 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, 2025, 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 draft audit is attached for review.

For the FY 2025 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 2025 Federal Award Findings and the FY 2025 State Single Audit there were findings and questioned costs. A corrective action plan to address two items from the FY 2024 audit has been submitted.

RECOMMENDATION

Administration recommends approval of Resolution 26-43, Accepting the Basic Financial Statements, Required Supplementary Information, Supplementary Information and Single Audit Reports for Year Ended June 30, 2025.

Aleutians East Borough, Alaska

Basic Financial Statements, Required
Supplementary Information, Supplementary
Information and Single Audit Reports
Year Ended June 30, 2025

DRAFT 3/4/2026

Aleutians East Borough, Alaska

Basic Financial Statements, Required Supplementary Information,
Supplementary Information and Single Audit Reports
Year Ended June 30, 2025

DRAFT - Subject to Revision

Aleutians East Borough, Alaska

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Aleutians East Borough, Alaska

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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, Alaska (the "Borough"), as of and for the year ended June 30, 2025, 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, 2025, 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.

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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 net OPEB liability or asset and the Borough's 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted 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 the *State of Alaska Audit Guide and Compliance Supplement*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2026 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.

Anchorage, Alaska
_____, 2026

DRAFT - Subject to Revision

Basic Financial Statements

DRAFT - Subject to Revision

Aleutians East Borough, Alaska

Statement of Net Position

<i>June 30, 2025</i>	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School District
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 87,711,242	\$ 817,559	\$ 88,528,801	\$ 4,727,277
Receivables, net of allowance for uncollectible accounts:				
State of Alaska	3,910,025	-	3,910,025	-
Accrued interest	186,030	749	186,779	-
Other	143,700	51,588	195,288	665,988
Taxes	376,452	-	376,452	-
Internal balances	908,879	(908,879)	-	-
Prepaid items	2,400	359	2,759	158,513
Inventory	-	-	-	41,337
Restricted cash and investments:				
Unspent bond proceeds	3,802,288	-	3,802,288	-
Accrued interest	5,794	-	5,794	-
Investment in Southwest Governments, LLC	474,488	-	474,488	-
Net other postemployment benefits asset (restricted)	619,488	-	619,488	1,734,085
Lease receivable	308,517	237,866	546,383	-
Capital assets not being depreciated	14,548,976	-	14,548,976	-
Depreciable assets, net of accumulated depreciation	36,849,675	5,211,295	42,060,970	250,474
Total Assets	149,847,954	5,410,537	155,258,491	7,577,674
Deferred Outflows of Resources				
Related to pensions	201,271	-	201,271	299,286
Related to other postemployment benefits	37,953	-	37,953	147,339
Deferred charge on refunding	127,866	-	127,866	-
Total Deferred Outflows of Resources	367,090	-	367,090	446,625
Total Assets and Deferred Outflows of Resources	\$ 150,215,044	\$ 5,410,537	\$ 155,625,581	\$ 8,024,299

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska

Statement of Net Position

<i>June 30, 2025</i>	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School District
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	\$ 3,378,590	\$ 114,854	\$ 3,493,444	\$ 56,470
Accrued payroll and taxes	-	-	-	65,069
Accrued interest	36,659	-	36,659	-
Unearned revenue	1,900	-	1,900	16,084
Noncurrent liabilities:				
Due within one year:				
Leases payable	125,118	1,485	126,603	-
Bonds payable, including premium	2,200,000	-	2,200,000	-
Compensated absences	101,814	-	101,814	153,228
Due in more than one year:				
Leases payable	145,816	124,860	270,676	-
Bonds payable, including premium	7,981,145	-	7,981,145	-
Compensated absences	142,933	-	142,933	292,512
Net pension liability	1,475,319	-	1,475,319	3,295,766
Total Liabilities	15,589,294	241,199	15,830,493	3,879,129
Deferred Inflows of Resources				
Related to leases	289,872	219,413	509,285	-
Related to other postemployment benefits	18,859	-	18,859	77,772
Total Deferred Inflows of Resources	308,731	219,413	528,144	77,772
Net Position				
Net investment in capital assets	41,863,770	5,084,950	46,948,720	250,474
Restricted:				
Net OPEB benefits	619,488	-	619,488	1,734,085
Trust Fund	51,000,000	-	51,000,000	-
Unrestricted (Deficit)	40,833,761	(135,025)	40,698,736	2,082,839
Total Net Position	134,317,019	4,949,925	139,266,944	4,067,398
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 150,215,044	\$ 5,410,537	\$ 155,625,581	\$ 8,024,299

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska
Statement of Activities

Exhibit A-2

Year Ended June 30, 2025	Program Revenues				Net Revenue (Expense) and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Primary Government		Total	School District
					Govern- mental Activities	Business- type Activities		
Primary Government								
Governmental Activities								
General government	\$ 3,144,362	\$ 71,696	\$ 1,431,772	\$ 681,749	\$ (959,145)	\$ -	\$ (959,145)	
Public works	215,150	-	25,259	8,591,605	8,401,714	-	8,401,714	
Education	1,926,221	-	40,030	1,817,478	(68,713)	-	(68,713)	
Community services	195,789	-	1,908,736	-	1,712,947	-	1,712,947	
Infrastructure	5,878,777	-	-	-	(5,878,777)	-	(5,878,777)	
Interest on long-term debt	320,383	-	1,060,890	-	740,507	-	740,507	
Total Governmental Activities	11,680,682	71,696	4,466,687	11,090,832	3,948,533	-	3,948,533	
Business-type Activities								
Terminal	620,824	277,533	-	-	-	(343,291)	(343,291)	
Helicopter	1,220,223	322,529	-	-	-	(897,694)	(897,694)	
Total Business-type Activities	1,841,047	600,062	-	-	-	(1,240,985)	(1,240,985)	
Total Primary Government	13,521,729	671,758	4,466,687	11,090,832	3,948,533	(1,240,985)	2,707,548	
Component Unit - School District	\$ 12,751,564	\$ 330,406	\$ 2,452,367	\$ -				\$ (9,968,791)
General Revenues								
Borough fish tax					3,642,092	-	3,642,092	-
Borough appropriations and in-kind services					-	-	-	1,523,931
Unrestricted investment income					1,896,009	-	1,896,009	5,718
Restricted investment income					4,988,022	-	4,988,022	-
Grants and entitlements not restricted to specific program					804,988	-	804,988	5,991,353
E-rate					-	-	-	2,678,400
Other					70,434	1,311	71,745	26,292
Transfers					(316,838)	316,838	-	-
Total General Revenues and Transfers					11,084,707	318,149	11,402,856	10,225,694
Change in Net Position					15,033,240	(922,836)	14,110,404	256,903
Net Position, beginning					119,283,779	5,872,761	125,156,540	4,266,108
Restatement- GASB 101 (Note 15)					-	-	-	(455,613)
Net Position, beginning, as restated					119,283,779	5,872,761	125,156,540	3,810,495
Net Position, ending					\$ 134,317,019	\$ 4,949,925	\$ 139,266,944	\$ 4,067,398

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska

Exhibit B-1

**Governmental Funds
Balance Sheet**

<i>June 30, 2025</i>	Major Funds							Total Governmental Funds
	General	Trust Permanent	Debt Service	Capital Improvements Capital Project	Permanent Fund Appropriated Capital Project	Nonmajor Funds	Total	
Assets								
Cash and investments	\$ 36,965,944	\$ 49,700,261	\$ -	\$ -	\$ 757,713	\$ 287,324	\$ 87,711,242	
Receivables, net:								
State of Alaska	-	-	72,316	3,837,709	-	-	3,910,025	
Accrued interest	109,147	65,726	-	10,506	-	651	186,030	
Taxes	376,452	-	-	-	-	-	376,452	
Other	105,827	-	-	37,873	-	-	143,700	
Lease receivable	308,517	-	-	-	-	-	308,517	
Due from other funds	2,457,712	10,684,250	-	-	-	-	13,141,962	
Prepays	-	-	-	-	-	2,400	2,400	
Restricted cash and investments:								
Unspent bond proceeds	-	-	-	-	-	3,802,288	3,802,288	
Accrued interest	-	-	-	-	-	5,794	5,794	
Investment in Southwest Governments, LLC	-	474,488	-	-	-	-	474,488	
Total Assets	\$ 40,323,599	\$ 60,924,725	\$ 72,316	\$ 3,886,088	\$ 757,713	\$ 4,098,457	\$ 110,062,898	
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities								
Accounts payable	\$ 353,027	\$ 6,813	\$ -	\$ 2,260,516	\$ 757,713	\$ 521	\$ 3,378,590	
Unearned revenue	1,900	-	-	-	-	-	1,900	
Due to other funds	10,684,250	-	72,316	1,476,517	-	-	12,233,083	
Total Liabilities	11,039,177	6,813	72,316	3,737,033	757,713	521	15,613,573	
Deferred Inflows of Resources								
Related to leases	289,872	-	-	-	-	-	289,872	
Fund Balances								
Nonspendable	-	-	-	-	-	2,400	2,400	
Restricted:								
Trust fund	-	51,000,000	-	-	-	-	51,000,000	
Various capital projects	-	-	-	-	-	3,807,561	3,807,561	
Committed for capital projects	-	9,917,912	-	-	-	-	9,917,912	
Assigned:								
Maintenance	-	-	-	-	-	287,975	287,975	
Capital projects	-	-	-	149,055	-	-	149,055	
Unassigned	28,994,550	-	-	-	-	-	28,994,550	
Total Fund Balances	28,994,550	60,917,912	-	149,055	-	4,097,936	94,159,453	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 40,323,599	\$ 60,924,725	\$ 72,316	\$ 3,886,088	\$ 757,713	\$ 4,098,457	\$ 110,062,898	

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2025

Total fund balances for governmental funds		\$ 94,159,453
The total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets (shown here, net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		51,398,651
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 other postemployment asset		619,488
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds:		
Lease liabilities	\$ (270,934)	
Accrued leave	(244,747)	
Accrued interest on bonds	(36,659)	
Bonds payable, including unamortized premium	(10,181,145)	
Deferred charge on refunding	127,866	
Net pension liability	(1,475,319)	
Total long-term liabilities		(12,080,938)
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	201,271	
Deferred outflows of resources related to other postemployment benefits	37,953	
Deferred inflows of resources related to other postemployment benefits	(18,859)	
Total deferred pension and other postemployment benefits items		220,365
Total Net Position of Governmental Activities		<u>\$ 134,317,019</u>

See accompanying notes to basic financial statements.

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

Year Ended June 30, 2025	Major Funds							Nonmajor Funds	Total Governmental Funds
	General	Trust Permanent	Debt Service	Capital Improvements Capital Project	Permanent Fund Appropriated Capital Project	Bond Construction Capital Project			
Revenues									
Federal government	\$ 2,370,222	\$ -	\$ -	\$ 6,093,329	\$ -	\$ -	\$ -	\$ 8,463,551	
State of Alaska	1,619,695	-	1,060,890	4,277,881	-	-	-	6,958,466	
Borough raw fish tax	2,416,571	-	-	-	-	-	-	2,416,571	
Investment income	1,563,431	4,988,022	-	149,055	-	-	183,523	6,884,031	
Other	1,499,230	24,049	-	37,873	-	-	3,423	1,564,575	
Total Revenues	9,469,149	5,012,071	1,060,890	10,558,138	-	-	186,946	26,287,194	
Expenditures									
Current:									
General government	2,611,195	78,391	-	-	-	-	6,158	2,695,744	
Public works	113,303	-	-	-	-	-	4,839	118,142	
Education	1,351,667	-	-	-	-	-	-	1,351,667	
Community services	195,789	-	-	-	-	-	-	195,789	
Infrastructure	-	-	-	1,041,091	575,358	-	-	1,616,449	
Debt service:									
Principal	118,866	-	2,075,000	-	-	-	-	2,193,866	
Interest	16,785	-	476,149	-	-	-	-	492,934	
Capital outlay	-	-	-	9,367,992	891,389	-	-	10,259,381	
Total Expenditures	4,407,605	78,391	2,551,149	10,409,083	1,466,747	-	10,997	18,923,972	
Excess (Deficiency) of Revenues Over Expenditures	5,061,544	4,933,680	(1,490,259)	149,055	(1,466,747)	-	175,949	7,363,222	
Other Financing Sources (Uses)									
Insurance recoveries	681,749	-	-	-	-	-	-	681,749	
Transfers in	-	-	1,490,259	-	1,466,747	-	3,211,226	6,168,232	
Transfers out	(6,485,070)	-	-	-	-	-	-	(6,485,070)	
Net Other Financing Sources (Uses)	(5,803,321)	-	1,490,259	-	1,466,747	-	3,211,226	364,911	
Net Change in Fund Balances	(741,777)	4,933,680	-	149,055	-	-	3,387,175	7,728,133	
Fund Balances, beginning, as previously reported	29,736,327	55,984,232	-	-	-	423,554	287,207	86,431,320	
Adjustment- change from major fund to nonmajor fund	-	-	-	-	-	(423,554)	423,554	-	
Fund Balances, beginning, as adjusted	29,736,327	55,984,232	-	-	-	-	710,761	86,431,320	
Fund Balances, ending	\$ 28,994,550	\$ 60,917,912	\$ -	\$ 149,055	\$ -	\$ -	\$ 4,097,936	\$ 94,159,453	

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, 2025**

Net change in fund balances - All governmental funds	\$ 7,728,133
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The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation, and amortization expense. Additionally, transfers of capital assets to proprietary funds is not a current use of resources and is not reported on the fund financial statements. Amount by which capital outlays of \$7,916,267 exceeded depreciation and amortization expense of \$2,659,713 in the current period

	\$ 5,256,554
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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:

Repayment of principal on bonds	2,075,000	
Decrease in unamortized bond premium	201,677	
Decrease in lease liabilities	118,866	
Decrease in deferred charge on refunding	(36,533)	
	2,359,010	2,359,010

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

Increase in accrued leave	(131,366)	
Decrease in accrued interest	7,407	
Decrease in net pension liability and related deferred outflows and inflows of resources	(192,885)	
Decrease in net other postemployment benefits liability, asset and related deferred outflows and inflows of resources	6,387	
	(310,457)	(310,457)

Total Change in Net Position of Governmental Activities	<u>\$ 15,033,240</u>
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See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska

Proprietary Funds
Statement of Net Position

<i>June 30, 2025</i>	Major Funds		Total
	Terminal	Helicopter	
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and investments	\$ 817,559	\$ -	\$ 817,559
Leases receivable, current portion	85,293	-	85,293
Receivables:			
Accrued interest	749	-	749
Other	11,488	40,100	51,588
Prepays	359	-	359
Total Current Assets	915,448	40,100	955,548
Noncurrent Assets			
Leases receivable, long term	152,573	-	152,573
Depreciable assets, net of accumulated depreciation	5,125,356	85,939	5,211,295
Total Noncurrent Assets	5,277,929	85,939	5,363,868
Total Assets	\$ 6,193,377	\$ 126,039	\$ 6,319,416

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska

 Proprietary Funds
 Statement of Net Position, continued

<i>June 30, 2025</i>	Major Funds		Total
	Terminal	Helicopter	
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities			
Accounts payable	\$ -	\$ 114,854	\$ 114,854
Due to other funds	-	908,879	908,879
Leases payable	1,485	-	1,485
Total Current Liabilities	1,485	1,023,733	1,025,218
Noncurrent Liabilities			
Lease liability	124,860	-	124,860
Total Noncurrent Liabilities	124,860	-	124,860
Total Liabilities	126,345	1,023,733	1,150,078
Deferred Inflows of Resources			
Related to leases	219,413	-	219,413
Net Position (Deficit)			
Net Investment in capital assets	4,999,011	85,939	5,084,950
Unrestricted (deficit)	848,608	(983,633)	(135,025)
Total Net Position (Deficit)	5,847,619	(897,694)	4,949,925
Total Liabilities, Deferred Inflows of of Resources and Net Position	\$ 6,193,377	\$ 126,039	\$ 6,319,416

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Position (Deficit)

Year Ended June 30, 2025	Major Funds		Total
	Terminal	Helicopter	
Operating Revenues	\$ 277,533	\$ 322,529	\$ 600,062
Operating Expenses			
Salaries and benefits	58,924	7,719	66,643
Professional services	7,729	1,111,607	1,119,336
Telephone	2,528	194	2,722
Supplies	2,652	8,888	11,540
Utilities	109,610	-	109,610
Fuel	34,204	75,310	109,514
Maintenance	59,115	-	59,115
Depreciation and amortization	339,674	16,505	356,179
Total Operating Expenses	614,436	1,220,223	1,834,659
Loss from Operations	(336,903)	(897,694)	(1,234,597)
Nonoperating Revenues and (Expenses)			
Interest expense - leases	(6,388)	-	(6,388)
Gain on lease termination	1,311	-	1,311
Loss before transfers	(341,980)	(897,694)	(1,239,674)
Transfers in	316,838	-	316,838
Change in Net Position	(25,142)	(897,694)	(922,836)
Net Position, beginning	5,872,761	-	5,872,761
Net Position (Deficit), ending	\$ 5,847,619	\$ (897,694)	\$ 4,949,925

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska
Proprietary Funds
Statement of Cash Flows

<i>Year Ended June 30, 2025</i>	Major Funds		Total
	Terminal	Helicopter	
Cash Flows from (for) Operating Activities			
Receipts from customers	\$ 280,222	\$ 327,385	\$ 607,607
Payments for goods and services	(215,838)	(1,188,603)	(1,404,441)
Payments for salaries and benefits	(58,924)	(25,310)	(84,234)
Net cash flows from (for) operating activities	5,460	(886,528)	(881,068)
Cash Flows for Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	(74,889)	(74,889)
Gain on lease termination	1,311	-	1,311
Payment of leases	(1,414)	-	(1,414)
Interest paid	(6,388)	-	(6,388)
Net cash flows for capital and related financing activities	(6,491)	(74,889)	(81,380)
Cash Flows from Noncapital Financing Activities			
Increase in due from other funds	-	908,879	908,879
Transfers in	316,838	-	316,838
Net cash flows from noncapital related financing activities	316,838	908,879	1,225,717
Net Increase (decrease) in Cash	315,807	(52,538)	263,269
Cash and Cash Equivalents, beginning	502,111	52,538	554,649
Cash and Cash Equivalents, ending	\$ 817,918	\$ -	\$ 817,918

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska
Proprietary Funds
Statement of Cash Flows, continued

<i>Year Ended June 30, 2025</i>	Major Funds		Total
	Terminal	Helicopter	
Reconciliation of Operating Loss to Net			
Cash Flows from (for) Operating Activities			
Operating loss	\$ (336,903)	\$ (897,694)	\$ (1,234,597)
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:			
Depreciation and amortization	339,674	16,505	356,179
(Increase) decrease in assets and deferred (Increase) decrease in assets and deferred outflows of resources:			
Receivables, net	(9,424)	4,856	(4,568)
Leases receivable	256,611	-	256,611
Net other postemployment benefits asset	-	23,341	23,341
Deferred outflows of resources related to pensions	-	8,193	8,193
Deferred outflows of resources related to other postemployment benefit	-	2,517	2,517
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable	-	7,396	7,396
Net pension liability	-	(50,555)	(50,555)
Deferred inflows of resources related to leases	(244,498)	-	(244,498)
Deferred inflows of resources related to other postemployment benefits	-	(1,087)	(1,087)
Net Cash Flows from (for) Operating Activities	\$ 5,460	\$ (886,528)	\$ (881,068)
Noncash Capital and Related Financing Activities			
Capital assets acquired with leases	\$ 12,011	\$ -	\$ 12,011

See accompanying notes to basic financial statements.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

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

June 30, 2025

(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.
- Trust Permanent Fund - Accounts for all investment activity, deposits and disbursements related to the Trust Permanent Fund established by the Assembly. The Borough Assembly may, in any fiscal year, appropriate an amount not to exceed four percent (4%) of the five-year average fund market value, to be computed using the prior five calendar years market value. Additional income is added to the fund. The fund corpus is to be held in perpetuity except in circumstances of natural disaster or financial emergency.
- 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.
- Permanent Fund Appropriated Capital Project Fund - Accounts for all revenue received and expenditures made for the King Cove Access capital projects.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

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

For purposes of the statements of cash flows, the Borough considers all cash and investments to be cash equivalents. The central treasury, which holds cash and investments, is used essentially as a cash management pool by each fund.

Investments are stated at fair value. Investments of all funds outside of the Trust Permanent Fund are managed within the Borough's central treasury.

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".

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

June 30, 2025

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, plant, 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.

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

Compensated Absences

Compensated absences are leave benefits for which employees will be paid, such as vacation, sick leave, or paid time off (PTO). The Borough's policy permits employees to accumulate earned but unused annual leave benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the governmental activities' financial statements. The liability for compensated absences includes salary-related payments, where applicable and amounts are 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, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Governmental fund financial statements recognize proceeds of debt and premiums as other financing sources of the current period.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

(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 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.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

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.

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.

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) 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

June 30, 2025

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.

(k) 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, mortgages, notes, or other borrowings 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

June 30, 2025

(l) Use of Estimates

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(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.

2. Cash and Investments

The Borough utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet or statement of net position as "Cash and investments", or in the case of "negative cash", is included in "Due to other funds".

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the Borough's deposit and investment balances to the financial statements as of June 30, 2025.

	Book Balance	Bank Balance
Bank deposits and petty cash	\$ 3,924,118	\$ 3,916,309
Investments	88,406,971	88,406,971
Total Cash and Investments	\$ 92,331,089	\$ 92,323,280
Cash and investments	\$ 88,528,801	
Restricted cash and investments - unspent bond proceeds	3,802,288	
Total Cash and Investments	\$ 92,331,089	

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

Cash and investments are further categorized as follows:

	Bank Deposits and Petty Cash	Investments	Total
Unrestricted cash and investments	\$ 3,924,118	\$ 34,904,422	\$ 38,828,540
Restricted cash and investments	-	3,802,288	3,802,288
General cash and investments	3,924,118	38,706,710	42,630,828
Trust Permanent Fund	-	49,700,261	49,700,261
Total Cash and Investments	\$ 3,924,118	\$ 88,406,971	\$ 92,331,089

General Investments

Investment Policy

The investment policy for funds other than the Trust Permanent Fund authorizes the Borough to invest only in the following instruments: 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 Alaska Municipal League Investment Pool (AMLIP); and income producing real estate investments.

General investment balances and maturities at June 30, 2025 are as follows:

<i>Investment Type</i>	Fair Value	Investment Maturities (in years)	
		Less than 1	1-5
Money market funds	\$ 130,690	\$ 123,153	\$ 7,537
U.S. treasuries	14,792,747	12,270,906	2,521,841
U.S. mortgage back securities	138,237	138,237	-
U.S. government agencies	832,648	727,244	105,404
U.S. fixed income	3,004,257	1,757,735	1,246,522
International fixed income	1,090,758	971,126	119,632
Local government investment pool (AMLIP)	18,717,373	18,717,373	-
Total General Investments	\$ 38,706,710	\$ 34,705,774	\$ 4,000,936

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

Fair Value Measurement

The Borough categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

For its general investments, the Borough has the following recurring fair value measurements as of June 30, 2025:

U.S. treasury securities of \$14,792,747, U.S. mortgage backed securities of \$138,237, U.S. government agencies of \$832,648, U.S. fixed income securities of \$3,004,257, and international fixed income securities of \$1,090,758 are valued using models with various inputs such as but not limited to daily cash flow, snapshots of market indices and spread scales (Level 2 inputs).

The Borough has investments in money market funds totaling \$130,690 that are not held at fair value, but instead recorded at amortized cost, as of June 30, 2025. The Borough's investment in AMLIP of \$18,717,373 is measured at amortized cost as of June 30, 2025. Management believes these values approximate fair value.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the duration of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Borough has no formal policy relating to interest rate risk.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill the obligation to the holder of the investments. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The Borough's investments in U.S. treasury bonds are rated AA+ by Standard and Poor's. The AMLIP is an external investment pool and is rated AAAM for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. 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. 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, 2025, the fair value of the investments in the Pool approximates amortized cost and is equal to the value of Pool shares.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

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. The Borough's deposit policy for custodial credit risk is to collateralize its primary demand deposit account. As of June 30, 2025, the Borough had no bank deposits that were not insured or collateralized.

Custodial Credit Risk - Investments

For an investment, this is the 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 has no debt securities exposed to custodial credit risk at June 30, 2025 because the investments were held by a custodian in the name of the Borough.

Concentration of Credit Risk

The Borough aims to diversify and limit concentration investment risk by investing in a variety of issuers and fixed income securities; however, the Borough has no formal policy addressing concentration of credit risk. The Borough has no investments from any one issuer that represents 5% or more of total investments.

Trust Permanent Fund Investments

The Trust Permanent Fund is reporting \$49,700,261 in cash and investments at June 30, 2025.

Investment Policy

The investment policy for the Trust Permanent Fund authorizes the Borough to invest in domestic (U.S.) equities (both large cap and mid cap), international equities, emerging market equities, real estate investment trusts, and fixed income investments. For 2025, the target allocation was 22% U.S. equities (large cap), 10% U.S. equities (mid-cap), 5% U.S. equities (small-cap), 6% international equities, 4% emerging market equities, 3% real estate investment trusts, 5% infrastructure, 3% commodities, 10% alternative beta, 18% U.S. fixed income, 5% U.S. high yield credit, 2% U.S. TIPS, 5% international fixed income, and 2% cash. A range of 12-32% for U.S. equities (large cap), 5-15% for U.S. equities (mid-cap), 0-10% for U.S. equities (small-cap), 0-12% international equities, 0-8% emerging market equities, 0-6% real estate investment trusts, 0-10% infrastructure, 0-6% commodities, 0-15% alternative beta, 8-28% U.S. fixed income, 0-10% U.S. high yield credit, 0-10% U.S. TIPS, 0-10% international fixed income, and 0-10% cash are allowed to accommodate normal market fluctuations and prevent frequent rebalancing.

Interest Rate Risk

Because the Trust Permanent Fund is designed to hold principal investments perpetually in trust for the future earnings to benefit the present and future generations of Borough residents, there are no maturity limitations in the policy. The policy focuses more on limiting interest rate risk by diversification in many investment types. A segmented time distribution of all investment types is presented below in an effort to disclose those investment types and amounts that are subject to interest rate risk.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

Trust Permanent Fund investment balances and maturities at June 30, 2025 are as follows:

<i>Investment Type</i>	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
U.S. treasuries	\$ 5,983,414	\$ 275,589	\$ 4,297,120	\$ 1,410,705	\$ -
U.S. Agencies	442,234	74,552	237,884	129,798	-
Mortgage-backed securities	100,228	301	45,310	54,617	-
International fixed income	258,859	77,758	181,101	-	-
Corporate bonds	1,899,860	447,249	1,170,347	282,264	-
Total Subject to Interest Rate Risk	8,684,595	\$ 875,449	\$ 5,931,762	\$ 1,877,384	\$ -
U.S. equities (large cap)	11,225,251				
U.S. equities (mid cap)	5,015,309				
U.S. equities (small cap)	2,506,669				
International equities	5,364,476				
Emerging market equities	2,053,026				
Real estate investment trusts	1,439,035				
Inflation protected securities	971,166				
Infrastructure	2,450,696				
Commodities	1,485,783				
Alternative beta	4,877,948				
U.S. high yield credit	2,429,546				
Money market funds	1,196,761				
Total Trust Permanent Fund	\$ 49,700,261				

As of June 30, 2025, an actual asset allocation to target allocation is presented below. All categories fell within the allowable range at June 30, 2025.

<i>Investment Type</i>	Actual \$	Actual vs. Target Allocation			% out of Policy Range
		% Actual	% Target	% Difference	
U.S. equities (large cap)	\$ 11,225,251	22.59%	22.00%	0.59 %	n/a
U.S. equities (mid cap)	5,015,309	10.09%	10.00%	0.09 %	n/a
U.S. equities (small cap)	2,506,669	5.04%	5.00%	0.04 %	n/a
International equities	5,364,476	10.79%	6.00%	4.79%	n/a
Emerging market equities	2,053,026	4.13%	4.00%	0.13 %	n/a
Real estate investment trusts	1,439,035	2.90%	3.00%	(0.10)%	n/a
Infrastructure	2,550,924	5.13%	5.00%	0.13 %	n/a
Commodities	1,485,783	2.99%	3.00%	(0.01)%	n/a
Alternative beta	4,877,948	9.82%	10.00%	(0.18)%	n/a
U.S. fixed income	8,325,508	16.75%	18.00%	(1.25)%	n/a
U.S. high yield credit	2,429,546	4.89%	5.00%	(0.11)%	n/a
U.S. TIPS	971,166	1.95%	2.00%	(0.05)%	n/a
International fixed income	258,859	0.52%	5.00%	(4.48)%	n/a
Money market funds	1,196,761	2.41%	2.00%	0.41 %	n/a
Total Investments	\$ 49,700,261	100.00%	100.00%	0.00 %	n/a

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

Fair Value Measurement

The Borough categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

For its Trust Permanent Fund investments, the Borough has the following recurring fair value measurements as of June 30, 2025:

Investments are classified in the fair value hierarchy as follows:

<i>Investments by Fair Value Level</i>	Fair Value	Level 1	Level 2
U.S. treasuries	\$ 5,983,414	\$ -	\$ 5,983,414
International fixed income	2,763,575	-	2,763,575
Fixed rate bonds	1,610,104	-	1,610,104
U.S. agencies	442,234	-	442,234
Mortgage backed securities	15,357	-	15,357
Corporate bonds	152,801	-	152,801
U.S. TIPS	971,166	971,166	-
U.S. equities (large cap)	11,225,251	11,225,251	-
U.S. equities (mid cap)	5,015,309	5,015,309	-
U.S. equities (small cap)	2,506,669	2,506,669	-
International equities	2,945,715	2,945,715	-
Emerging market equities	2,053,026	2,053,026	-
Real estate investment trusts	1,439,035	1,439,035	-
Infrastructure	2,586,567	2,586,567	-
Commodities	1,485,783	1,485,783	-
Alternative beta	4,877,948	4,877,948	-
U.S. high yield credit	2,429,546	2,429,546	-
Total Investments by Fair Value Level	48,503,500	\$ 37,536,015	\$ 10,967,485
<i>Investments Measured at Amortized Cost -</i>			
Money market funds	1,196,761		
Total Investments	\$ 49,700,261		

The Trust Permanent Fund's investments classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments classified as Level 2 of the fair value hierarchy are valued using models with various inputs such as but not limited to daily cash flow, snapshots of market indices and spread scales.

The Borough's investments in infrastructure and commodities asset classes are held in exchange-traded funds.

The Borough has investments in money market funds totaling \$1,196,761 that are not held at fair value but are instead recorded at amortized cost as of June 30, 2025.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill the obligation to the holder of the investments. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

<i>Investment Type</i>	Fair Value	Credit Quality Ratings		
		Moody's		Not Rated
		Aaa to A3	Baa1 to Baa3	
U.S. fixed income	\$ 4,977,288	\$ 3,498,365	\$ 1,400,095	\$ 79,828
U.S. TIPS	971,166	-	-	971,166
Total Subject to Interest Rate Risk	5,948,454	\$ 3,498,365	\$ 1,400,095	\$ 1,050,994
Investments Not Subject to Credit Risk	43,751,807			
Total Investments	\$ 49,700,261			

The Trust Permanent Fund policies specifically limit the types of investments that can be purchased in an effort to limit credit risk. The policies allow for the investment in U.S. treasuries and U.S. agencies and obligations guaranteed by the U.S. government or its agencies and instrumentalities. The policies limit corporate bonds to those investments graded "B-" 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. Not more than 15% of the fixed income portfolio may be held in B-rated securities.

Concentration of Credit Risk

The Trust Permanent Fund aims to diversify and limit concentration investment risk by investing in a variety of issuers and fixed income securities; however, the Trust Permanent Fund has no formal policy addressing concentration of credit risk. The Borough had the following investments that were greater than 5% of total investments, including iShares Core S&P 500 ETF with 22.59%, iShares Core S&P Mid-Cap ETF with 10.09.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Trust Permanent Fund has no formal policy addressing foreign currency risk. As of June 30, 2025, a total of \$1,276,445 (20%) of the total fund value is invested in international and emerging market equities that are considered subject to foreign currency risk. Such investments are held in dollar-denominated exchange-traded funds or index mutual funds, which are broadly diversified across currencies, which effectively limits the foreign currency risk.

Custodial Credit Risk

This is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments that are in the possession of an outside party. The Borough has no investments exposed to custodial credit risk at June 30, 2025 because the investments were held by a custodian in the name of the Borough.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

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. There was no withdrawal payment from the partnership in 2025. The Borough's share of the partnership's net income in 2025 was \$24,049. This amount was recorded as other income in the Trust Permanent Fund. The balance of the Borough's investment at June 30, 2025 was \$474,488.

4. Capital Assets

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

Governmental Activities	Balance July 1, 2024	Additions	Deletions and Transfers	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 5,443,288	\$ -	\$ -	\$ 5,443,288
Construction in progress	1,496,239	7,783,387	(173,938)	9,105,688
Total capital assets not being depreciated	6,939,527	7,783,387	(173,938)	14,548,976
Capital assets being depreciated or amortized:				
Buildings and improvements	44,010,478	274,804	-	44,285,282
Right of use assets	710,130	-	(10,429)	699,701
Infrastructure	68,810,478	-	-	68,810,478
Furniture and equipment	304,969	32,014	-	336,983
Vehicles	497,424	-	-	497,424
Total capital assets being depreciated or amortized:	114,333,479	306,818	(10,429)	114,629,868
Less accumulated depreciation	74,777,689	2,542,427	-	77,320,116
Less accumulated amortization	353,220	117,286	(10,429)	460,077
Total accumulated depreciation and amortization	75,130,909	2,659,713	(10,429)	77,780,193
Total capital assets being depreciated or amortized, net	39,202,570	(2,352,895)	-	36,849,675
Governmental Activities Capital Assets, net	\$ 46,142,097	\$ 5,430,492	\$ (173,938)	\$ 51,398,651

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

Business-type Activities	Balance July 1, 2024	Additions and Transfers	Deletions	Balance June 30, 2025
Capital assets being depreciated or amortized:				
Terminal	\$ 9,446,708	\$ -	\$ -	\$ 9,446,708
Right to use assets - Terminal	119,800	12,011	-	131,811
Helicopter	45,081	74,889	-	119,970
Total capital assets being depreciated or amortized	9,611,589	86,900	-	9,698,489
Less accumulated depreciation and amortization	4,131,015	356,179	-	4,487,194
Total capital assets being depreciated or amortized, net	5,480,574	(269,279)	-	5,211,295
Business-type Activities Capital Assets, net	\$ 5,480,574	\$ (269,279)	\$ -	\$ 5,211,295

Depreciation and amortization expense was charged to the functions as follows for the year ended June 30, 2025:

Governmental Activities	
Public works	\$ 32,518
General government	133,427
Education	574,554
Infrastructure	1,919,214
Total Depreciation and Amortization Expense - Governmental Activities	\$ 2,659,713

Business-type Activities	
Terminal Helicopter	\$ 16,505
	339,674
Total Depreciation and Amortization Expense - Business-type Activities	\$ 356,179

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

5. Interfund 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, 2025, were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 2,457,712	\$ -
Debt Service Fund	-	72,316
Capital Improvements Capital Project Fund	-	1,476,517
Helicopter Enterprise Fund	-	908,879
Total Interfund Balances	\$ 2,457,712	\$ 2,457,712

A schedule of interfund transfers for the year ended June 30, 2025, follows:

From the General Fund to:

Permanent Fund Appropriated Capital Project Fund for capital projects and acquisitions	\$ 1,466,747
Debt Service Fund for debt service	1,490,259
Bond Construction Capital Project Fund for capital projects and acquisitions	3,211,226
Terminal Enterprise Fund for operating subsidy	316,838
Total Transfers from the General Fund	\$ 6,485,070

6. Long-term Liabilities

Following is a summary of the changes in long-term liabilities of the Borough for the year ended June 30, 2025:

Governmental Activities	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Bonds Payable:					
General Obligation bonds	\$ 11,885,000	\$ -	\$ (2,075,000)	\$ 9,810,000	\$ 2,200,000
Issuance premiums	572,822	-	(201,677)	371,145	-
Total bonds payable	12,457,822	-	(2,276,677)	10,181,145	2,200,000
Leases payable	389,800	-	(118,866)	270,934	125,118
Compensated absences*	113,381	131,366	-	244,747	101,814
Net pension liability	1,290,249	185,070	-	1,475,319	-
Total Governmental Activities	\$ 14,251,252	\$ 316,436	\$ (2,395,543)	\$ 12,172,145	\$ 2,426,932

*The change in compensated absences liability is presented as a net change as allowed under the provisions of GASB Statement 101.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

Business-type Activities	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Leases payable	\$ 115,748	\$ 12,012	\$ (1,415)	\$ 126,345	\$ 1,485
Net pension liability	50,555	-	(50,555)	-	-
Total Business-type Activities	\$ 166,303	\$ 12,012	\$ (51,970)	\$ 126,345	\$ 1,485

General obligation bonds payable at June 30, 2025, are comprised of the following:

\$2,205,000 - 2015 Refunding series one bonds, due in annual installments ranging from \$95,000 to \$245,000 through October 1, 2025; interest rate is 5.0 percent	\$ 95,000
\$17,155,000 - 2016 Refunding series three bonds, due in annual installments ranging from \$990,000 to \$2,155,000 through December 1, 2028; interest rate is variable from 4.0 to 5.0 percent	7,955,000
\$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	1,760,000
Total Bonds Payable	\$ 9,810,000

Annual required installments on all Borough general obligation bonds as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
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	2,445,000	68,468	2,513,468
2030	300,000	9,125	309,125
Thereafter	305,000	3,084	308,084
	\$ 9,810,000	\$ 922,010	\$ 10,732,010

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Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

7. Leases Receivable and Leases Payable

Leases Receivable

During the current fiscal year, the Borough, as lessor, had leases for office space, land, and tidelands. The leases range for two to thirty-two years and the Borough will receive annual payments listed in the table below. The Borough recognized lease revenue and interest revenue during the current fiscal year related to all leases as stated in the table below. Also, the Borough has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term.

	Payment Amount	Lease Revenue	Lease Interest	Leases Receivable	Deferred Inflows of Resources
General Fund	\$ 109,192	\$ 92,148	\$ 16,113	\$ 308,517	\$ 289,872
Terminal Fund	233,583	233,150	13,979	237,866	219,413

Included in the balances above are subleases of office space between the Borough and related parties the City of Akutan, City of King Cove, and City of Sand Point. As of June 30, 2025 the outstanding receivables for the City of Akutan, City of King Cove, and City of Sand Point were \$84,775, \$41,453, and \$19,643, respectively.

Leases Payable

The Borough has multiple lease agreements ranging from three to thirty-seven years as lessee for the use of copiers, an airport terminal, and office building space. As of June 30, 2025, the value of the lease liability was \$397,279. During the year, the Borough made interest and principal payments of \$143,454. The leases have an incremental borrowing rate of 5%. The value of the right-to-use asset as of the end of the current fiscal year was \$831,512 and had accumulated amortization of \$472,533. For the year ended June 30, 2025 the Borough had amortization expense of \$117,286 and \$3,418 in the General fund and Terminal fund, respectively.

The future principal and interest lease payments for the General Fund as of June 30, 2025 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 125,118	\$ 10,710	\$ 135,828
2027	134,299	4,246	138,545
2028	11,517	48	11,565
Totals	\$ 270,934	\$ 15,004	\$ 285,938

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

The future principal and interest lease payments for the Terminal Fund as of June 30, 2025 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,485	\$ 6,317	\$ 7,802
2027	1,559	6,243	7,802
2028	1,637	6,165	7,802
2029	1,719	6,083	7,802
2030	1,805	5,997	7,802
2031-2035	10,474	28,538	39,012
2036-2040	13,368	25,644	39,012
2041-2045	17,062	21,951	39,013
2046-2050	21,775	17,237	39,012
2051-2055	27,792	11,221	39,013
2056-2060	27,669	3,543	31,212
Totals	\$ 126,345	\$ 138,939	\$ 265,284

8. Pension and Other Postemployment Benefits Plans

(a) Defined Benefit (DB) Pension Plan

General Information About the Plan

The Borough participates in the State of Alaska Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple-employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in an annual comprehensive financial report that includes financial statements and other required supplemental information. That report is available via the internet at <https://drb.alaska.gov/docs/reports/#pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

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

The PERS DB Plan was closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

Historical Context and Special Funding Situation

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

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

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

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary. Peace officers and firefighters are required to contribute 7.50% of their annual covered salary.

Employer and Other Contribution Rates

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

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is referred to as the Defined Benefit Unfunded Liability (DBUL) contribution.

ARM Board Adopted Rate: This is the rate formally adopted by the ARM Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25-year term which ends in 2039. This change results in a lower ARM Board Rates than previously adopted.

State Contribution Rate: This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the proprietary funds and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

Contribution rates for the year ended June 30, 2025 were determined in the June 30, 2023 actuarial valuations. The Borough's contribution rates for the 2025 fiscal year were as follows:

	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans:		
Pension	20.03%	4.76%
Defined contribution - Pension	6.73%	-%
Total Contribution Rates	26.76%	4.76%

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

In 2025, the Borough was credited with the following contributions to the pension plan:

	Measurement Period July 1, 2023 to June 30, 2024	Borough Fiscal Year July 1, 2024 to June 30, 2025
Employer contributions (including DBUL)	\$ 182,282	\$ 187,069
Nonemployer contributions (on-behalf)	24,798	35,438
Total Contributions	\$ 207,080	\$ 222,507

In addition, employee contributions to the Plan totaled \$24,892 during the Borough's fiscal year.

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Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

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

At June 30, 2025, the Borough reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the Borough were as follows:

Borough proportionate share of NPL	\$	1,475,319
State's proportionate share of NPL associated with the Borough		551,690
Total Net Pension Liability	\$	2,027,009

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 and adjusted to reflect updated assumptions to calculate the net pension liability as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2024 measurement date, the Borough's proportion was 0.02690 percent, which was an increase of 0.00104 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Borough recognized pension expense of \$427,679 and on-behalf revenue of \$88,680 for support provided by the State. At June 30, 2025, 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	\$ 14,202	\$ -
Borough contributions subsequent to the measurement date	187,069	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 201,271	\$ -

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Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

The \$187,069 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2026	\$	(39,541)
2027		73,613
2028		(10,866)
2029		(9,004)

Total Amortization \$ 14,202

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2024 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2025 to 2039. The liability is expected to go to zero at 2039.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real return of 4.75%.
Mortality	
Peace officer/firefighter	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

All others

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

The total pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, 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.

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Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.39%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	26%	+/- 6%	5.48%
Global equity (non-U.S.)	17%	+/- 4%	7.14%
Global equity	-%	-%	5.79%
Aggregate bonds	21%	+/- 10%	2.10%
Multi-asset	8%	+/- 4%	-%
Real assets	14%	+/- 7%	4.63%
Private equity	14%	+/- 7%	8.84%
Cash equivalents	-%	-%	0.77%

Discount Rate

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

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

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

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Borough's proportionate share of the net pension liability	0.02690%	\$ 1,965,264	\$ 1,475,319	\$ 1,060,709

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

Pension Plan Fiduciary Net Position

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

(b) Defined Contribution (DC) Pension Plan

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

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

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2025 to cover a portion of the Borough's employer match contributions. For the year ended June 30, 2025, there were no forfeitures.

Employee Contribution Rate

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

Employer Contribution Rate

For the year ended June 30, 2025, the Borough was required to contribute 5% of covered salary into the Plan.

The Borough and employee contributions to PERS for pensions for the year ended June 30, 2025 were \$22,884 and \$36,615, respectively. The Borough contribution amount was recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plans

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

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

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

Employer Contribution Rate

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

Employer contribution rates for the year ended June 30, 2025 were as follows:

	Other	Peace/Fire
Retiree Medical Plan	0.83%	0.83%
Occupational Death and Disability	0.24%	0.69%
Total Contribution Rates	1.07%	1.52%

In 2025, the Borough was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2023 to June 30, 2024	Borough Fiscal Year July 1, 2024 to June 30, 2025
Employer contributions - RMP	\$ 5,160	\$ 3,799
Employer contributions - ODD	1,533	1,098
Total Contributions	\$ 6,693	\$ 4,897

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Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

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

At June 30, 2025, the Borough reported an asset for its proportionate share of the net OPEB asset (NOA) that reflected a reduction for State OPEB support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total were as follows:

Borough's proportionate share of NOA - ARHCT	\$ 593,651
Borough's proportionate share of NOA - RMP	12,500
Borough's proportionate share of NOA - ODD	13,337
Total Borough's Proportionate Share of Net OPEB Asset	\$ 619,488
State's proportionate share of the ARHCT NOA associated with the Borough	218,052
Total Net OPEB Asset	\$ 837,540

The total OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 and adjusted to reflect updated assumptions to calculate the net OPEB assets as of that date. The Borough's proportion of the net OPEB assets was based on a projection of the Borough's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2023 Measurement Date Employer Proportion	June 30, 2024 Measurement Date Employer Proportion	Change
Borough's proportionate share of the net OPEB assets:			
RHCT	0.02561%	0.02696%	0.00135 %
RMP	0.03300%	0.02681%	(0.00619)%
ODD	0.02755%	0.02234%	(0.00521)%

For the year ended June 30, 2025, the Borough recognized OPEB expense (benefit) of \$33,969. Of this amount, \$8,575 was recorded for on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense (benefit) and on-behalf revenue is listed by plan in the table below:

<i>Plan</i>	OPEB Expense (Benefit)	On-behalf Revenue
ARHCT	\$ 32,435	\$ 8,575
RMP	1,717	-
ODD	(183)	-
Total	\$ 33,969	\$ 8,575

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

At June 30, 2025, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>Deferred Outflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ 322	\$ 315	\$ -	\$ 637
Changes in assumptions	15,939	4,230	-	20,169
Net difference between projected and actual investment earnings	9,040	176	43	9,259
Changes in proportion and differences between Borough contributions and proportionate share of contributions	-	864	2,127	2,991
Borough contributions subsequent to the measurement date	-	3,799	1,098	4,897
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 25,301	\$ 9,384	\$ 3,268	\$ 37,953

<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ (1,389)	\$ (3,124)	\$ (4,513)
Changes in assumptions	-	(8,403)	(33)	(8,436)
Changes in proportion and differences between Borough contributions and proportionate share of contributions	(5,390)	(83)	(437)	(5,910)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ (5,390)	\$ (9,875)	\$ (3,594)	\$ (18,859)

Amounts reported as deferred outflows of resources related to OPEB plans resulting from Borough contributions subsequent to the measurement date will be recognized as an increase in the net OPEB assets in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year Ending June 30,</i>	ARHCT	RMP	ODD	Total
2026	\$ (22,501)	\$ (1,608)	\$ (678)	\$ (24,787)
2027	59,877	155	(162)	59,870
2028	(9,597)	(1,723)	(405)	(11,725)
2029	(7,868)	(1,161)	(322)	(9,351)
2030	-	(596)	(97)	(693)
Thereafter	-	643	240	883
Total Amortization	\$ 19,911	\$ (4,290)	\$ (1,424)	\$ 14,197

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

Actuarial Assumptions

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2024:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2024 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2025 to 2039.
Investment rate of return	7.25%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Healthcare cost trend rates	Pre-65 medical: 6.4% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Rx/EGWP: 6.9% grading down to 4.5% Initial trend rates are from FY 2025 Ultimate trend rates reached in FY 2050
Mortality Peace officer/firefighter (ARHCT and RMP Plans)	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupation causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

(ODD Plan)

Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

All others
(ARHCT and RMP Plans)

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

(ODD Plan)

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

Participation (ARHCT)	100% system paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.
Peace officer/firefighter	20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.
All others	25% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, 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, 2023 actuarial valuation.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.39%, for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	26%	+/- 6%	5.48%
Global equity (non-U.S.)	17%	+/- 4%	7.14%
Global equity	-%	-%	5.79%
Aggregate bonds	21%	+/- 10%	2.10%
Multi-asset	8%	+/- 4%	-%
Real assets	14%	+/- 7%	4.63%
Private equity	14%	+/- 7%	8.84%
Cash equivalents	-%	-%	0.77%

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Aleutians East Borough, Alaska

Notes to Basic Financial Statements

June 30, 2025

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2024 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

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

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Borough's proportionate share of the net OPEB asset (liability):				
ARHCT	0.02696%	\$ 375,891	\$ 593,651	\$ 776,901
RMP	0.02681%	\$ (2,165)	\$ 12,500	\$ 23,709
ODD	0.02234%	\$ 12,527	\$ 13,337	\$ 13,972

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

The following presents the Borough's proportionate share of the net OPEB asset calculated using the healthcare cost trend rates as summarized in the 2023 actuarial valuation reports as well as what the Borough's proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Borough's proportionate share of the net OPEB asset (liability):				
ARHCT	0.02696%	\$ 797,822	\$ 593,651	\$ 351,100
RMP	0.02681%	\$ 25,188	\$ 12,500	\$ (4,525)
ODD	0.02234%	\$ n/a	\$ n/a	\$ n/a

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

June 30, 2025

OPEB Plan Fiduciary Net Position

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

(d) Defined Contribution OPEB Plans

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

Contribution Rate

AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2024, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,387 per year for each full-time employee, and \$1.53 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2025, the Borough contributed \$13,954 in DC OPEB costs. This amount has been recognized as expense/expenditures.

9. Deferred Compensation Plan

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The Plan, available to all 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 an unforeseeable emergency. In accordance with the Internal Revenue Code, all assets and income of the Plan are held in trust for the exclusive benefit of participants and their beneficiaries.

10. Contribution to Aleutians East Borough School District

During the year ended June 30, 2025, the Borough contributed \$1,523,931 to the Aleutians East Borough School District, which is a component unit of the Borough. Of this amount, \$1,331,667 was for a local contribution and \$192,264 was for in-kind support related to facility maintenance, insurance and usage of space.

11. Commitments and Contingencies

(a) Grants

The Borough participates in a number of federal and state grant programs. These programs are subject to program compliance audits by grantors or their representatives. The amount, if any, of expenditures that may be disallowed by granting agencies cannot be determined at this time, although the Borough expects such amounts, if any, to be immaterial.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

(b) Helicopter Transportation Contract

During fiscal year 2014, the Borough entered into a contract to transport people and mail from Akutan Airport to the City of Akutan. On January 30, 2019, the Borough entered into a Helicopter Services Agreement with Maritime Helicopters (Maritime). Maritime agreed to provide Essential Air Service (EAS) between Akutan, and the Akutan Airport located on Akun Island and the Borough agreed to pay 50% of the EAS costs for the services provided by Maritime. Under the current agreement the Borough agrees to pay Maritime a monthly rate of \$86,676 for the period of April 1, 2023 through March 31, 2024 totaling \$1,040,113; a monthly rate of \$91,507 for the period of April 1, 2024 through March 31, 2025 totaling \$1,098,078 and a monthly rate of \$96,016 for the period of April 1, 2025 through March 31, 2026 totaling \$1,152,195. In turn, Maritime agrees to pay the Borough a monthly payment for fuel, transportation and hangar usage services.

12. Subsequent Events

In preparing these financial statements, the Borough has evaluated all other events and transactions for potential recognition or disclosure through , 2026, the date the financial statements were issued.

13. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates. The following new accounting standards were implemented by the Borough for 2025 reporting:

GASB Statement No. 101 - Compensated Absences - Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Borough has implemented the provisions of GASB 101 for the current fiscal year. The impacts were not determined to be significant, so the standard was implemented in the current fiscal year with no restatement of prior balances.

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

The GASB has issued new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

GASB Statement No. 103 - Financial Reporting Model Improvements - Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

GASB Statement No. 104 - Disclosure of Certain Capital Assets - Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The disclosure requirements will improve consistency and comparability between governments.

GASB Statement No. 105 - Subsequent Events - Effective for year-end June 30, 2027. Earlier application is encouraged. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

14. Changes within the Financial Reporting Entity

For the year ended June 30, 2025, the Borough had changes with the financial reporting entity as defined by GASB Statement No. 100, Accounting Changes and Error Corrections. The nature of the changes were as follows:

The Bond Construction Capital Project Fund is now classified as a nonmajor fund. For the year ended June 30, 2024, the fund was classified as a nonmajor fund.

The Permanent Fund Appropriated Capital Project Fund is now classified as a major fund. For the year ended June 30, 2024, the fund was classified as a nonmajor fund. This change did not result in an adjustment to beginning fund balance.

The changes with the financial reporting entity resulted in adjustments to the beginning fund balance and net position as follows:

	6/30/2024 As Previously Reported	Changes within the Financial Reporting Entity	6/30/2024
Governmental Funds			
General Fund	\$ 29,736,327	\$ -	\$ 29,736,327
Trust Permanent Fund	55,984,232	-	55,984,232
Debt Service Fund	-	-	-
Capital Improvements Capital Project Fund	-	-	-
Permanent Fund Appropriated Capital Project Fund	-	-	-
Bond Construction Capital Project Fund	423,554	(423,554)	-
Nonmajor Funds	287,207	423,554	710,761
Total Governmental Funds	\$ 86,431,320	\$ -	\$ 86,431,320

Aleutians East Borough, Alaska

Notes to Basic Financial Statements June 30, 2025

15. Change in Accounting Principle

For the year ended June 30, 2025, the Aleutians East Borough School District (District) had a change in accounting principle for the implementation of GASB Statement No. 101, Compensated Absences. The nature of the changes are as follows:

The District is reporting additional compensated absence liability as a result of implementing the standard on the statement of net position as both current and long-term liabilities, thereby increasing accrued liabilities.

The changes in accounting principle resulted in adjustments to the beginning net position as follows:

	6/30/2024 As Previously Reported	Change in Accounting Principle	As Restated 6/30/2024
Net Position, beginning of year	\$ 4,266,108	\$ (455,613)	\$ 3,810,495

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Required Supplementary Information

DRAFT - Subject to Revision

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

<i>Year Ended June 30, 2025</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Federal government	\$2,180,000	\$ 2,180,000	\$ 2,370,222	\$ 190,222
State of Alaska	2,168,145	2,168,145	1,619,695	(548,450)
Borough raw fish tax	1,600,000	1,600,000	2,416,571	816,571
Investment income	500,000	500,000	1,563,431	1,063,431
Other	68,110	68,110	1,499,230	1,431,120
Total Revenues	6,516,255	6,516,255	9,469,149	2,952,894
Expenditures				
Current:				
General government	2,884,243	2,884,243	2,611,195	273,048
Public works	173,847	173,847	113,303	60,544
Education	1,355,000	1,355,000	1,351,667	3,333
Community services	195,789	195,789	195,789	-
Debt Service:				
Principal	-	-	118,866	(118,866)
Interest	-	-	16,785	(16,785)
Total Expenditures	4,608,879	4,608,879	4,407,605	201,274
Excess of Revenues Over Expenditures	1,907,376	1,907,376	5,061,544	3,154,168
Other Financing Sources (Uses)				
Insurance recoveries	-	-	681,749	681,749
Transfers out	-	-	(6,485,070)	(6,485,070)
Net Other Financing Sources (Uses)	-	-	(5,803,321)	(5,803,321)
Net Change in Fund Balance	<u>\$1,907,376</u>	<u>\$ 1,907,376</u>	(741,777)	<u>\$(2,649,153)</u>
Fund Balance, beginning			<u>29,736,327</u>	
Fund Balance, ending			<u>\$28,994,550</u>	

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>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Borough's Proportion of the Net Pension Liability	0.02690%	0.02586%	0.03360%	0.03777%	0.02968%	0.02944%	0.02926%	0.03046%	0.03650%	0.03284%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,475,319	\$ 1,340,804	\$ 1,712,530	\$ 1,385,594	\$ 1,751,249	\$ 1,611,440	\$ 1,453,693	\$ 1,574,500	\$ 2,040,097	\$ 1,592,614
State of Alaska Proportionate Share of the Net Pension Liability	551,690	446,202	472,305	189,274	725,062	641,549	419,234	588,884	260,943	426,877
Total Net Pension Liability	\$ 2,027,009	\$ 1,787,006	\$ 2,184,835	\$ 1,574,868	\$ 2,476,311	\$ 2,252,989	\$ 1,872,927	\$ 2,163,384	\$ 2,301,040	\$ 2,019,491
Borough's Covered Payroll	\$ 870,343	\$ 907,112	\$ 976,541	\$ 998,652	\$ 953,677	\$ 925,266	\$ 871,241	\$ 532,514	\$ 616,773	\$ 576,627
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	169.51%	147.81%	175.37%	138.75%	183.63%	174.16%	166.85%	295.67%	330.77%	276.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.81%	68.23%	67.97%	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%

Schedule of the Borough's Contributions

<i>Years Ended June 30,</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contributions	\$ 187,069	\$ 182,282	\$ 146,615	\$ 148,427	\$ 154,895	\$ 145,741	\$ 156,444	\$ 144,604	\$ 117,153	\$ 135,690
Contributions Relative to the Contractually Required Contribution	187,069	182,282	146,615	148,427	154,895	145,741	156,444	144,604	117,153	135,690
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 826,457	\$ 870,343	\$ 907,112	\$ 976,541	\$ 998,652	\$ 953,677	\$ 925,266	\$ 871,241	\$ 532,514	\$ 616,773
Contributions as a Percentage of Covered Payroll	22.64%	20.94%	16.16%	15.20%	15.51%	15.28%	16.91%	16.60%	22.00%	22.00%

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							
	2025	2024	2023	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.02696%	0.02561%	0.03333%	0.03794%	0.02973%	0.02949%	0.02921%	0.03052%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (593,651)	\$ (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)	(218,052)	(199,722)	(188,495)	(123,597)	(56,002)	17,287	87,351	96,277
Total Net OPEB Liability (Asset)	\$ (811,703)	\$ (788,965)	\$ (844,216)	\$ (1,096,926)	\$ (190,653)	\$ 61,044	\$ 387,091	\$ 354,112
Borough's Covered Payroll	\$ 359,422	\$ 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	-165.17%	-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)	130.59%	133.96%	128.51%	135.54%	106.15%	98.13%	88.12%	89.91%

Schedule of the Borough's Contributions

Years Ended June 30,	ARHCT							
	2025	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	\$ 368,771	\$ 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%	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							
	2025	2024	2023	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.02681%	0.03300%	0.03325%	0.03174%	0.03195%	0.03314%	0.03305%	0.03299%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (12,500)	\$ (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)	\$ (12,500)	\$ (15,668)	\$ (11,548)	\$ (8,520)	\$ 2,266	\$ 7,928	\$ 4,205	\$ 1,721
Borough's Covered Payroll	\$ 510,921	\$ 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	-2.45%	-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)	119.87%	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							
	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 3,799	\$ 5,160	\$ 6,188	\$ 5,626	\$ 5,891	\$ 5,699	\$ 3,889	\$ 3,852
Contributions Relative to the Contractually Required Contribution	3,799	5,160	6,188	5,626	5,891	5,699	3,889	3,852
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 457,686	\$ 510,921	\$ 562,505	\$ 525,791	\$ 464,790	\$ 431,760	\$ 413,153	\$ 373,998
Contributions as a Percentage of Covered Payroll	0.83%	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							
	2025	2024	2023	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.02234%	0.02755%	0.02825%	0.02696%	0.02560%	0.02633%	0.03305%	0.03299%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (13,337)	\$ (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)	\$ (13,337)	\$ (14,132)	\$ (12,385)	\$ (11,882)	\$ (6,978)	\$ (6,385)	\$ (6,418)	\$ (4,681)
Borough's Covered Payroll	\$ 870,343	\$ 907,112	\$ 976,541	\$ 998,652	\$ 953,677	\$ 925,266	\$ 871,241	\$ 532,514
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-1.53%	-1.56%	-1.27%	-1.19%	-0.73%	-0.69%	-0.74%	-0.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	346.81%	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							
	2025	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 1,098	\$ 1,533	\$ 1,687	\$ 1,630	\$ 1,438	\$ 1,123	\$ 1,075	\$ 598
Contributions Relative to the Contractually Required Contribution	1,098	1,533	1,687	1,630	1,438	1,123	1,075	598
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 826,457	\$ 870,343	\$ 907,112	\$ 976,541	\$ 998,652	\$ 953,677	\$ 925,266	\$ 871,241
Contributions as a Percentage of Covered Payroll	0.13%	0.18%	0.19%	0.17%	0.14%	0.12%	0.12%	0.07%

See accompanying notes to Required Supplementary Information.

Aleutians East Borough, Alaska

Notes to Required Supplementary Information Year Ended June 30, 2025

1. Budgetary Comparison Schedule

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

The COVID-19 Special Revenue Fund, Trust 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, 2025, the Plan measurement date is June 30, 2024.

Changes in Assumptions:

The total pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, 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.

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.

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 Liability (Asset)

This table is presented based on the Plan measurement date. For June 30, 2025, the Plan measurement date is June 30, 2024.

Changes in Assumptions:

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, 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, 2023 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

DRAFT - Subject to Revision

Aleutians East Borough, Alaska

Nonmajor Governmental Funds
Combining Balance Sheet

<i>June 30, 2025</i>	Maintenance Reserve Capital Project	Bond Construction Capital Project	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ 287,324	\$ -	\$ 287,324
Accrued interest receivables	651	-	651
Prepays	2,400	-	2,400
Restricted cash and investments:			
Unspent bond proceeds	-	3,802,288	3,802,288
Accrued interest	-	5,794	5,794
Total Assets	\$ 290,375	\$ 3,808,082	\$ 4,098,457
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ 521	\$ 521
Fund Balance			
Nonspendable	2,400	-	2,400
Restricted - various capital projects	-	3,807,561	3,807,561
Assigned - maintenance reserve	287,975	-	287,975
Total Fund Balance	290,375	3,807,561	4,097,936
Total Liabilities and Fund Balances	\$ 290,375	\$ 3,808,082	\$ 4,098,457

Aleutians East Borough, Alaska

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year Ended June 30, 2025</i>	Maintenance Reserve Capital Project	Bond Construction Capital Project	Total Nonmajor Governmental Funds
Revenues			
Investment income	\$ 8,007	\$ 175,516	\$ 183,523
Other	-	3,423	3,423
Total Revenues	8,007	178,939	186,946
Expenditures			
General government	-	6,158	6,158
Public works	4,839	-	4,839
Total Expenditures	4,839	6,158	10,997
Excess (Deficiency) of Revenues Over Expenditures	3,168	172,781	175,949
Other Financing Sources (Uses)			
Transfers in	-	3,211,226	3,211,226
Net Change in Fund Balances	3,168	3,384,007	3,387,175
Fund Balances, beginning, as previously reported	287,207	-	287,207
Adjustment- change from major fund to nonmajor fund	-	423,554	423,554
Fund Balances, beginning, as adjusted	287,207	423,554	710,761
Fund Balances, end of year	\$ 290,375	\$ 3,807,561	\$ 4,097,936

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance
Revenues			
Federal government:			
Payments in lieu of taxes	\$ 615,000	\$ 804,988	\$ 189,988
Fish and Wildlife grants	15,000	15,234	234
Local Assistance and Tribal Consistency	1,550,000	1,550,000	-
Total Federal government	2,180,000	2,370,222	190,222
State of Alaska:			
Raw fish tax	1,750,000	1,147,755	(602,245)
State fish landing tax	1,500	3,545	2,045
State extraterritorial fish tax	100,000	74,221	(25,779)
PERS on-behalf	-	35,438	35,438
Community assistance	316,645	358,736	42,091
Total State of Alaska	2,168,145	1,619,695	(548,450)
Borough raw fish tax	1,600,000	2,416,571	816,571
Investment income	500,000	1,563,431	1,063,431
Other	68,110	1,499,230	1,431,120
Total Revenues	6,516,255	9,469,149	2,952,894
Expenditures			
General government:			
Mayor's Office:			
Salaries	93,498	96,579	(3,081)
Fringe benefits	49,118	48,540	578
Travel and per diem	33,000	28,908	4,092
Telephone	1,200	432	768
Dues and fees	3,250	1,681	1,569
Supplies	650	305	345
Lobbying	120,600	117,600	3,000
Total mayor's office	301,316	294,045	7,271
Assembly:			
Salaries	40,500	26,850	13,650
Fringe benefits	183,700	168,087	15,613
Travel and per diem	75,000	28,502	46,498
Dues and fees	5,000	1,530	3,470
Supplies	750	328	422
Total assembly	304,950	225,297	79,653

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance
Expenditures, continued:			
Clerk and planning management:			
Salaries	\$ 81,729	\$ 79,336	\$ 2,393
Fringe benefits	34,650	44,474	(9,824)
Travel and per diem	12,500	4,836	7,664
Telephone	12,000	10,476	1,524
Postage	1,000	-	1,000
Supplies	2,000	1,150	850
Dues and fees	3,000	818	2,182
Elections	8,500	5,948	2,552
Total clerk and planning management	155,379	147,038	8,341
Administration:			
Salaries	216,398	211,179	5,219
Fringe benefits	98,450	104,198	(5,748)
Engineering	50,000	75,242	(25,242)
Contractual	60,000	24,200	35,800
Travel and per diem	15,000	5,160	9,840
Telephone	6,750	2,647	4,103
Postage	750	304	446
Supplies	2,500	3,020	(520)
Rent	-	66,704	(66,704)
Dues and fees	10,000	10,110	(110)
Total administration	459,848	502,764	(42,916)
Assistant administrator:			
Salaries	99,755	106,046	(6,291)
Fringe benefits	39,050	44,332	(5,282)
Travel and per diem	8,000	-	8,000
Telephone	1,400	634	766
Supplies	200	294	(94)
Dues and fees	950	422	528
Total assistant administrator	149,355	151,728	(2,373)
Finance:			
Salaries	136,202	124,436	11,766
Fringe benefits	69,300	84,364	(15,064)
Contractual	65,000	26,121	38,879
Travel and per diem	13,000	19,422	(6,422)
Telephone	9,500	8,648	852
Postage	750	567	183
Dues and fees	2,500	675	1,825
Supplies	7,000	5,597	1,403
Rent	9,000	9,000	-
Equipment	15,000	8,484	6,516
Audit	97,500	89,656	7,844
Total finance	424,752	376,970	47,782

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance
Expenditures, continued:			
Resource department:			
Salaries	\$ 212,000	\$ 172,544	\$ 39,456
Fringe benefits	89,667	90,289	(622)
Contractual	20,000	1,045	18,955
Travel and per diem	15,000	5,461	9,539
Telephone	3,000	1,267	1,733
NPFMC	7,500	18	7,482
Dues and fees	2,000	2,013	(13)
Supplies	2,000	375	1,625
BOF meeting	7,500	2,581	4,919
Total resource department	358,667	275,593	83,074
Other:			
Rent	61,571	61,469	102
Utilities	40,000	20,178	19,822
Equipment	22,500	-	22,500
AEB vehicles	3,000	1,421	1,579
Legal	80,000	45,370	34,630
Insurance	333,000	298,476	34,524
Bank fees	4,000	1,148	2,852
Web service	61,439	63,099	(1,660)
PERS expenditures	45,000	46,984	(1,984)
Advertising	8,250	2,341	5,909
Management fees	22,216	23,106	(890)
Fuel	31,000	56,763	(25,763)
Miscellaneous	18,000	153,056	(135,056)
Total other	729,976	773,411	(43,435)
Total general government:	2,884,243	2,746,846	137,397
Public works:			
Salaries	35,000	10,255	24,745
Fringe benefits	17,847	842	17,005
Travel and per diem	6,000	-	6,000
Supplies	5,000	3,206	1,794
King Cove access project:			
Maintenance	110,000	99,000	11,000
Total public works	173,847	113,303	60,544
Education:			
Local school contribution	1,300,000	1,300,000	-
Student scholarships	35,000	31,667	3,333
Student travel	20,000	20,000	-
Total education	1,355,000	1,351,667	3,333

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

<i>Year Ended June 30, 2025</i>	Budget	Actual	Variance
Expenditures, continued:			
Community services:			
Contribution to Eastern Aleutians Tribes	\$ 150,000	\$ 150,000	\$ -
Community assistance - Nelson Lagoon	15,789	15,789	-
Donations	20,000	20,000	-
KSDP contribution	10,000	10,000	-
Total community services	195,789	195,789	-
Total Expenditures	4,608,879	4,407,605	201,274
Excess of Revenues Over Expenditures	1,907,376	5,061,544	3,154,168
Other Financing Sources (Uses)			
Insurance recoveries	-	681,749	681,749
Transfers out	-	(6,485,070)	(6,485,070)
Net Other Financing Sources (Uses)	-	(5,803,321)	(5,803,321)
Net Change in Fund Balance	\$ 1,907,376	(741,777)	\$ (2,649,153)
Fund Balance, beginning		29,736,327	
Fund Balance, ending		\$ 28,994,550	

Aleutians East Borough, Alaska

Trust Permanent Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

 Year Ended June 30, 2025

Revenues

Investment income	\$ 4,988,022
Other income	24,049

Total Revenues

5,012,071

Expenditures

Current - general government:	
Management fee	78,391

Net Change in Fund Balance

4,933,680

Fund Balance, beginning

55,984,232

Fund Balance, ending

 \$ 60,917,912

Aleutians East Borough, Alaska

Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2025

Revenues	
State of Alaska	\$ 1,060,890
Expenditures	
Debt service:	
Principal	2,075,000
Interest	476,149
Total Expenditures	2,551,149
Deficiency of Revenues Over Expenditures	(1,490,259)
Other Financing Sources	
Transfers in	1,490,259
Net Change in Fund Balance	-
Fund Balance, beginning	-
Fund Balance, ending	\$ -

Aleutians East Borough, Alaska
Capital Improvements Capital Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2025

Revenues

Federal government	\$ 6,093,329
State of Alaska	4,277,881
Investment income	149,055
Other	37,873

Total Revenues	10,558,138
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Expenditures

Current - infrastructure:

Salaries	47,058
Fringe benefits	15,618
Contractual	771,540
Travel	3,390
Supplies	203,485
Capital outlay	9,367,992

Total Expenditures	10,409,083
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Net Change in Fund Balance	149,055
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Fund Balance, beginning	-
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Fund Balance, ending	\$ 149,055
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Aleutians East Borough, Alaska
Bond Construction Capital Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2025

Revenues

Investment income	\$ 175,516
Other	3,423

Total Revenues

178,939

Expenditures

Current - general government: Management fee	
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6,158

Excess of Revenues Over Expenditures

172,781

Other Financing Sources

Transfers in	
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3,211,226

Net Change in Fund Balance

3,384,007

Fund Balance, beginning

423,554

Fund Balance, ending

\$ 3,807,561

Aleutians East Borough, Alaska
Permanent Fund Appropriated Capital Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2025

Expenditures

Current - infrastructure:

Contractual	\$ 145,153
Equipment	25,737
Maintenance	404,468
Capital outlay	891,389

Total Expenditures	1,466,747
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Deficiency of Revenues Over Expenditures	(1,466,747)
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Other Financing Sources

Transfers in	1,466,747
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Net Change in Fund Balance	-
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Fund Balance, beginning	-
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Fund Balance, ending	\$ -
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Aleutians East Borough, Alaska
Maintenance Reserve Capital Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2025

Revenues:

Investment income	\$ 8,007
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Expenditures

Current - public works:

Maintenance	4,839
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Net Change in Fund Balance

3,168

Fund Balance, beginning

287,207

Fund Balance, ending

\$ 290,375

Aleutians East Borough, Alaska
Department of Education and Early Development
Sand Point Grant GR-23-016
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2025</i>	Budget	Actual		Total	Variance
		Prior Year	Current Year		
Revenues					
State of Alaska	\$ 6,811,396	\$ 332,079	\$ 1,817,478	\$ 2,149,557	\$ (4,661,839)
Expenditures					
Capital outlay	6,811,396	332,079	1,817,478	2,149,557	4,661,839
Net change in fund balance	\$ -	-	-	-	\$ -

Aleutians East Borough, Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

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
Department of the Treasury					
Local Assistance and Tribal Consistency Fund	21.032		\$2,038,800	\$ -	\$1,644,466
Department of the Transportation					
Port Infrastructure Development Program	20.823		5,365,000	-	3,199,600
Department of Commerce					
Passed through the National Fish and Wildlife Foundation:					
Unallied Science Program	11.472	0303.24.082128	576,896	-	206,965
Department of Commerce					
Energy Efficiency and Conservation Block Grant Program	81.128		75,120	-	848
Department Health and Human Services					
Passed through the State of Alaska Department of Health and Social Services Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crisis:					
Healthcare Healthy Equitable Communities	93.391	C0622-584-KK	54,518	-	7,492
Immunization Cooperative Agreements	93.268	C0622-584-KK	54,518	-	7,492
Congressional Directives	93.493		2,000,000	-	1,712,420
Total Department of Health and Human Services				-	1,727,404
Total Expenditures of Federal Awards				\$ -	\$6,779,283

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

Aleutians East Borough, Alaska

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2025

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), under programs of the federal government for the year ended June 30, 2025. 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.

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, 2025

State Agency/Program Title	Award Number	Total Award Amount	Passed Through to Subrecipients	State Expenditures
Department of Education and Early Development				
*Capital Improvement Projects for School Districts	GR-23-016	\$4,427,407	\$ -	\$ 1,817,478
Debt Retirement Program	N/A	-	-	695,878
Total Department of Education and Early Development			-	2,513,356
Department of Transportation and Public Facilities				
*Harbor Facility Grant Program	23-HG-003	4,125,000	-	2,460,403
Harbor Bond Reimbursement	N/A	-	-	357,983
Total Department of Transportation and Public Facilities			-	2,818,386
Total State Financial Assistance			\$ -	\$ 5,331,742

* 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, 2025

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), under programs of the State of Alaska for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of 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.

Single Audit Section

DRAFT - Subject to Revision



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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 governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Aleutians East Borough, Alaska (the "Borough") as of and for the year ended June 30, 2025 and the related notes to financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated [REDACTED], 2026.

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 opinion 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered 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.

Anchorage, Alaska
 , 2026



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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 Each Major Federal Program

We have audited Aleutians East Borough, Alaska'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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 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 operation of its component unit, Aleutians East Borough School District, which expended \$3,086,069 in federal awards which is not included in the schedule of expenditure of federal awards for the year ended June 30, 2025. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of Aleutians East Borough School District because the School District was subject to a separate audit in accordance with Uniform Guidance, for the year ended June 30, 2025.

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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.



Report on Internal Control Over Compliance

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

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

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

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

Anchorage, Alaska
_____, 2026



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3601 C Street, Suite 600
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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 Each Major State Program

We have audited Aleutians East Borough's (the Borough) compliance with the types of compliance requirements identified in the State of Alaska Audit Guide and Compliance Supplements that could have a direct and material effect on each of the Borough's major state programs for the year ended June 30, 2025. The Borough's major state programs are identified on the Schedule of State Financial Assistance.

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 state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements 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 unmodified opinions 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 - State Expenditures Not Included in the Compliance Audit

The Borough's basic financial statements include the operation of its component unit, Aleutians East Borough School District, which expended \$4,659,485 in state awards which is not included in the schedule of state financial assistance for the year ended June 30, 2025. Our compliance audit, described in the "Opinion on Each Major State Program", does not include the operations of Aleutians East Borough School District because the School District was subject to a separate audit in accordance with Uniform Guidance, for the year ended June 30, 2025.

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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 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 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 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 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.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of 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

Aleutians East Borough, Alaska

Schedule of Findings and Questioned Costs Year Ended June 30, 2025

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 X no
 Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X no
 Significant deficiency(ies) identified? yes X none reported

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

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

Identification of major federal programs:

Federal Assistance

<i>Listing Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
21.032	Local Assistance and Tribal Consistency Fund	Department of the Treasury
20.823	Port Infrastructure Development Program	Department of Transportation Department of Health and Human Services
93.493	Congressional Directives	

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

Auditee qualified as low-risk auditee? yes X no

State Financial Assistance

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

Internal control over major state programs:

Material weakness(es) identified? yes X no
 Significant deficiency(ies) identified? yes X none reported

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

Auditee qualified as low-risk auditee? yes X no

Aleutians East Borough, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2025

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

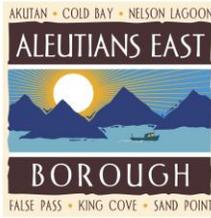
There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to the financial audit contained in Government Auditing Standards.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - State Award Findings and Questioned Costs

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



Aleutians East Borough, Alaska
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

Finding 2024-001 **Deadline for Federal Single Audit - Noncompliance and Internal Control Over Compliance - Significant Deficiency**

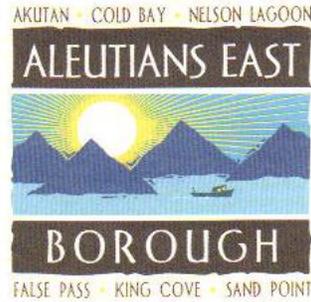
Finding The Form SF-SAC is due nine months after the fiscal year end. The form for the fiscal year ended June 30, 2024 was filed late.

Status This finding has been resolved

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

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

Status This finding has been resolved



RESOLUTION 26-43

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, 2025

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, 2025; and

WHEREAS, BDO has completed the audit for FY2025 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, 2025, 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 FY2025 Federal Award Findings and Questioned Costs there were no findings and questioned costs; and

WHEREAS, for the FY 2025 State Single Audit there were no findings and questioned costs; and

WHEREAS, Borough Administration has reviewed the FY2025 audit and submitted the Corrective Action Plan for FY24 items; 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, 2025.

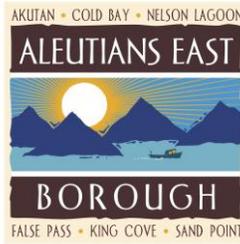
PASSED AND APPROVED BY THE ALEUTIANS EAST BOROUGH ASSEMBLY on this 12th day of March 2026.

ALEUTIANS EAST BOROUGH, ALASKA

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Clerk



Agenda Statement

Date: March 5, 2026
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Resolution 26-44 Authorizing the Mayor to Negotiate and Execute a Contract with DOWL for a Sand Point School Re-Roof Design in an amount not to exceed \$254,185

During the Sand Point School DEED project, it was identified that the roof at the Sand Point School needs to be replaced in the next few years. Borough Administration requested a proposal from DOWL to conduct the design work for this.

DOWL has provided the attached Sand Point School Re-Roof Design Scope of Work and Fee Proposal. The Scope of Work includes:

Phase 1 – 65% Design Developments - \$102,194 (lump sum)

DOWL will prepare a 65% design level construction documents. The design will include architectural, mechanical, electrical, and structural disciplines and seek to address the following items:

- Replace existing metal roof and membrane with a new concealed fastener metal roof system.
- Replace existing roof penetrations and roof curbs. Reinstall existing equipment on replace curbs.
- Consolidate penetrations to the extent possible.
- Existing insulation to remain unless it is found to be degraded during construction demolition activities.
- Remove existing internal gutters if still present.
- Trim existing wood outriggers back to inside of the primary water drip line and install metal end cap flashing.
- Where a gutter system is used, include heat trace in both the gutter and downspout system. Anticipated primarily at entry points.
- Gravel ground will be included to limit splash back and erosion.

Phase 2 – 100% Construction Documents - \$118,201 (lump sum)

This phase will progress to final design and prepare construction documents that will be used for construction.

Phase 3 – Design Services Not in Scope - \$33,790 (time and materials)

Due to the nature of this project and the unknowns associated with removing and replacing the roof, we expected there will be some additional design required based on conditions encountered during construction. This additional design may include structural upgrades associated with replacing deteriorated outriggers or existing compromised structural members discovered during construction demolition activities.

Administration recommends moving forward and conducting the assessment. Funds for this project are available in line-item 21-502-8025.

RECOMMENDATION

Administration recommends approval of Resolution 26-44 Authorizing the Mayor to Negotiate and Execute a Contract with DOWL for a Sand Point School Re-Roof Design in an amount not to exceed \$254,185.



March 4, 2026

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

Subject: Sand Point School Re-Roof Design Services

Dear Ms. Bailey:

Our team is excited to support another improvement project to the Sand Point school. This proposal summarizes DOWL's scope and proposed costs for the design of a project to re-roof the Sand Point School.

TEAM

DOWL's team includes the same trusted team that have been working with the AEB for many years:

- **Project Management/Owner's Representation** - DOWL
- **Architecture** - ECI
- **Structural Engineering** - Tecton Structural Engineering
- **Mechanical Engineering** - AMC Engineers
- **Electrical Engineering** - AMC Engineers
- **Cost Estimating** - Estimations Inc.
- **Hazardous Materials (Hazmat)** - HTRW

SCOPE OF SERVICES

Phase 1 – 65% Design Documents

In this phase DOWL will prepare 65% design level construction documents. The design will include architectural, mechanical, electrical, and structural disciplines and seek to address the items summarized below.

- Replace existing metal roof and membrane with a new concealed fastener metal roof system.
- Replace existing roof penetrations and roof curbs. Reinstall existing equipment on replaced curbs.
- Consolidate penetrations to the extent possible.
- Existing insulation to remain unless it is found to be degraded during construction demolition activities.
- Remove existing internal gutters if still present.
- Trim existing wood outriggers back to inside of the primary water drip line and install metal end cap flashing.
- Where a gutter system is used, include heat trace in both the gutter and downspout system. Anticipated primarily at entry points.
- Gravel ground will be included to limit splash back and erosion.

During this phase our team will prepare the following deliverables:

- Design plans
- Sheet specifications
- Cost estimate

Phase 2 – Construction Documents (100% signed drawings)

This phase will progress the design to final design and prepare construction documents that will be used for construction.

During this phase our team will prepare the following deliverables:

- Design plans
- Sheet specifications
- Cost estimate
- Documents to be used for Fire Marshal Review and Bidding

Phase 3 – Design Services Not in Scope

Due to the nature of this project and the unknowns associated with removing and replacing the roof, we expect there might be some additional design required based on conditions encountered during construction. This additional design may include structural upgrades associated with replacing deteriorated outriggers or existing compromised structural members discovered during construction demolition activities. DOWL recommends establishing a time and materials budget that can be used to quickly and efficiently address required services that are not in DOWL’s scope. DOWL would only use this budget after approval from the AEB.

ASSUMPTIONS

DOWL used the following assumptions to develop this proposal:

- Future design and construction phases of this project will be added via amendment, such as:
 - Additional design phases (i.e. 100% signed drawings)
 - Bidding Services
 - Construction Administration services
- Roof drain inspection services will be contracted directly to owner.
- Civil engineering services and scope associated with replacing or upgrading underground roof drain piping as a result of the roof drain inspection.
- Replacing existing insulation system.
- DOWL’s architectural subconsultant has one planned site visit to confirm design details. No other site visits included.

SCHEDULE

Based on our understanding of the project, below is a tentative project schedule:

- Mid-March 2026 Notice-to-Proceed to DOWL
- Mid-June 2026 65% design complete
- Mid-September 2026 100% construction documents complete

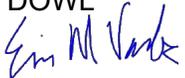
FEES

Our team proposes to complete the services described in this letter for the costs and payment structure shown in the table below.

Phase/Description	Payment Method	Cost
Phase 1 - 65% Design Development	Lump Sum	\$102,194.00
Phase 2 - 100% Construction Documents	Lump Sum	\$118,201.00
Phase 3 - Design Services Not in Scope	Time and Materials	\$ 33,790.00
Total		\$254,185.00

Thanks again for the opportunity to propose on this work and we are excited to help you with this project. Please contact me at 907-562-2000 or evoorhees@dowl.com with any questions or comments.

Sincerely,
DOWL



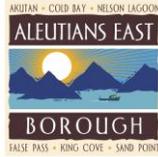
Eric Voorhees, P.E.
Senior Project Manager

This proposal is accepted, and DOWL is authorized to proceed with the work described in this letter.

Anne Bailey
Aleutians East Borough Administrator

Date

Attachment(s): None



RESOLUTION 26-44

A RESOLUTION AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A CONTRACT WITH DOWL FOR A SAND POINT RE-ROOF DESIGN IN AN AMOUNT NOT TO EXCEED \$254,185

WHEREAS, the Sand Point School roof is in need of repairs/replacement; and

WHEREAS, DOWL has provided a proposal for Sand Point School Re-Roof Design Services in the amount of \$254,185 that includes 65% Design Developments; 100% Construction Documents and Design Services not in the original scope of work; and

WHEREAS, Administration recommends authorizing the mayor to negotiate and execute a contract with DOWL in an amount not to exceed \$254,185 to complete the work; and

WHEREAS, funds for this project are available in the Deferred Maintenance line-item 21-502-8025.

NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly authorizes the Borough Mayor to negotiate and execute a contract with DOWL for a Sand Point School Re-Roof Design in an amount not to exceed \$254,185.

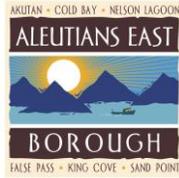
PASSED AND APPROVED by the Aleutians East Borough on this 12th day of March 2026.

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Borough Clerk

OLD BUSINESS



Memorandum

Date: March 4, 2026
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Sand Point Pool Update

On January 23, 2026, Sand Point Marine informed Borough Administration that they were able to get approval for the performance and payment bonding needed to do the job, under special terms due to it being the first job for Sand Point Marine. The bonding company, working with Sompo International Surety, will need a signed contract for the project that reflects the “project budget” total of \$927,000, which includes materials and labor costs in order to set the bond at that price.

The special terms will involve placing the total project amount into an escrow account (following the bonding companies’ instruction for doing so) and working with that escrow company to release funds as requested for payment to vendors, subs or Sand Point Marine. The bond will be issued under a program backed by the Small Business Administration (SBA), due to it being Sand Point Marine’s first job. All SBA paperwork will be handled by the bonding company.

On February 12, 2026, the Borough and Sand Point Marine executed a contract for the work in the amount of \$927,000. After the surety underwriter reviewed the contract, they requested that the attorney rewrite it, in order to break it up into three consecutive contracts for \$309,000 each, to better meet the Small Business Administration guidelines. Therefore, the February 12, 2026 contract was voided and the following contracts were executed on February 25, 2026:

- Sand Point Swimming Pool Project – Phase 1 in the amount of \$309,000
This includes both material and labor costs, for materials procurement and shipping necessary to complete the entire scope of services.
- Sand Point Swimming Pool Project – Phase 2 in the amount of \$309,000
This includes construction and repairs necessary to complete the entire scope of services.
- Sand Point Swimming Pool Project – Phase 3 in the amount of \$309,000
This includes construction, repairs, and project closeout necessary to complete the scope of services.

The scope of services includes:

- a. Material procurement.
- b. Remove existing pool liner.
- c. Test main drain and suction line from pump room to pool, repairing if necessary.
- d. Test supply lines from pump room to pool, repairing if necessary.
- e. Set up ventilation for proper air exchange.
- f. Insulate entire pool area with two (2)-inch high quality foam core.
- g. Fiberglass line entire pool area with 5/16-inch to 3/8-inch thick solid fiberglass.
- h. Replace existing gutter track around pool perimeter with a new fiberglass gutter track.
- i. Gelcoat entire pool area with two (2) coats of white or aqua blue finish.
- j. Gelcoat lane designations and depth markers with two (2) coats of black finish.
- k. Install handrails for means of pool entry and exit.
- l. Install handicap accessible lift, compliant with Americans with Disabilities Act (ADA) requirements.

The Contractor is responsible for making their own arrangements to complete the project.

On February 27, 2026, the Borough was informed that they had to fill out an Assignment of Contract Funds and Consent document, which had Sand Point Marine request and the Borough consent that all Contract funds due to Sand Point Marine under the contract shall be sent to the Escrow company. The Escrow company will distribute the funds under this agreement to discharge Sand Point Marine's obligations to themselves, subcontractors and suppliers, for any work performed under the Construction Contract. This Agreement was fully executed on February 27, 2026 and will be included in a contract amendment with Sand Point Marine at a later date.

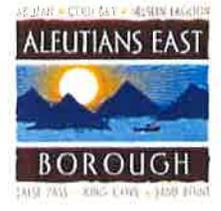
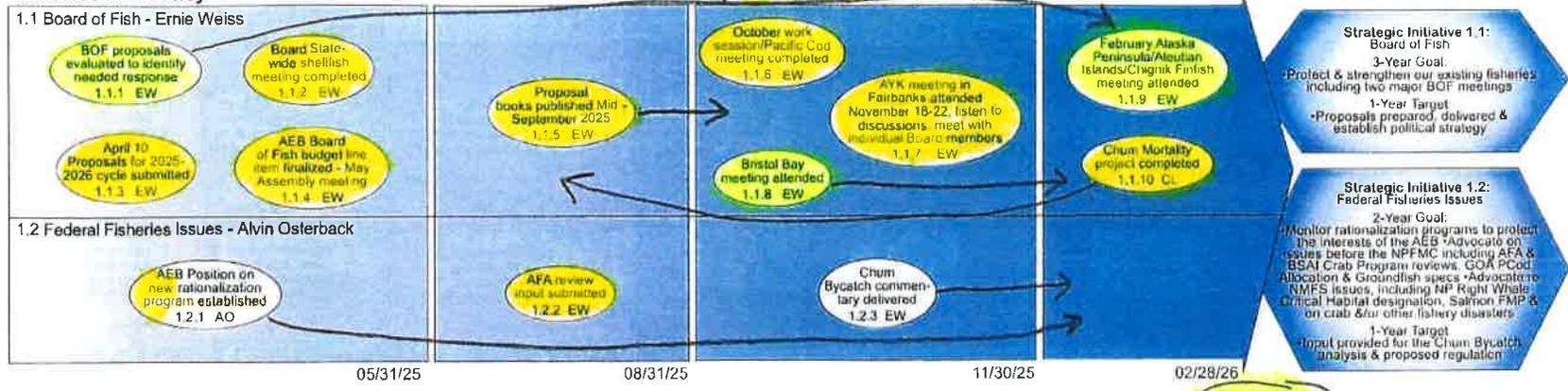
On March 2, 2026, the Borough conducted a wire transfer in the amount of \$309,000 from the Borough to the Escrow company for the Sand Point Swimming Pool – Phase 1.

Borough Administration needs to enter the project into the Labor Standards and Safety Application Portal since Sand Point Marine is required to pay prevailing wages.

NEW BUSINESS

Chum tagging draft report completed

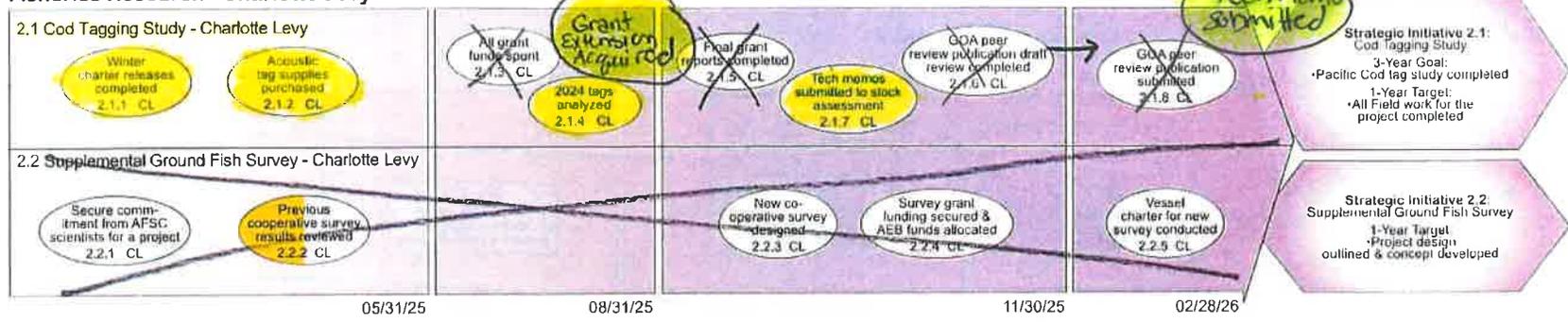
Fisheries Advocacy - Ernie Weiss



Vision Navigation® Chart #1
03/01/25 - 02/28/26

Purpose:
to ensure the standard of living, well-being & future of our communities

Fisheries Research - Charlotte Levy



Our Vision:
Healthy People, Healthy Schools, Healthy Communities

Diversification of industry including our natural resources & community flexibility for borough stability

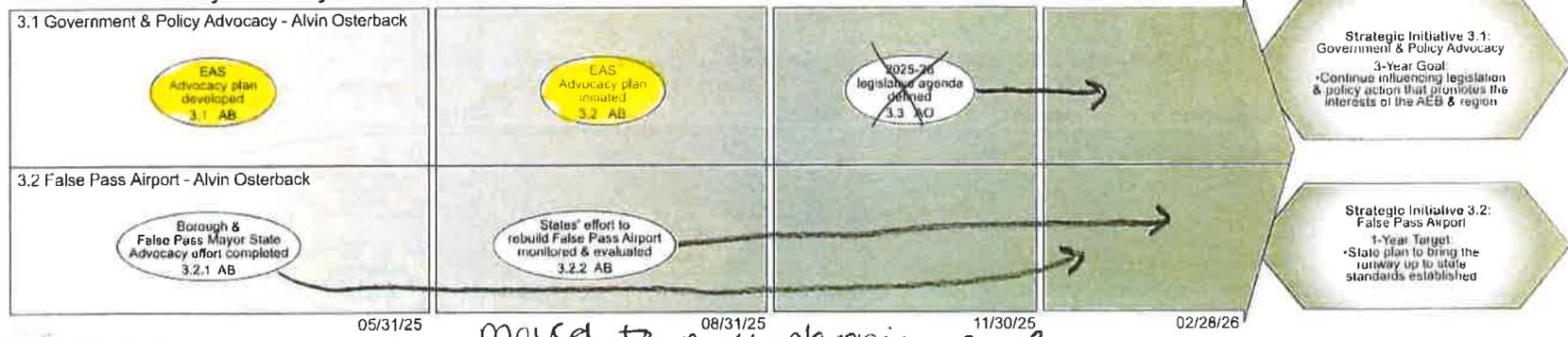
Healthy people with a strong cultural identity

Our schools & community are providing quality education including secondary education & vocational skills within the communities

Planned infrastructure projects completed

Availability, utilization & development of connectivity (physical & electronic)

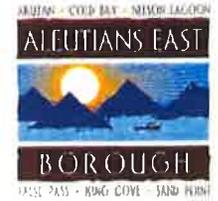
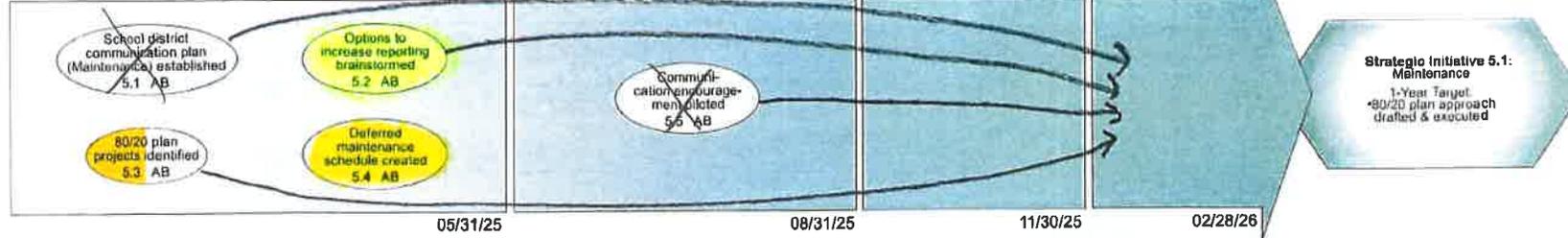
Government & Policy Advocacy - Alvin Osterback



moved to next planning cycle

- AB Annie Bailey
- JB Jacki Brandell
- GD Glenora Dushkin
- TJ Talia Jean-Louis
- CL Charlotte Levy
- AO Alvin Osterback
- BR Beverly Roscoe
- LT Laura Tanis
- EW Ernie Weiss

Maintenance - Anne Bailey



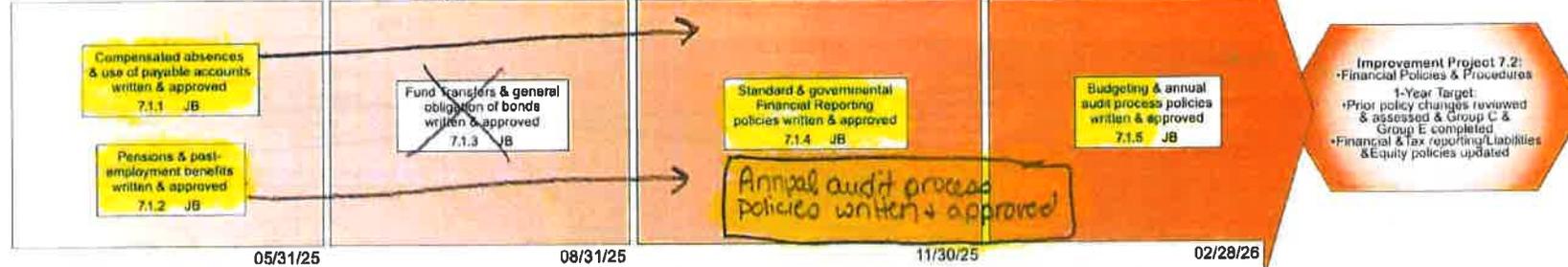
Vision Navigation® Chart #2
03/01/25 - 02/28/26

Purpose:
To ensure the standard of living, well-being & future of our communities

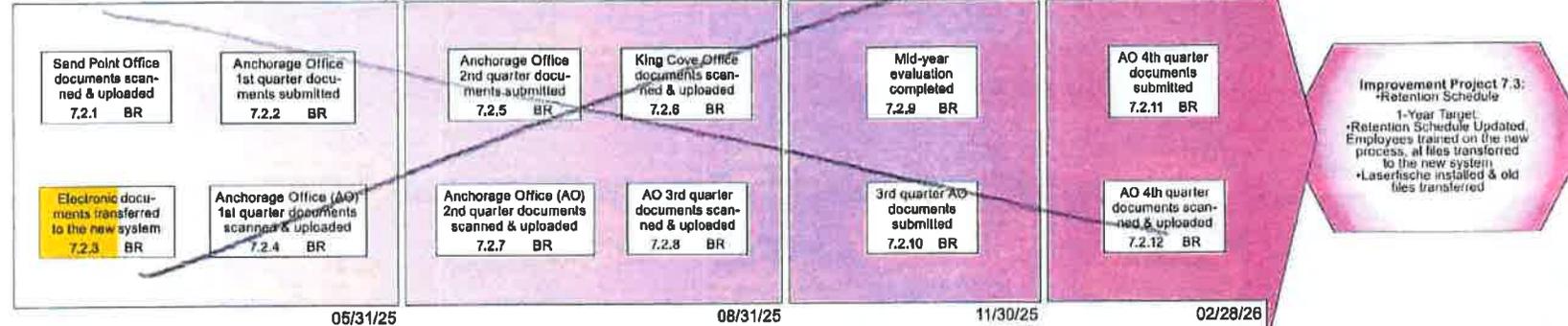
Our Vision:
Healthy People, Healthy Schools, Healthy Communities

- Diversification of industry including our natural resources & community flexibility for borough stability
- Healthy people with a strong cultural identity
- Our schools & community are providing quality education including secondary education & vocational skills within the communities
- Planned Infrastructure projects completed
- Availability, utilization & development of connectivity

Financial Policies & Procedures - Jacki Brandell



Retention Schedule & Laserfische Upgrade - Beverly Rosete



- AB Anne Bailey
- JB Jacki Brandell
- GD Glennora Dushkin
- TJ Talia Jean-Louis
- CL Charlotte Levy
- AO Alvin Osterback
- BR Beverly Rosete
- LT Laura Tanis
- EW Ernie Welas

REVISED - SEE NEXT PAGE

05/31/2025

08/31/2025

11/30/2025

02/28/2026

Retention Schedule & Laserfiche Upgrade



Electronic documents stored for completed documents/projects - ongoing process

BR CL EW GO AB TJ

04/25 100.00%

Quarterly check and update for documents stored

GD BR

08/29 100.00%

Mid-year evaluation completed

BR

09/05

Quarterly check and update for documents stored

BR CL EW GO AB EM TJ

09/26 100.00%

Sand Point Office Document scanned and uploaded

BR AB

11/30 90.00%

King Cove Office Documents scanned and uploaded

AB

11/30 50.00%

Quarterly check and update for documents stored

GD BR

02/27

05/31/2025

08/31/2025

11/30/2025

02/28/2026

REPORTS AND UPDATES



To: Honorable Mayor Osterback and AEB Assembly
From: Anne Bailey, Borough Administrator
Subject: Assembly Report
Date: March 4, 2026

Cold Bay Dock

On December 16, 2025, the Borough sent the following comment to the Alaska Department of Transportation (DOT) regarding the Cold Bay Dock: “At the December 11, 2025 Aleutians East Borough Assembly Meeting, the Assembly approved a motion to support the option of a wave barrier in the preferred alternative design.”

On March 3, 2026, the Borough received a response from DOT addressed to Ms. Bailey and the Aleutians East Borough Assembly. The response stated the following:

Thank you for the record of the motion approved during the December 11, 2025, meeting. We recognize the Assembly’s formal support for incorporating a wave barrier into the Cold Bay AMHS Ferry Terminal Reconstruction.

The project team has evaluated wave protection concepts to address the site's extreme 18-foot maximum design wave. While a breakwater is technically feasible, the estimated cost is approximately \$18M. Currently, the project is funded by a \$43M MARAD grant. The State of Alaska is already providing an additional \$25M just to reach the \$68M required for a modern, resilient dock replacement. Adding an \$18M wave barrier would bring the total project cost to \$86M, creating a funding gap that exceeds the original federal grant itself.

Because we are not eligible for additional federal Port Infrastructure Development Program (PIDP) funds and state resources are fully committed to the current \$25M gap, our primary responsibility is to deliver a constructable dock within the \$68M budget. This ensures the community does not lose its only functional link for ferry, freight, and fuel service.

Although a wave barrier is not part of the design at this time, we will take note of your comment for future planning efforts. We appreciate your time; your comment will be recorded as part of the public involvement process.

Sand Point Harbor Float

Western Marine Construction is still in the process of completing the project. The substations have been installed and WMC will arrive in March 2026 to complete the additional punch list items.

M&N has researched different fire pump options that would meet the project needs and Resolution 26-36 was passed at the February 12th meeting authorizing the mayor to purchase safety ladders and a portable water pump. The Borough is waiting on authorization from the

State of Alaska Harbor Facility Grant project manager to purchase this.

The grant deadlines are as follows:

- State of Alaska Sand Point Harbor Facility Grant: The Agreement is scheduled to be signed on November 14, 2024 and shall be completed no later than May 31, 2026.
- MARAD Grant:
 1. **Award Dates.**
Budget Period End Date: February 28, 2027
Period of Performance End Date: October 31, 2029

2. Estimate Project Schedule

Milestone	Schedule Date
Planned Construction Management Start Date	November 1, 2024
Planned Construction Start Date	November 1, 2024
Planned Construction Substantial Completion	January 31, 2026
Planned Construction Management Substantial Completion	April 30, 2026

Sand Point School DEED Grant

UIC Construction continues to make progress at the Sand Point School. Structural, mechanical and electrical work is being conducted. Tiles in the boy's locker room have been completed and progress is being made on the girl's locker room.

The tentative schedule for this project is substantial completion on April 3, 2025 and final completion on April 22, 2026. A substantial completion inspection will be planned for the week of April 6, 2026.

False Pass School Items

False Pass Dry Valve Replacement and Fire Suppression Inspection: On February 4, 2026, the Borough entered into a contract with Chinook Fire Protection in the amount of \$35,388 for the replacement of the dry valve and to conduct a comprehensive annual fire suppression system inspection. Chinook plans on deploying to False Pass on March 16, 2026.

Renew Schools America Grant

The Aleutians East Borough through AML is a recipient of a Renew Schools America Grant. One grant deliverable is to conduct energy audits of the schools. Energy audits have been conducted at the schools in Akutan, False Pass, King Cove and Sand Point. We expect the results of those audits in a month.

Another grant deliverable is to conduct a financial analysis. One year of Cash Vest services will be funded through the subrecipient of the grant budget. The Borough will be required to pay and then an invoice will be submitted to AML for reimbursement. On February 19, 2026, the

Borough and CashVest executed an order form with CashVest and will be invoiced \$17,100 for one year of services.

CashVest will provide liquidity data and analyses for purposes of assisting customers' with their cash management decisions. This is designed to: (a) monitor, review and report on Client's financial institution account data; (b) provide liquidity management data that pinpoints the time value of Client's cash in the marketplace; (c) assist Client in preparing short-term cash management by providing stress tests/algorithmic simulations; (d) analyze Client's liquidity proficiency to prepare Client to earn and save without sacrificing safety or liquidity; (e) assist Client in ensuring appropriate and competitive pricing is being received from financial partners pertinent to the facilitation of cash management; (f) assist Client in garnering preferred deposit rates with its banking provider(s); (g) monitor and analyze Client's bank billing analysis statement(s); (h) provide recommendations to uncover new sources of value on identified strategic liquidity; and (i) provide a summary of cash performance across Client banking relationships on one platform, tailored rate analysis and strategic cash progress, means for Client to compare investment yields and charts, access to opportunity cost in the financial marketplace (providing transparency for Client to obtain competitively-priced bank products), and ongoing benchmark rates in the market. They will also conduct a review of Client's Investment Policy Statement (IPS).

King Cove Road

The litigation is proceeding in accordance with the Court-approved Case Management Plan. Our attorney received the briefs from the Friends of Alaska National Wildlife Refuges, Hooper Bay (represented by the Center for Biological Diversity), and Defenders of Wildlife. Those briefs generally contend that the land exchange is illegal for a multitude of reasons and should be vacated. Our attorney is analyzing the legal arguments raised in the ENGO briefs and is preparing a single Opposition brief opposing them. Our Opposition brief is due on March 23rd. He will keep us informed as matters develop.

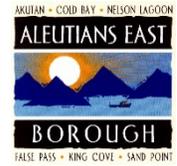
Other Items

- On February 15, 2026, our Federal Lobbyist submitted the FY26 appropriations submission to Senator Murkowski's office requesting \$5 million for the construction of the King Cove Road.
- On February 18, 2026, the Borough and Maritime Helicopters executed Amendment No. 1 for the Helicopter Services Agreement extending the existing contract to June 30, 2026.
- On February 27, 2026, USDOT extended the existing Essential Air Service order from April 1, 2026 to June 30, 2026 or until the air carrier selection process concludes and the selected air carrier continues or commences EAS, whichever occurs earlier.
- On February 27, 2026, the existing Essential Air Service for Akutan was extended to June 30, 2026. USDOT, Grant Aviation and Maritime Helicopters are working on finalizing the new EAS.

- Mayor Osterback and the Anchorage Staff attended the Board of Fisheries meetings from February 18, 2026 through February 25, 2026.
- Cool Air Mechanical plans on conducting additional boiler repairs on the Cold Bay Terminal Boilers the week of March 16-20, 2026.
- On February 26, 2026, Glennora and I purchased and shipped two generators, numerous space heaters and additional items to Cold Bay for the terminal building. This cost approximately \$6,250 and was billed to the terminal building. Big thank you to DOWL for assisting us in determining what to purchase and to Mark Johnson, the terminal manager, for picking up everything and getting heat back into the building.
- The upcoming Assembly Meeting Schedule is as follows:
 - April 9, 2026 Regular Assembly Meeting
 - May 14, 2026 Regular Assembly Meeting
 - May 28, 2026 Special Assembly Meeting

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

To: Honorable Mayor Osterback and Borough Assembly
From: Glennora Dushkin, Executive Assistant
Re: Assembly Report
Date: March 12, 2026



APRA Training and Inspections

Received an Action Plan from the Borough APRA Consultant to follow and track the progress of completing items identified in the Inspection Reports for our properties that needed work. Returned it on March 4, 2026 with everything addressed. We received full credit for this section.

There has been more progress in training hours for staff.

Deeptree, Inc – IT Provider

The upgrade from Windows 10 to Windows 11 has been completed for most devices. There was an issue getting all upgraded.

The King Cove office now has Teams phones. Jacki can be reached at (907) 274-7579 and Seward at (907) 274-7559. We are also working on setting up a 1-800 number so residents in King Cove can call the office toll-free. Once that is done, we will disconnect the landline.

Working with IT to recycle the tech items that did not sell during the surplus auction and donating other non-tech items.

Essential Air Service

The EAS letter went out to 22 different organizations throughout the region for signature. I received it back on March 5, 2026 signed by everyone and forwarded it to the USDOT and the AK Congressional Delegation. Aleutian Airways has been made aware of this request, and the next step is to set up a meeting with them.

There are currently three processing plants in the region that want to send in a support letter after ours is received at USDOT.

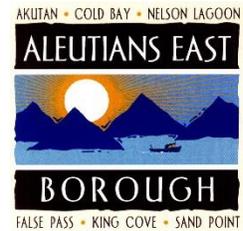
Rasmuson Foundation Community Support Grant – Sand Point Swimming Pool

Scheduling a meeting for late March to review the project details with the Program Officer.

Other Items

- The new Borough jackets/vests arrived at the Anchorage office.
- Ordered catering for the Financial Workshop.
- Attended BOF as support staff.
- Attended SWAMC.

To: The Honorable Mayor Osterback, Aleutians East Borough Assembly
From: Ernie Weiss, Natural Resources Department Director
Subj: Report to the Assembly
Date: March 5, 2026



Alaska Board of Fisheries

The Board of Fisheries met February 18-25th at the Egan Center on AK Pen/AI/Chignik finfish issues. The AEB sponsored a side meeting room with audio/video of the meeting and laptops, printer and coffee, with the Mayor and Anchorage staff attending. The Boards Support staff have posted this [preliminary summary of actions](#). The Board 4-3 vote actions in particular will have severe impacts on our local salmon fisheries. Local tribes asserted several Board members potential conflicts of interest in [RC 004](#) and [RC 139](#), that were ultimately ignored.

- The board adopted [Proposal 126](#) by a vote of 4-3 that would move Volcano Bay and the majority of the “Dolgoi Islands Area” under the Southeastern District Mainland management plan, so that from June 1 to July 25th, sockeye harvest of the whole area would equal approx. 7.6% of the Chignik harvest and would not open until Chignik sockeye harvest is at least 600,000 through July 25. This area would not have opened during this period in 7 of the last 10 years.
- In the South Alaska Peninsula (S. Unimak and Shumagin Islands) June Management Plan, the Board adopted substitute language found in [RC 245](#) (amended) for Proposal 127 by a vote of 4-3. This will reduce fishing periods and extend closed periods in June for seine, drift and setnet gear *if* opened by Commissioner Emergency Order.
- King salmon conservation measures adopted include Proposal 135 using substitute language found in [RC 149](#) (amended to delete sections (b)): in June, all Area M and Area L (Chignik) seiners must return kings 28 inches or longer to the water unharmed. [Proposal 141](#) says that beginning July 1 in the South Peninsula, if 1000 or more kings are harvested in one opening, the ADFG statistical area “primarily responsible” will be closed for the next opening. If the cumulative harvest of kings in the South Pen beginning July 1 reaches 5000, the stat area “primarily responsible” will be closed through August 10. New Chignik conservation measures were adopted in [RC 198](#), substitute language for Proposal 112.
- Under gear modifications, Proposal 147 with substitute language in [RC 161](#) was adopted to reduce gillnet depth and [RC 208](#) was adopted for Proposal 148 to reduce seine gear depth, both to begin in 2027. [Proposal 150](#) was adopted to allow monofilament in gillnet gear.
- North Peninsula Proposal [113](#) allows a potential opening of the Caribou Flats section; housekeeping Proposal [114](#) deletes sunsetted language.
- Subsistence [Proposal 106](#) amended, expands subsistence salmon fishing in the Unalaska District to “at any time”.
- Sport Proposal 156 using language in [RC 146](#) specifies King salmon and trout regulations in North Peninsula rivers including the Sandy River.
- The Board adopted Proposal [154](#) for a local herring fishery and [RC 169](#) for Proposal 188 to add quota to the Dutch Harbor herring fishery.

In addition to the regulations changes that reduce South Peninsula salmon fishing opportunity ([Proposal 126](#) & [RC 245](#)), the Chignik early-run sockeye stock of concern management actions remain status quo, meaning that the 2nd June opening and subsequent openings for purse seine gear in the Shumagin Islands Section will be reduced by 50% if Chignik sockeye escapement is not meeting the lower bound of the early-run Chignik sockeye escapement goal.

The [Statewide finfish meeting](#) March 17-21 also at the Egan, includes Proposals 11, 163, 164 & 165 that would restrict trawling within state waters. I am scheduled to provide the Anchorage AC report at the Statewide meeting. The 2026/2027 Board cycle includes Upper and Lower Cook Inlet and Kodiak finfish meetings. Deadline for proposal submission is April 10 and for agenda change requests, August 28th.

North Pacific Fishery Management Council

The NPFMC met February 2-11 at the Egan Center, taking final action on agenda item C2, the Bering Sea Pollock Fishery Chum Salmon Bycatch action. The Council [motion](#) accepted the Advisory Panel recommendation to include Alternative 4, Regulatory Requirements for Incentive Plan Agreements, and also setting a total hard cap of 45,000 Western Alaska chum salmon bycatch to be determined through genetic testing. I testified to both the AP and Council in support of Alternative 4.

The Council also reviewed the updated GOA Pacific cod data from the Groundfish Plan Team and SSC, and set revised OFLs, ABCs and TACs for the 2026 and 2027 GOA Pacific cod seasons. ([Council Motion](#)) Soon after, the ADFG [published](#) revised Pacific cod GHGs for Kodiak, Chignik and the South Peninsula.

The Council will next meet June 1-9, in Vancouver WA, and will review salmon bycatch genetic stock composition reports, the Observer 2025 Annual Report and review pelagic trawl gear research, impacts and next steps. The Council will also take the Ecosystem Committee report. I am a member of the newly re-vamped Ecosystem Committee – we’ll be meeting March 6th and May 8th to work on recommendations to the Council on Climate Resilience, Groundfish Management Policy and Essential Fish Habitat. www.npfmc.org

Alaska Peninsula Oil and Gas Lease Sale

For the 1st time in 12 years, there is a bidder for the [AK Pen Oil/Gas Lease sale](#). Announced March 4th, Teresa Gouch is the apparent high bidder on tract AP0049, 40 miles west of Naknek.



Recently Attended

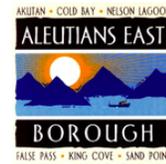
Nelson Lagoon AC	Feb 13	Zoom
Board of Fish AK Pen/AI/Chignik Finfish	Feb 18-25	Egan Center/YouTube
Anchorage AC	March 3	WJ Hernandez Hatchery
Ecosystem Committee	March 6	Zoom

Upcoming meetings

Alaska Fishing Communities	March 13	Zoom
Board of Fish Statewide Finfish meeting	Mar 17-21	Egan Center/YouTube
Aleutian Islands Waterways Safety Committee	Mar 31	Teams
Anchorage AC Elections	April 7, 6pm	WJ Hernandez Hatchery
Ecosystem Committee	May 8	Zoom
NPFMC	June 1-9	Zoom

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: March 12th, 2026



AFSC Cod Tagging Project:

- No updates at this time

Unimak Acoustic Telemetry Project:

- We have placed an order for additional anchor chain and replacement equipment to redeploy moorings. AFSC co-PI Dr. Prohaska is handling logistics with the vessel while in Seattle. The vessel has agreed to bring equipment back to King Cove for us, to avoid shipping costs. We have talked with the captain and tentatively planned field work for mid-May.

Salmon Tagging Pilot:

- I submitted public comments and an [RC to the BOF](#) regarding our progress on the tagging project.
- I am continuing work on the manuscript and looking for external funding. My hope is to consult with ADFG to understand their priorities for salmon research, and see how our priorities might align or support their needs.
- ADFG geneticist Tyler Dann provided a brief update that our genetic samples were being processed, so ideally we will have genetic results on all our tagged and non-tagged fish very soon.

Board of Fish

- The NRD and AEB anchorage staff were all fully engaged at the BOF salmon meeting. The NRD provided written and public testimony, and submitted multiple RCs. Given the BOF action to restrict time, area and gear, it will be practically impossible to continue the adaptive management plan. AMSA is the owner of the data portal, but we will have ongoing conversations about if/how it can be used going forward.
- The tagging study generated significant discussion at the meeting, and demonstrated how new data can be used to inform regulations around gear, retention, etc. Ultimately, much of this information was disregarded in favor of blunt restrictions.
- The March BOF Statewide meeting has several proposals of concern, which have some overlap with SB161. Proposal 163 all seeks to redefine all trawl as bottom trawl; Proposal 164 seeks to require verification and compliance monitoring for enforcement to be approved as pelagic; Proposal 165 seeks to mandate excluders on all vessels. AEB submitted public comments highlighting our concern that the <58' fleet in our region is heavily reliant on state waters via parallel fisheries, and the requirements in the proposals either do not exist yet or are untested on small vessels making it impossible to comply (effectively shutting the fishery down). None of these proposals acknowledge this, or have any strategy for accommodating the small vessel fleet and much of what is proposed is either not feasible or affordable by ADFG.

Other

- SB 161 was scheduled at Senate Resources on 3/4/26. I was asked to attend as invited testimony, which I provided along with the AWTA and PSPA. Similar to my comment for the BOF meeting, I discussed our concerns that closing state waters to trawl would have on the local vessel fleet. You can [listen to my testimony and the hearing here](#).

ASSEMBLY / MAYOR COMMENTS

PUBLIC COMMENTS

**NEXT MEETING DATE, TIME
AND PLACE**

ADJOURNMENT