

FY 2025-2026 Third Quarter Financial Report

The third quarter financial report, representing January, February, and March 2026, is presented for the Board's consideration. This report provides information on the budgeting and expenditure of funds by expenditure type and state category.

Revenues: March 31 Average Daily Membership (ADM), upon which state revenues are based, is budgeted to be 13,602. Final ADM is 150 students lower based upon numbers of students as of March 31 at 13,452. State revenue losses due to lower enrollment are offset by revenues associated with the one-time bonus payment included in the caboose bill. Revenues for the bonus are included in these revenue projections. 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 through the third quarter due to the earlier start of the school year with both salary and operational expenses impacted. The one-time bonus payment estimate is included in the projections in the Other Wages category in the Expenditure By Type breakout. 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. These savings made the one-time bonus payment possible within our current appropriation.

Balance of Revenues over Expenses: Revenues exceeded expenses by more than \$16.5M. State revenues collected were more than \$46M.

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. Many grants will book large receivables (reimbursements) at the end of the current fiscal year. 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 \$622K. Adjustments 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 and the one-time bonus payment are reflected both expenses and revenues in the report.