

FY 2025-2026 Second Quarter Financial Report

The first quarter financial report, representing October, November, and December 2025, is presented for the Board's consideration. This report provides information on the budgeting and expenditure of funds by state category.

Revenues: March 31 Average Daily Membership (ADM), upon which state revenues are based, is budgeted to be 13,602. Final ADM is anticipated to be lower based upon numbers of students as of September 30. ADM is anticipated to decrease by approximately 134 students. State revenues may decline slightly due to enrollment; however these numbers will be updated in the next quarter following updates to the state budget in March. It is possible that additional state revenues may be available in the caboose bill passed during the legislative session. Local and Federal revenues are anticipated to meet budget. Revenues are shown on page 1.

Expenses: Compensation and operational expenses are presented on pages 1 and 2. Expenses are anticipated to be slightly greater in the first quarter due to the earlier start of the school year with both salary and operational expenses impacted. Special revenue funds are shown on pages 3-4 of the attached report. There are anticipated savings in the current year, primarily due to one-time savings due to the early school year start and the benefit cost timing adjustments from this change.

Balance of Revenues over Expenses: Revenues exceeded expenses by more than \$20M. State revenues collected were nearly \$29M.

Special Revenue Funds: Special revenue funds are presented on pages 3-4. Many special revenue funds are reimbursable Federal grants/programs. These funds often have significant receivables booked in the prior fiscal year and therefore include large negative revenues until reimbursements are received for the prior year. This is typical of the first and second quarter report. Staff monitor such reimbursements closely.

School Fund Balance: Fund balance use in FY2025/26 is budgeted to be ~\$91K and carryover purchase orders are just over \$570K. An audit adjustment for inventory and the new audit requirement to reflect Subscription Based Information Technology Arrangements (SBITA) is included. Additionally, staff provided information on planned reallocations of expenses in the current year to meet existing needs during the 3/5/26 School Board meeting. These planned expenses are reflected in the report.