

FY 2024-2025 Third Quarter Financial Report

The third quarter financial report, representing January, February, and March 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 13,493. Final ADM is anticipated to be greater based upon numbers of students as of September 30. ADM is anticipated to increase by approximately 75 students. Overall state revenues for this report are projected from the conference budget including amendments by the General Assembly as of March. One-time bonus payment revenues are included in these projections. Local revenues will be higher than budgeted and Federal revenues are anticipated to be slightly lower than budgeted. Transfers-in are anticipated to be higher by more than \$7.6M in support of increased health insurance costs and a one-time infusion of the health care fund. Staff will bring forward a request for appropriation of the health care transfers-in during the May 8 meeting. Revenues are shown on page 1.

Expenses: Compensation and operational expenses are presented on page 1. Expenses for compensation are being carefully monitored due to markedly higher than budgeted health insurance premiums starting on January 1, 2025. Staff has implemented plans throughout the year to partially offset health insurance increases with a combination of revenue increases and expenditure reductions, including operational expense reductions. One-time bonus payments which were part of the conference budget are included in these projections. Summary total expenses, including compensation and benefits for special revenue funds are shown on pages 2-4 of the attached report.

Balance of Revenues over Expenses: Revenues exceeded expenses by more than \$19.4M. State revenues collected were slightly greater than \$26.6M.

Special Revenue Funds: Special revenue funds are presented on pages 3-4. Many special revenue funds are reimbursable Federal grants/programs. The Virginia Department of Education, which issues reimbursements of these Federal programs, is experiencing some delays in processing approvals of reimbursements. Staff monitors such reimbursements closely.

School Fund Balance: Fund balance use in FY2024/25 is budgeted to be ~\$2.1M. Anticipated ending balance information for the current fiscal year is presented on page 5.