MEMORANDUM

TO:	NWABSD Board of Education Members	**DATE:**	November 24, 2026
		NUMBER:	**Worksession**
FR:	Office of the Superintendent	**SUBJECT:**	Administrative Service Update

Administrative Services Department Update:

The Administrative Services team has been busy completing quarterly reporting for first quarter (July-October) for grants, payroll, Capital Improvement projects, and other miscellaneous quarterly reports, as well as audit documentation collection for FY26. Audits review for compliance and looks at the accuracy of the District's financial figures reported, along with the processes in place. Audit results lets the District know if internal control steps should be taken to protect against fraud. This fall, the District participated in four audits:

- The FY26 single audit of the District's financial statements with Altman Rogers. Single audit preparation begins as early as March and is time consuming and rigorous, with on-going general ledger maintenance and review of all funds. The District's preliminary audit week was June 1-5, mostly working on grant documentation, compliance, and internal processes review. The final audit week was September 14-18, completing year-end reconciliations, testwork reviews for all funds, and preparing for the rollover of funds. The FY26 single audit was due to the State of Alaska (SOA) by November 15, 2026. The final draft of the audited FY26 financial statements were presented to the board on November 12, 2026. Similar to the FY25 annual audit situation with the Office of Management and Budget (OMB), a finalized audit cannot be rendered until the OMB supplement guide is release to the audit agencies, so a final draft of the FY26 audit was sent to SOA.
- A Teachers' Retirement System (TRS) audit with KPMG, the State of Alaska's Department of Retirement and Benefits (DRB) independent auditor, was completed October 8, 2026.
- The annual payroll audit with Alaska Public Risk Alliance (APRA), was completed September 21, 2026.
- An Alaska Housing Finance Corporation (AHFC) review for the Buckland and Noatak Teaching Housing projects, with the assistance of Dena Strait and Deborah Walker, was completed for final review on November 13, 2026.

Sites have been visited by our contracted Food Service Manager, who has been busy with reaching out about daily meal counts and troubleshooting issues as they come up. They have also travelled out to sites to do annual site reviews for the National School Lunch Program (NSLP). Local site reviews are required to make sure that Districts are following the NSLP's meal portion and serving requirements and are due mid-February. This year, every site was required to complete an inspection with the Department of Environmental Conservation (DEC) Food Safety and Sanitation department. Our Food Service Manager and NMS Manager have worked with the principals to complete these virtual inspections at the sites. The District has also been made aware that most likely there will be a Food Services audit in FY28, so we are reviewing sites, expectations, and prior audit paperwork now.

Our FY27 student count and FY28 student projection have been submitted to the State by Student Services. Once the numbers for FY27 are finalized by the state, the Board will be reviewing a budget revision to transition from student count projections to actuals.

The work is also beginning for the FY28 budget. This draft budget will be reviewed by the Budget committee at a later date and brought forward to the Board during the FY28 Budget Worksession in March.

FY27 Financial Narrative Report for the period July 1, 2026 – September 30, 2026

The snapshot of the monthly financial narrative report is included in your packet for the period ending September 30, 2026. The financial narrative report was discussed during the Budget Committee meeting.

Attachments

FY27 Financial Narrative – September 30, 2026

Northwest Arctic Borough School District
Financial Narrative
For Month Ending September 30, 2026

The September 30, 2026, financial report reflects the District's financial activity through the first quarter of FY27. The Board last received a report September 28, 2026 with expenditures and revenue through August 31, 2026. Approximately 25% of the fiscal year has passed. At this point, the District has received approximately 16% of its budgeted General Fund revenues and recorded 16% of its budgeted expenditures. With encumbrances included, approximately 62% of the General Fund expenditure budget has been expended or committed.

The District's General Fund revenue budget is approximately $77 million, with $17 million received year to date. The Foundation Program remains the District's largest revenue source, with approximately $10 million received, representing 24% of its annual budget. Other State Funding received and E-Rate revenue are both approximately $1.9 million, additional E-Rate revenue is reflected in outstanding encumbrances. The District's approved transfer from the Investment Account is also reflected in the current revenue totals. These are the greatest revenues received to date.

General Fund expenditures total approximately $12.2 million to date. Personnel costs and non-personnel operating expenses account for approximately $5.8 million and $6.4 million, respectively. A significant portion of the District's remaining budget is committed through encumbrances, particularly in personnel, utilities, and other operating obligations. Property and liability insurance expenditures are also noteworthy, with 91% of the annual budget expended as of September 30. This is expected with the insurance renewals occurring at the beginning of the fiscal year. At this time, no other areas of expense appear to be beyond expectation.

The District's month-end cash position totals approximately $25.3 million, including $11.5 million in the General Checking Account and $13.7 million in the Wells Fargo IILD Account. FY2027 investment earnings reported to date total approximately $146,593

As the District enters the second quarter of FY2027, continued attention will be given to revenue receipts, outstanding encumbrances, personnel commitments, and particularly utility and energy costs as the District enters the winter months. Monthly financial monitoring will remain important to ensuring expenditures remain within available resources and that the District maintains sufficient cash flow to support educational programs and daily operations.

Final comments, with the transfer funds from the Investment Account, it is not expected that the District will meet the anticipated revenue of $770,000. Additionally, the fall student count has been submitted to the State and, at this time, the District is anticipating a greater decrease in student body than projected for the FY27 budget. Lastly, it has been brought to the attention of the Business Office that scholarship awards are not being reflected in the JNES Scholarship Account. That review and reconciliation will occur in the second quarter.