



**Hastings
Public Schools**

FY26 Year-End Financial Results

Finance Committee October 22, 2026

Work Session November 4, 2026

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Students are the heart  *of all we do*

FY26 Financial Results Summary

General Fund Unassigned Fund Balance	Fund Balance Variance
\$20.36M	+1.03M
30% of annual expenditures	2% higher
General Fund Unassigned Revenues	General Fund Unassigned Expenditures
\$59.80M	\$58.00M
\$207k below budget	\$1.24M below budget

The district ended FY26 in a stronger financial position than anticipated, primarily reflecting expenditures below the revised budget despite revenues also finishing slightly below expected.

Enrollment

FY26	ADM	Pupil Units
Actual	3,883	4,267
Revised Budget	3,928	4,318
Difference	-45	-51

Actual enrollment finished below the revised budget by 45 ADM and 51 pupil units. A significant portion of this variance (approximately 64%) resulted from a year-end PSEO funding adjustment involving Inver Hills Community College, which reduced reported enrollment by approximately 29 ADM and 35 pupil units. The financial impact of this was approximately \$262k.

Larger Variances: Revenues

FY26	Unassigned Revenues
Actual	59,795,166
Revised Budget	60,001,820
Difference	-206,654

Total unassigned revenues finished approximately \$207k below the revised budget. Lower general education and special education revenues were partially offset by higher-than-anticipated investment earnings and other revenues.

Larger Variances: Revenues Cont'd

Revenue Source	Variance	Impact
General Education	-379,757	Unfavorable
Special Education	-283,372	Unfavorable
CEIS	-125,236	Unfavorable
Interest Earnings	330,532	Favorable
Grants	100,740	Favorable
Property Taxes	96,522	Favorable
Unemployment	62,048	Favorable

Larger Variances: Expenditures

FY26	Unassigned Expenditures
Actual	57,997,433
Revised Budget	59,233,003
Difference	-1,235,570

Total unassigned expenditures finished approximately \$1.24 million below the revised budget. Variances occurred in subsequent year expenditures, purchased services, and salaries and benefits.

Larger Variances: Expenditures Cont'd

Expenditure Object Series	Variance	Impact
Subsequent-Year Expenditures	1,417,098	Unfavorable
Salaries & Wages	-826,722	Favorable
Employee Benefits	-158,230	Favorable
Purchased Services	-1,053,399	Favorable
Supplies and Materials	-111,152	Favorable
Capital Expenditures	40,562	Unfavorable
Other Expenditures	-182,476	Favorable
Other Financing Uses	62,488	Unfavorable
Prepays - Timing	-423,739	Favorable

Ending Fund Balance

FY26	Unassigned Fund Balance	% of Expenditures
Actual	20,357,473	30%
Revised Budget	19,328,557	28%
Difference	1,028,916	2%

The district ended FY26 with an unassigned fund balance of \$20.36 million, approximately \$1.03 million above the revised budget. This represents 30% of annual expenditures, compared to the budgeted 28%, strengthening the district's financial position heading into FY27.

Maintaining an adequate unassigned fund balance provides financial flexibility to address unexpected expenditures, fluctuations in revenue, and future district needs.

Fund 02 - Food Service Fund

FY26	Fund Balance	% of Expenditures
Actual	394,155	11%
Revised Budget	432,783	12%
Difference	-38,628	-1%

The Food Service Fund ended FY26 with a fund balance of approximately \$394,000, or 11% of annual expenditures. While slightly below the revised budget, the fund maintains a positive balance. Administration will continue monitoring meal participation, operating costs, and financial sustainability.

Fund 04 - Community Education

FY26	Fund Balance	% of Expenditures
Actual	388,435	15%
Revised Budget	223,593	8%
Difference	164,841	7%

The Community Education Fund ended FY26 with a fund balance of approximately \$388,000, exceeding the revised budget by approximately \$165,000. The fund balance represents 15% of annual expenditures, compared to the budgeted 8%. School Age Care and Facility Use both ended the year better than expected due to higher-than-anticipated revenue.

FY26 Audit Results



**Unmodified Opinion on
Basic Financial Statements**



**No Material Weaknesses in
Internal Controls over
Financial Reporting or
Instances of NonCompliance**



**No Instances of
Noncompliance with
Minnesota Laws and
Regulations**

Audit results reflect the district's continued commitment to sound financial management, internal controls, and accountability.

Consideration of Assigned Fund Balance

The district ended FY26 with an unassigned fund balance approximately **\$1.03 million higher** than anticipated. Consistent with past practice, the district has an opportunity to consider assigning a portion of available fund balance for identified future needs or strategic priorities while maintaining an appropriate level of unassigned reserves.

Priorities for Consideration:



Instructional Coaches

3 positions for 2 years

\$900,000



Pathways Programming

Strategic Priority Initiative

\$200,000

These assignments would designate existing resources for identified priorities while maintaining an unassigned fund balance of approximately **28%**.

FY26 Key Takeaways



+\$1.03M Favorable

General Fund year-end results were approximately \$1.03 million more favorable than anticipated.



30% Reserve Balance

Unassigned fund balance finished at 30% of expenditures, compared to the budgeted 28%.



Clean Audit Opinion

Unmodified opinion on Basic Financial Statements and no material weaknesses or instances of noncompliance identified.



Positive Fund Balances

Food Service and Community Education maintained positive fund balances throughout the fiscal year.



Future Strategic Priorities

The district has the opportunity to consider assigned fund balance for identified future priorities.



Questions and Discussion

