

Rockville Economic Development, Inc.

Monthly Financial Report Package

Fourth Quarter Ending April 30, 2026 | Ten Months Ended: July 1, 2025 – April 30, 2026

\$1.54M Cash on Hand <small>↓ vs \$1.74M Mar '26</small>	\$1.95M Total Revenue (10 Mo) <small>82% of FY26 budget</small>	\$293K Operating Income <small>15.0% margin</small>	\$498.4K A/R Balance <small>91+days: \$488.7K</small>	10.5 Mo ED Cash Coverage <small>Actuals Apr '26</small>	7 Mo MWBC Cash Coverage <small>Actuals Apr '26</small>
---	---	---	--	---	--

Executive Summary

As of April 30, 2026, REDI — inclusive of MWBC — remains financially stable through the first ten months of FY2026. Cash on hand is \$1.54M with operating expenses tracking at 70% of the full-year budget. Operating income of \$293,103 reflects a 15.0% margin on year-to-date revenue. State & Local Contracted Services are tracking at 65% of budget while SBIF/Incentive has awarded \$146K year-to-date. The organization remains well-positioned for fiscal year-end.

Metric	Actuals (10 Mo)	FY26 Full-Year Budget	% of Budget	Prior Year (10 Mo)
Total Revenue	\$1,951,167	\$2,385,409	82%	\$2,273,498
Total Operating Expenses	\$1,658,064	\$2,355,416	70%	\$1,791,683
Operating Income	\$293,103	\$29,993	—	\$485,241
Operating Margin %	15%	Budget: 1.3%	—	21%
Change in Net Assets	\$280,375	\$29,993	—	\$455,817
Cash on Hand	\$1,544,541	—	—	\$1,753,883
Grants & Contracts Receivable	\$498,363	—	—	\$394,409

Potential Risks — For Board Awareness

- Revenue vs. full-year budget: At \$1.95M through ten months, YTD revenue is at 82% of the full-year budget with two months remaining. The Q4 gap is primarily attributable to State & Local Contracted Services (65% of budget YTD) and SBIF/Incentive award activity. City of Rockville operating funds have been fully received; Q4 revenue recognition will be driven by award pace to grant recipients.
- Year-over-year operating income: YTD operating income of \$293,103 (15.0% margin) is below the prior-year same period of \$485,241 (21.3%). The variance is driven by lower State & Local Contracted Services revenue (\$265,559 vs. \$479,897 prior year) — a timing and program execution factor, not a structural funding change.
- A/R aging: \$488,683 (98%) of \$498,363 in receivables is 91+ days past due. Context matters: SBA balances (\$362,500) are confirmed and in process; Rock East (\$100,000) and MC MWBC (\$25,000) are program execution dependent. The \$538,630 in refundable advances on the balance sheet represents SBIF/Incentive grant funds received from the City of Rockville and held until awarded to recipients — a timing item, not a revenue risk.

Strengths — For Board Confidence

- Cash position remains solid at \$1.54M — ED cash coverage of 10.5 months; MWBC cash coverage at 7 months reflecting strong program funding balances.
- Operating expenses are pacing at 70% of the full-year budget at the 83% point of the fiscal year — a \$697K favorable variance, indicating disciplined financial management across all departments.
- Operating income of \$293,103 exceeds the full-year budget target of \$29,993, with two months remaining.

- MWBC is contributing \$75,484 in operating income (11.2% margin) across its programs, driven by SBA Core and MWBC General Operations.
- Change in net assets of \$1,421,527 reflects both operating performance and the beginning net assets balance of \$1,141,152 — the organization's net position remains strong.

Section 1 | Statement of Financial Position

Balance Sheet — As of April 30, 2026 vs. April 30, 2025

Account	Apr 30, 2026	Apr 30, 2025	\$ Change	% Change
ASSETS				
ED Cash	\$1,108,847	\$1,010,972	\$97,875	10%
MWBC Cash	\$435,694	\$547,812	\$(112,118)	(20%)
Total Cash on Hand	\$1,544,541	\$1,558,765	\$(14,224)	(1%)
Grants & Contracts Receivable	\$498,363	\$394,409	\$103,954	26%
Total Current Assets	\$2,054,800	\$1,966,944	\$87,856	4%
Fixed & Other Assets	\$201,249	\$297,482	\$(96,233)	(32%)
TOTAL ASSETS	\$2,256,049	\$2,464,426	\$(8,377)	(0%)
LIABILITIES & NET ASSETS				
Current Liabilities (incl. \$538,630 refundable advance)	\$635,486	\$391,545	\$259,477	69%
Non-Current Liabilities (lease)	\$199,035	\$301,814	\$(102,779)	(34%)
Total Liabilities	\$834,520	\$693,359	\$156,698	23%
Total Net Assets	\$1,421,529	\$1,586,603	(\$165,075)	(10%)
TOTAL LIABILITIES & NET ASSETS	\$2,256,049	\$2,264,426	\$(8,377)	(0%)

Balance Sheet Commentary: The \$538,630 in refundable advances — the primary driver of the increase in current liabilities — represents SBIF/Incentive grant funds received in full from the City of Rockville and held until formally awarded to grant recipients. This is a normal program cycle item. The year-over-year net assets decline of \$165,075 is attributable to SBIF/Incentive award timing — the pace of grants awarded to recipients differs year to year and is the primary driver of comparative variance, not a structural change in financial position.

Section 2 | Statement of Activity — Revenue & Expenses

Revenue — Ten Months Ending April 30, 2026

Revenue Source	FY26 YTD Actual	FY25 YTD Actual	FY26 Full-Year Budget	% of Budget
City of Rockville	\$1,293,836	\$1,418,960	\$1,597,878	81%
State & Local Contracted Services	\$265,559	\$479,897	\$410,431	65%

Federal Grants (SBA)	\$300,000	\$300,000	\$300,000	100%
Program Income	\$59,531	\$56,081	\$77,100	77%
Contributions & Donations	\$23,400	—	—	N/A
Interest Income & Other	\$8,841	\$21,986	—	N/A
Total Revenue	\$1,951,167	\$2,276,924	\$2,385,409	82%

Revenue is tracking at 82% of full-year budget through 83% of the fiscal year. Federal grants (SBA) are on track at 100% of budget. State & Local Contracted Services at 65% of budget is the most significant variance — \$214,338 below the prior-year same period — reflecting timing differences in program reporting deliverables and contracting activity, not a loss of funding. The \$23,400 in contributions is non-recurring and not in the original budget.

Expenses — Ten Months Ending April 30, 2026

Expense Category	FY26 YTD Actual	FY25 YTD Actual	FY26 Full-Year Budget	% of Budget
Salaries	\$732,956	\$765,574	\$1,092,632	67%
Employee Benefits	\$136,658	\$141,503	\$173,854	79%
Direct Program Costs	\$292,530	\$376,250	\$350,411	83%
Marketing	\$56,768	\$108,243	\$159,671	36%
Office Expense	\$231,362	\$184,244	\$261,758	88%
Travel	\$18,795	\$23,214	\$26,229	72%
Professional & Contracted Services	\$188,996	\$192,655	\$290,717	65%
Total Expenses	\$1,658,064	\$1,791,683	\$2,355,416	70%
Operating Net Income	\$293,103	\$485,241	\$29,993	—

Total operating expenses of \$1,658,064 represent 70% of the full-year budget at the ten-month mark — a \$730K favorable variance. Office expense at 88% of budget warrants monitoring in Q4; the year-over-year increase (\$231K vs. \$184K) is primarily driven by shop local rent and maintenance costs. Marketing is tracking at only 36% of budget, providing significant Q4 flexibility. Professional and contracted services at 65% of budget is well within range.

Section 3 | Q4 Outlook & FY27 Planning

Q4 FY2026 Priorities — May through June 2026

Priority Area	Description	Responsible
A/R Collection	SBA reimbursements (\$362,500) confirmed and in process. Rock East and MC MWBC balances are execution-dependent. Target full collection by June 30.	CFO + PD

Revenue Recognition	Q4 revenue primarily driven by SBIF/Incentive award activity and State & Local contract deliverables. Award pace in May–June determines final year-end revenue position.	CFO + DD
Office Expense Monitoring	Category at 88% of budget. Confirm no material Q4 overrun, particularly rent and maintenance.	CFO + Ops
FY27 Budget Development	Preliminary budget and scenarios finalized.	CFO + PD