

BOARD AGENDA ITEM

February 10, 2026

SUBJECT:

Proposed One-Time Use of Fund Balance

BACKGROUND:

Board policy DA describes the District's fund balance thresholds. Board policy establishes a minimum of two months' reserves with a desire to have at least three months. At the conclusion of the June 30, 2025, audit, the District had approximately 2.9 months' unassigned reserves. Fund balance has periodically addressed one-time (non-recurring) needs while continuing to maintain fund balance at sufficient levels.

ADMINISTRATIVE CONSIDERATION:

The Administration requests consideration to utilize a portion of fund balance for the following:

1. \$350,000 for District-wide pressure washing and curb appeal at ACPSD facilities. The District's maintenance budget is exhausted through normal operations, and the District's 8% funds are not an appropriate source.
2. \$150,000 to contract with a third party to conduct a District-wide capital asset inventory. The District's last complete inventory was nearly 25 years ago, when new governmental accounting standards required a valuation and depreciation of capital assets. While Business Services updates the capital asset listing annually for additions and disposals, a complete inventory will ensure updated valuations and completeness of our listing.
3. \$5,000,000 for replacement of technology devices. The District will replace most 1:1 devices and other equipment within a five-year cycle. Periodically setting aside funds will establish a dedicated funding source. [Note: If approved, these funds would be displayed as "committed" fund balance for technology in the District's audited financial statements until exhausted.]

If the Board approves all three, unassigned fund balance decreases to approximately 2.67 months' reserves. This balance is still sufficient to meet cash flow and contingency needs.

RECOMMENDATION:

Approve the use of fund balance for (1) pressure washing and curb appeal, (2) contracting a capital asset inventory, and (2) committing fund balance for technology replacements.

PREPARED BY:

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