MEMORANDUM

TO: **Board of Education**

FROM: **Taw Lindsey**
Superintendent of Schools

RE: **ACTION ITEM – June 2026 Fund Balance Transfers**

Date: **August 18, 2026**

Status: Seeking Board approval of the June 30, 2026 General Fund Unreserved and Reserved Fund Balances transfers and approval of transfers between special revenue funds.

Option 1: The Board may choose to approve the above action item as listed.

Option 2: The Board may choose to *not* approve the above action item as listed.

Recommendation: The Superintendent recommends the Board to approve the above action item as listed.

Attachment: Fund Balance Spreadsheet

Issue Summary:
Annette Island School District's fiscal year 2026 final General Operating Fund requires adjustments and transfers to other funds. There are matching requirements for the New Visions grant. We are anticipating having additional expenses for training additional bus drivers in FY27. There are a couple funds that have balances that need to be transferred to close them. Within the student activity fund, there is an obsolete group that require transfers to be closed. The Board of Education approves these financial transactions.

Recommendation:
Administration recommends the approval of the attached Fund Balance Spreadsheet and transfers listed below. These reports include final adjusting journal entries.

General Fund Background:
Changes in Reserved Fund Balances:

- Impact Aid – The revenue received in audited year is reserved for the following fiscal year.
- Inventory – The inventory has been paid for and is recorded as an asset. It will be expensed in the following fiscal year as used.
- Prepaid – The amount of expenses that have been paid in the current fiscal year have been adjusted and will be paid in the following fiscal year.

Changes in Unreserved Fund Balance:

- AS 14.17.505 Compliance – 10% Unreserved Fund Balance Max Rule
- Net changes in "Reserved" fund balances
- Increased because General Fund Revenues are more than Expenditures
- Transfers from General Fund to other funds, examples:
    - Food Service Fund
    - Capital Improvements Funds
    - Special Revenue Funds that were underfunded (revenues less than expenditures) or required a matching grant.

Transfers from General Fund

Transfer to Food Service Fund – underfunded NSLP/CEP Change	$	410,000
Transfer to Pupil Transportation		20,000
Transfer to Art Grants – Matching Requirement		4,000
Transfer to Annex's Remodel Project (Home Ec/Culture/Life Skills)		300,000
Transfer to HS Coil Flood Repair		13,030
Transfer to MS/ES Gym		1,055,000
Transfer to Water Main/Pillars/Gutters Project		2,450,000
Total:	**$**	**4,252,030**

Other Fund Transfers Background:

Facilities Building Fund

Transfers are needed from the Facilities Building Fund to close the account and the remaining amount can be used to begin funding the MS/ES Gym.

Transfers from Facilities Building Fund

Transfer to MS/ES Gym	$1,000,227

RUS-DLT AK0744-B16 Fund

Transfers are needed from the RUS-DLT Fund to close the account and the remaining amount can be used to begin funding the renovations to the annex buildings.

Transfers from RUS-DLT AK0744-B16 Fund

Transfer to Annex's Remodel Project	$66,175

Student Activity Fund

Transfers are needed from the Class of 2025 account to active class accounts.

Transfers within the Student Activity Fund

Transfer to Class of 2026	$	60.04
Transfer to Class of 2027	$	926.72
Transfer to Class of 2028	$	926.72
Transfer to Class of 2029	$	926.72
Transfer to Class of 2030	$	926.72
Transfer to Class of 2031	$	926.71
		4,693.63

Annette Island School District
Un-Audited
General Fund Unreserved & Reserved Fund Balance
Fiscal Year 2026 as of 6/30/2026

	Unreserved	Reserved Fund Balances: Impact Aid	PrePaid	Encumbrance	Inventory	Total Reserved	Total Fund Bal
Audited 6/30/25	985,689	$ 6,107,904	$ 23,344	$ -	$ 9,749	$ 6,140,997	$ 7,126,687
Change in Reserved Fund Balances	28,121	$ (48,235)	$ 11,141	$ -	$ 8,973	$ (28,121)	
FY26 Revenue Over/(Under) Expense	4,189,885					$ -	$ 4,189,885
Transfers from GF	(4,252,030)					$ -	$ (4,252,030)
6/30/26 After Transfer Balances	**951,666**	**$ 6,059,669**	**$ 34,485**	**$ -**	**$ 18,722**	**$ 6,112,876**	**$ 7,064,542**

AS 14.17.505 Compliance - 10% Unreserved Fund Balance Max Rule

Unreserved fund balance as a percentage of current year expenditures

Unreserved fund balance	= $ 951,666	=	9.99%
Current year expenditures	$ 9,523,607		

Funds Transferred from General Fund

Food Service	$ 410,000
Pupil Transportation	$ 20,000
Fd 512 HS Coil Flood Repair	$ 13,030
Fd 518 Water Main/Pillars/Gutters	$ 2,450,000
Fd 511 Annex's Remodel	$ 300,000
Fd 514 MS/ES Gym	$ 1,055,000
Art Grants	$ 4,000
Total Transfer	**$ 4,252,030**

Revenue	13,713,491.95
Expense	9,523,606.50
	4,189,885.45