School Board Workshop:	**November 9, 2026**
Subject:	End-of-Year Financial Review 2025-2026
Presenter:	**Ryan L. Tangen, Director Finance and Operations**

SUGGESTED SCHOOL BOARD ACTION:
For Board Review Only.

DESCRIPTION:

Attached is a preliminary review of the school district's financial results for the year ending June 30, 2026. Our auditors, CP Assurance, will present the final audited report at the November 23, 2026 School Board meeting.

The district's primary operating fund, the General Fund, ended the year with revenues less than budget by $662,103 or 0.81%, and expenditures less than budget by $3,309,543 or 3.65%. Overall, the General Fund balance increased by $1,423,278. The non-spendable and unassigned fund balance increased by $50,464, ending at $13,509,890 which represents 16.86% of the General Fund's annual expenditures. Restricted, committed, and assigned fund balances collectively increased by $1,372,814.

The End-of-Year Financial Report outlines the primary drivers of these results, which include:

1. Increased general education revenue due to final Average Daily Membership (ADM) exceeding budget
2. Decreased special education aid from estimated aid revisions and prior years' adjustments for tuition billing
3. Decreased aid for desegregation and non-public education from the final estimate
4. Reduced federal aid appropriations
5. Interest earnings fell short of projection
6. Lower tuition revenue from other districts
7. Lower salary expenditures due to position vacancies
8. Lower benefit expenditures due to actual employee elections and unfilled positions
9. Technology purchased services, supplies, materials, and capital purchases were lower than budget due to Fund 6 activity
10. Lower than anticipated expenditures for post-secondary education option agreements
11. Reduced expenditures for instructional, non-instructional, and office supplies
12. Higher expenditures for utilities, snow removal, and repairs

13. Timing of Long-Term Facilities Maintenance and other capital projects
14. Districtwide dues and fees
15. Student activity expenditures that were lower than anticipated

The Business Office monitors three fiscal responsibility and accountability dashboard indicators:

1. The district aims for an unmodified opinion in its audit. Preliminary results indicate the district will receive an unmodified opinion.

2. The district aims to allocate at least 75% of the General Fund expenditures to instructional costs. This amount excludes student support services: guidance counselors, health, psychological, and social work services. This target was just shy at 74% of costs allocated to instruction.

3. The district aims for final revenue and expenditures results to be within 2% of the General Fund budget. The combined variance was 1.44%, within the target range.

ATTACHMENTS:

- End-of-Year Financial Review 2025-26
- End-of-Year Financial Review 2025-26 PowerPoint Presentation