Southern Oregon Education Service District

September 2026 Board Financial Report

As of September 30, 2026, Southern Oregon Education Service District has received $26,418,263 in revenue and incurred $13,099,827 in expenditures across all funds. This represents approximately 30% of budgeted revenues received and 15% of budgeted expenditures. The District's reported fund balance at September 30 is $13,318,436.

Overall expenditures are slightly ahead of the same period last year as a percentage of budget, when 14% had been expended. Total revenues received are nearly identical to September 2025, although the timing of revenues and expenditures varies among funds.

General Fund

The General Fund has received $9,004,503 in revenue, representing 27% of the annual budget, and incurred $3,448,578 in expenditures, or 10% of budget. At the same point last year, General Fund expenditures were 9% of budget and revenues received were 25%.

We will continue monitoring spending patterns as the school year progresses, particularly as staffing and program operations reach their normal levels. The year-over-year increase is likely attributable, at least in part, to normal inflationary increases in the cost of goods and services.

Board Budget and Expenditure Reporting

The Business Office continues to refine our accounting practices to provide greater transparency and more accurately track expenditures within each program. As part of this effort, we are working to separate expenses into more specific categories rather than grouping them together under broader budget classifications.

One example is the Board budget, where food purchases are now being tracked separately. You will notice that this expenditure category reflects spending without an associated budget allocation. This does not mean the overall Board budget is over budget. Rather, these expenses were originally budgeted within other expenditure categories, and we are now accounting for them separately to provide a clearer picture of actual spending.

Going forward, we will work to better align our budget allocations with these more detailed expenditure categories. This will improve the accuracy and transparency of our financial reporting while allowing us to more effectively monitor spending across programs.

Special Revenue Funds

Federal Special Revenue Funds have incurred $1,615,114 in expenditures, representing 11% of the annual budget, with $548,495 in revenue received. Expenditures are slightly below the same period last year.

Other Special Revenue Funds have incurred $5,419,575 in expenditures, representing 16% of the annual budget, with $8,417,550 in revenue received. Expenditures are higher than the prior year, when 14% of the budget had been expended. The increase is a combination of standard inflationary cost increases and expenditures associated with several larger awards, including JDEP, B2B, and Rural Health.

We continue to monitor grant expenditures and reimbursement activity to ensure that expenses are appropriately aligned with available funding and that reimbursement requests are submitted timely.

Capital Projects

Capital Projects expenditures total $1,558,943 through September 30, primarily associated with the Phoenix facility. Capital Projects revenues received total $2,970,759.

With the Phoenix District Office now occupied, our focus is transitioning from construction and relocation activities to project closeout, final reconciliations, and ongoing facility operations.

Facilities Consolidation and Operational Efficiencies

I am pleased to report that SOESD has officially completed the consolidation of six locations into our new District Office in Phoenix. While the District Office opened earlier this year, we completed the move out of our final location in early October. This represents a significant milestone in our long-term facilities planning and consolidation efforts.

We are excited to begin reconciling the savings associated with eliminating leases, utilities, and other operating expenses across the former locations. Consolidating these facilities also creates opportunities for improved operational efficiencies, shared resources, and more effective use of our space.

At the same time, we recognize that the new District Office carries its own operating costs, some of which we are still learning and evaluating. Because we have not yet operated in the building for a full year, we do not have a complete picture of annual expenses such as utilities, maintenance, and other facility-related costs.

Over the coming months, the Business Office will work to compare the costs of our former locations against the actual operating expenses of the new District Office. This will allow us to better understand the net financial impact of the consolidation and establish a more accurate baseline for future budgets.

While the financial savings are an important component of this effort, the completion of the consolidation is also a major operational accomplishment for SOESD.

Looking Ahead

As we move further into the fiscal year, the Business Office will continue monitoring expenditures, grant revenues, and overall cash flow. Our upcoming priorities include completing the annual audit, finalizing the financial closeout of the Phoenix reconstruction project, and evaluating the ongoing operational costs and anticipated savings associated with our facilities consolidation.

Overall, SOESD continues to monitor its financial position closely, with an emphasis on fiscal responsibility, long-term sustainability, and ensuring resources remain focused on supporting our component school districts and the students we serve.