

# FY 2023-2024 Third Quarter Financial Report

The third quarter financial report, representing January, February, and March 2024, is presented for the Board's consideration. This report provides information on the budgeting and expenditure of funds by state category, and the changes that both the Board and staff have made during the year that affect these categories.

**Revenues:** March 31 Average Daily Membership (ADM), upon which state revenues are based, is budgeted to be 13,591. ADM is lower than anticipated based upon numbers of students as of September 30, ADM is anticipated to drop by approximately 180 students. March 31 ADM is still being calculated statewide as of this report production time. Overall state revenues for this report are projected from the General Assembly Conference Caboose Bill produced in March. State revenues may change somewhat due to an anticipated General Assembly special session which may result in a greater budgetary change than typical. Local and Federal revenues are also anticipated to meet budget. Revenues are shown on page 1.

**Expenses:** Monthly compensation and operational expenses are presented on pages 1 and 2. Summary total expenses, including compensation and benefits for special revenue funds are shown on pages 3-4 of the attached report.

**Balance of Revenues over Expenses:** Revenues exceeded expenses by nearly \$17.5M. State revenues collected were nearly \$49.5M.

**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 quarter and second report, it is somewhat unusual for the third quarter report. The Virginia Department of Education, which issues reimbursements of these Federal programs, is experiencing some delays in processing approvals of reimbursements. Staff is monitoring such reimbursements closely.

**School Fund Balance:** Fund balance use in FY2023/24 is budgeted to be ~\$4.1M. Anticipated ending balance information for the current fiscal year is presented on page 5. This information is subject to change as current year operations and next fiscal year budget planning continues.