



FY2026 January CFO Report

A comprehensive review of our district's financial position through December 2025, analyzing revenue performance, expenditure trends, and cash flow projections for fiscal year 2026. This report provides critical insights for budget officers and community stakeholders.

Revenue Performance: Favorable Variance Against Forecast

Our projected revenues of **\$57.9M** exceed the **October forecast of \$57.1M** by **\$842,404**, representing a favorable 1.5% variance. This positive outlook is driven by strong real estate tax collections at 48.48% of forecast and unrestricted grants-in-aid performing at 55.84% of projections.

However, December's year-over-year revenue comparison reveals challenges. Current fiscal year December revenue of **\$638,795** fell short of the previous year's **\$650,243**, primarily due to two factors:

- State reduction of \$10,000 this month from Science of Reading stipend overspend, with an additional \$20,000 reduction pending
- Declining interest income as rates continue to decrease throughout the fiscal year

\$842K

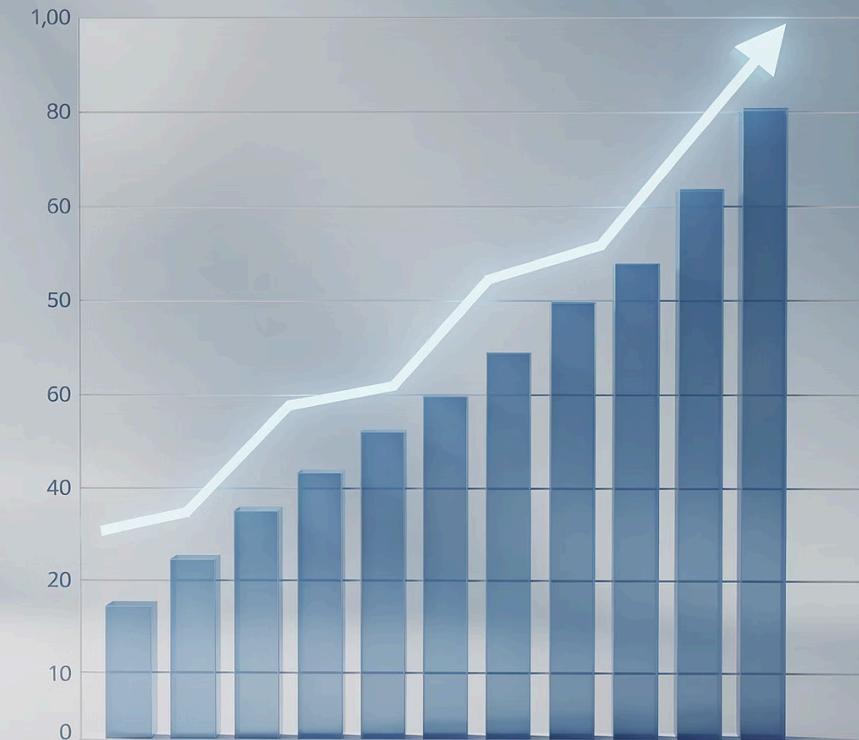
Revenue Over Forecast

Favorable variance

48%

Collection Rate

Through December





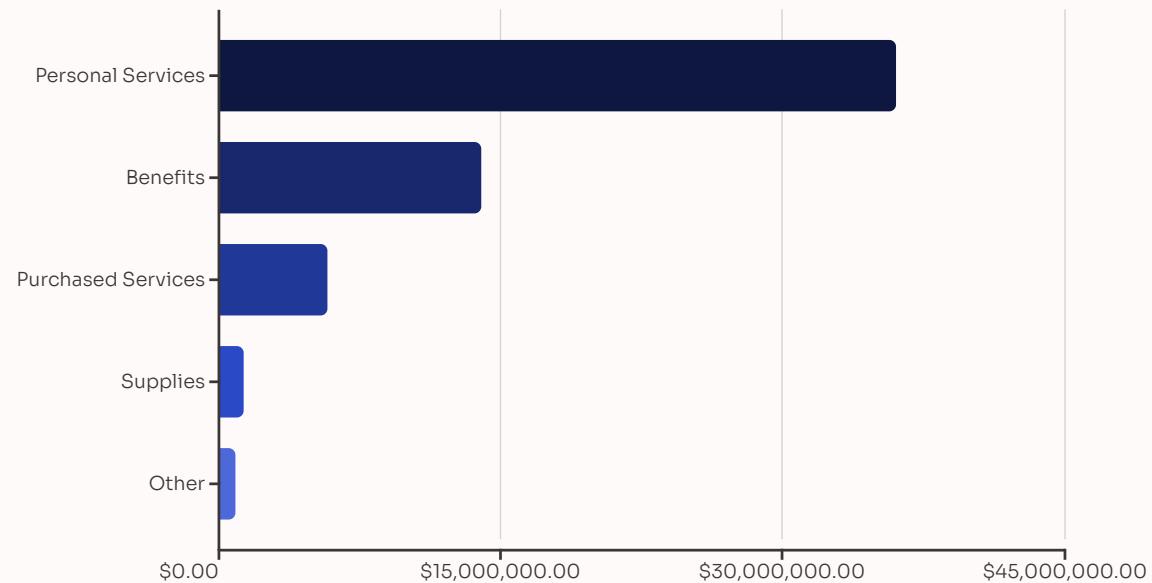
EXPENDITURE ANALYSIS

Expenditure Trends: Modest Unfavorable Variance

Salaries and benefits increased approximately \$150K in December compared to prior year, representing the largest variance driver. Combined personnel services and benefits total \$50.0M, or 86% of total expenditures.

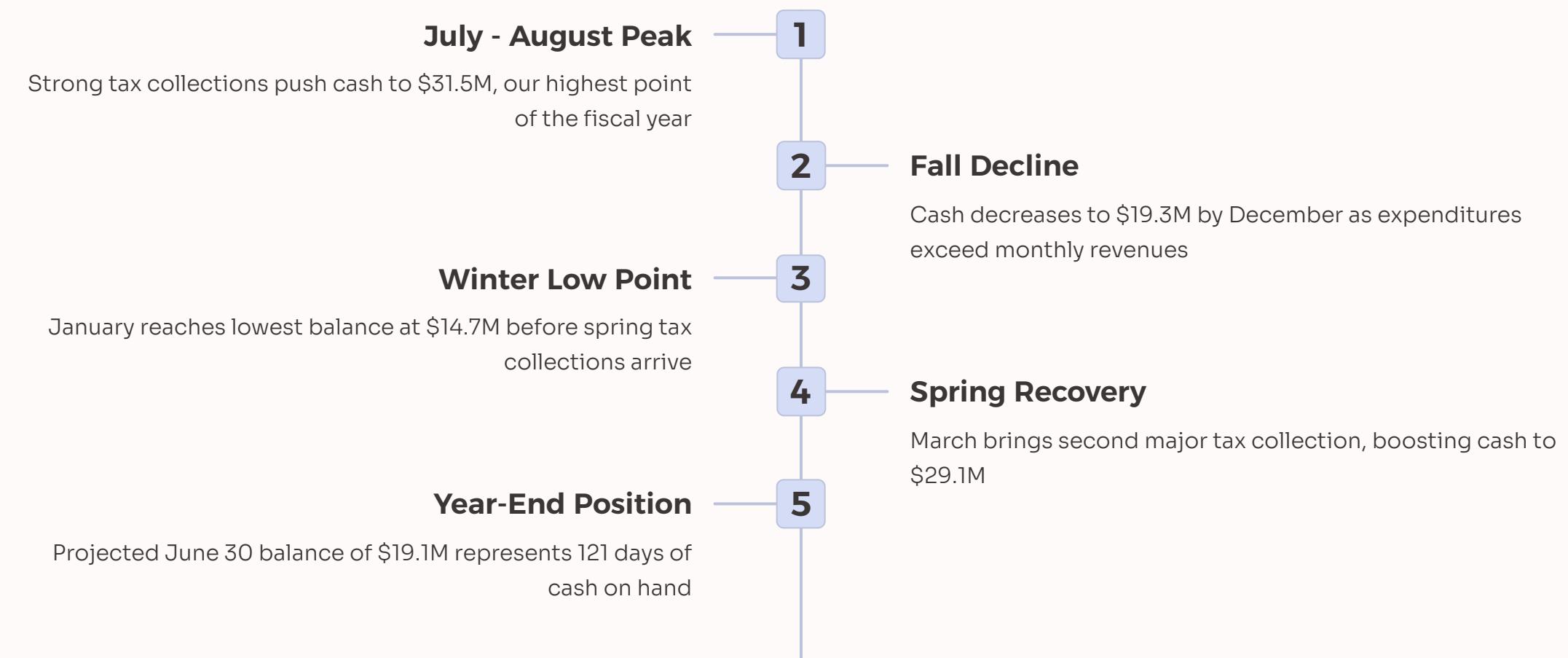
Projected expenditures of \$58.0M exceed the October forecast of \$57.8M by \$179,692, an unfavorable variance of 0.3%. This modest overrun is manageable within our cash position.

Purchased services and supplies showed slight increases year-over-year. December expenditures of \$4.43M exceeded prior year's \$4.22M, driven primarily by personnel cost escalation.



Cash Flow Analysis: Monthly Fluctuations and Year-End Projection

Our cash position demonstrates significant monthly variability, driven by the timing of property tax collections and grant receipts. **Beginning cash balance of \$19.2M in July grows to a peak of \$31.5M in August** following major real estate tax collections, then gradually declines through the winter months.



Projected vs. Forecast Comparison

- Projected decrease to cash:** (\$93,624) unfavorable
- Revenue variance:** +\$842,404 favorable
- Expenditure variance:** (\$179,692) unfavorable
- Net impact:** Revenue gains offset by spending increases

Ending Cash Position

Our projected ending cash balance of **\$19.1M on June 30, 2026** maintains adequate liquidity at 121 days cash on hand. This exceeds the minimum 90-day threshold recommended for school districts.

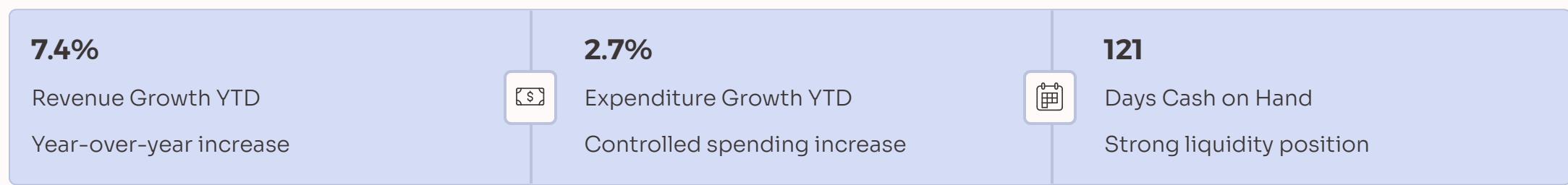
Year-to-Date Performance Summary

Revenue Momentum

Current fiscal year-to-date revenue of **\$28.2M significantly exceeds prior year's \$26.2M**, an increase of \$1.95M or 7.4%. This strong performance is attributable to increased state funding and improved local tax collections.

Expenditure Control

Year-to-date expenditures of **\$28.1M compare to prior year's \$27.3M**, an increase of \$752K or 2.7%. While expenditures are rising, the rate of increase is well below revenue growth, contributing to improved fiscal health.



Key Takeaways

- Revenue projections exceed forecast by \$842K, demonstrating strong collection performance despite minor December setbacks
- Expenditure projections show modest \$180K unfavorable variance, primarily driven by personnel costs
- Cash position remains healthy with 121 days on hand, well above minimum thresholds
- Year-to-date performance shows revenue growing faster than expenditures, a positive trend for fiscal sustainability