

# FY 2024-2025 Second Quarter Financial Report

The second quarter financial report, representing October, November, and December 2024, 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 caboose bill presented by the governor in December. State revenues are anticipated to increase slightly, based upon the governor's proposed budget. It is possible that additional state revenues may be available in the caboose bill adopted in April. Local revenues will be slightly higher than budgeted and Federal revenues are anticipated to be slightly lower than budgeted. Transfers in are anticipated to be higher by more than \$1.6M due to improved local revenue sharing. It is anticipated that staff will bring forward a request to increase revenue/expense appropriations to partially offset higher health care costs in the current year. Revenues are shown on page 1.

**Expenses:** Monthly 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. 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. 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. 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.