



December 2024 Financial Report

February 6th, 2025



Agenda

- Financial Report Updates
- Key Updates & Concerns
- Next Steps
- Cash Flow Options
- Legislation Update

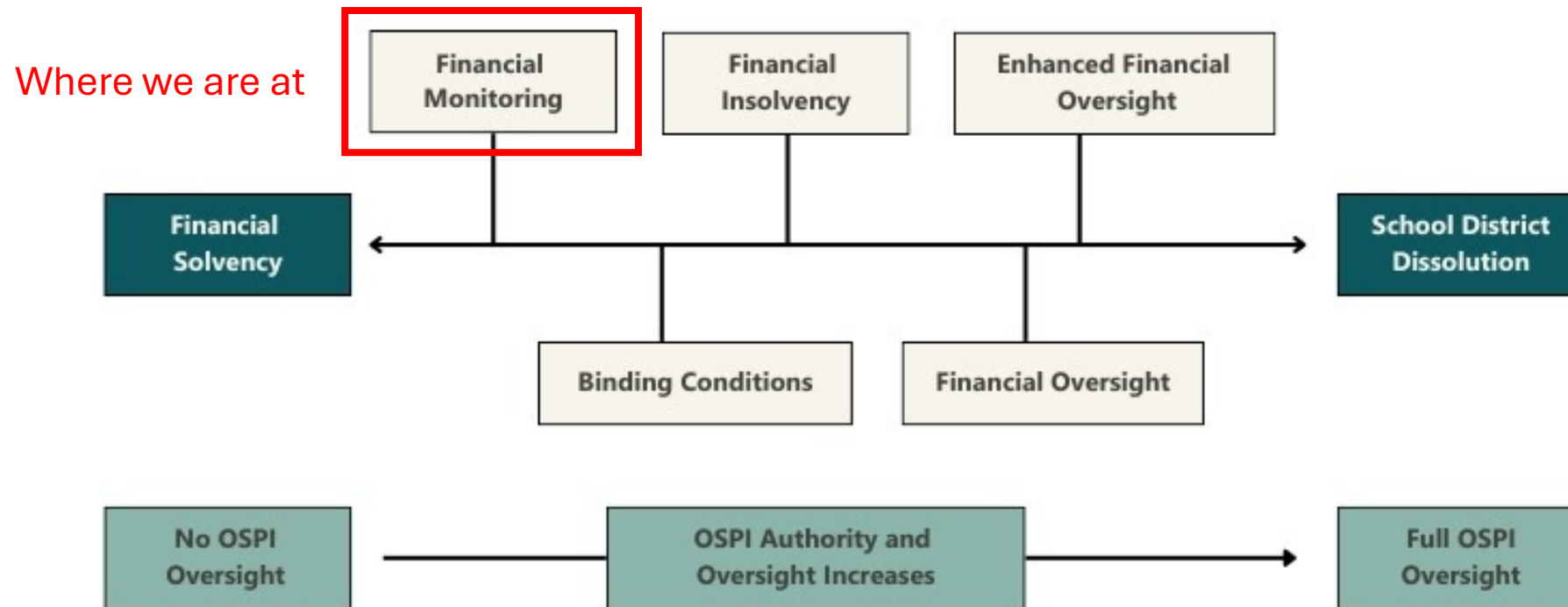


About This Report's Financial Data

- We are reporting on December 2024 financial data.
- During this time, our revenue has been based on our budgeted FTE we submitted to OSPI in August 2024.
- Starting January through the remainder of the fiscal year, state apportionment revenue will be based on our actual average FTE enrollment.

What is binding conditions?

- The purpose of binding conditions is to provide the school district with additional oversight and counsel to support the district in returning to a financially healthy position.





Financial Report Updates

- ASB, Debt Service, Capital Projects & Transportation Funds.
 - These funds are tracking as expected & we will continue to monitor.
 - If any significant changes, we will bring to your attention.
- Ending Fund Balance Projection. (pg. 22)
 - Includes 2017 & 2018.
- Remedy distribution graph added. (pg. 31)
- Transportation ridership numbers corrected & updated. (pg. 33)
- Reduction tracking information added. (pg. 35)



Positive Trends

- MSOC budget reductions holding strong.
- Transportation ridership increased in January 2025.
- Enrollment is holding steady.



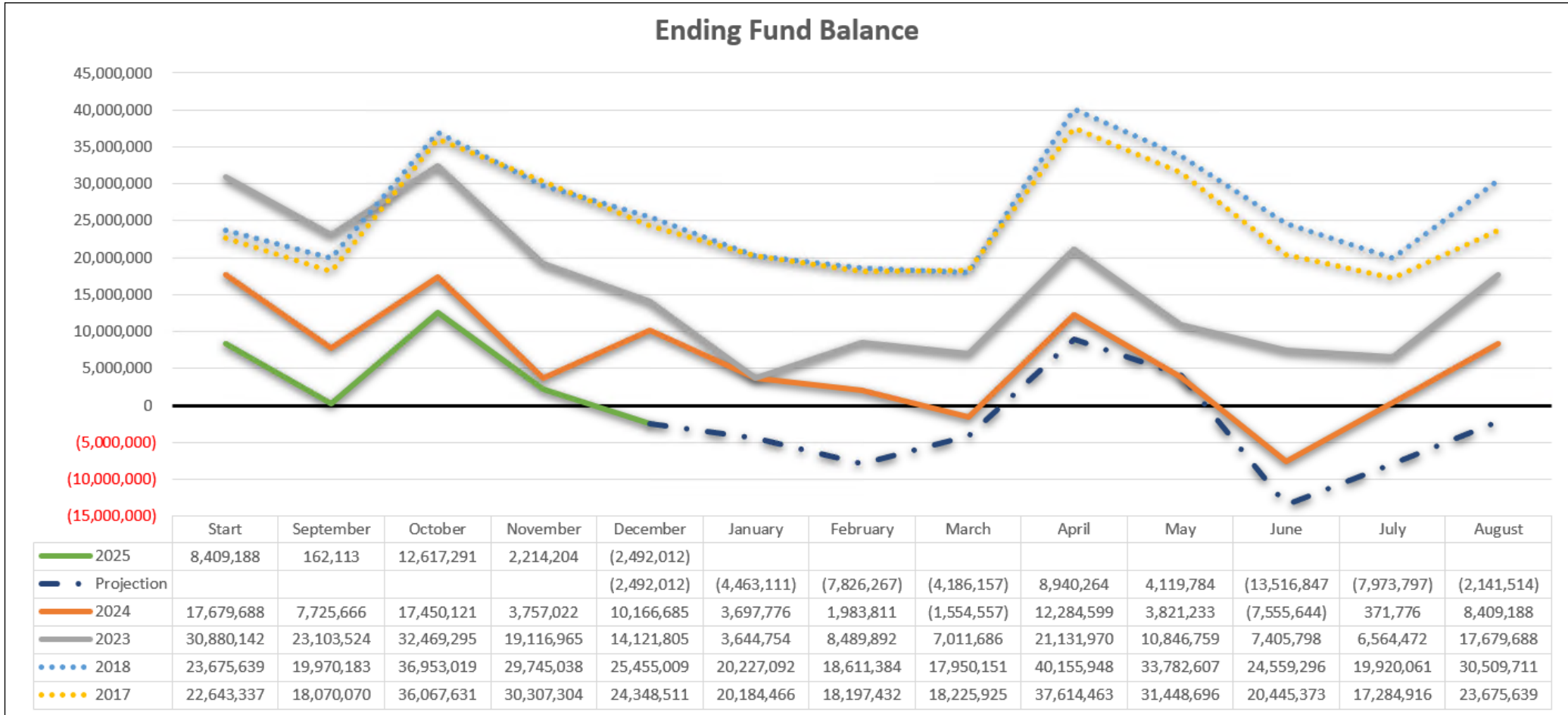
Major Concerns

- The district still spends more than the revenue we receive.
- Projected Ending Fund Balance - **\$(2,492,012)**
 - Projection continues on a downward trend.
 - Salaries are trending 3% higher than projected.
 - Current 24-25 reductions have a potential savings of \$6.5M.
 - Potentially putting our ending fund balance between \$3M and \$4M.
- Addressing the deficit
 - Recommendation for additional reductions for this year (2024-25)
 - Seek additional temporary funding sources.



Ending Fund Balance

The 2025 base projection for the ending fund balance was set at \$3.8 million upon the close of Fiscal Year 2024. The district aims to achieve an \$11 million ending fund balance by the end of Fiscal Year 2025. However, with the current projection standing at **(\$2,141,514)**, the district has implemented multiple spending reduction measures. These reduction totals are \$6,500,000. With these reductions, the projected ending fund balance is between \$3,400,000 and \$4,400,000.





Next Steps – Mid-Year Review

- February
 - Analyze expenditures September thru February.
 - Update financial projects for March thru August.
 - Analysis impact of reductions.
- May
 - Analyze expenditures September thru May.
 - Update financial projections for May thru August.
 - Analyze impact of reductions.
- June
 - Interfund Loan decision.
 - Submit resolution to board (if needed).



Cash Flow Options

- ✓ Capital Projects Fund Levy Transfer(s)
 - ✓ Currently approved to transfer up to \$35.5M
 - ✓ By the middle of February, we will have transferred \$28.5M
- ✓ Implement cost-reduction measures
- ✓ Basic Education Apportionment Advancement
 - ✓ Board Resolution 2025-02
- Interfund Loan from Capital Projects Fund
 - Submitting resolution in April
 - Potentially needed for July & August



Apportionment Advance: Resolution 2025-02

- What is an apportionment advance?
 - The state allows school districts to receive apportionment funds in advance of the schedule defined in state law. This could be a cash flow solution for districts and should not be considered a budget balancing strategy.
- Projected shortfall of Cash Flow in June 2025 - ~\$15M-\$17M
- Drivers for Advancement
 - Higher than projected expenditures
 - Current year reductions have not fully come to fruition
 - No reserves (savings) to absorb the shortfall
 - In May & June we receive a lower percentage of our scheduled apportionment

Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug
9%	8%	5%	9%	8%	9%	9%	9%	5%	6%	12.5%	10%

Legislation Update – Legislative Session ends April 27th

Bellevue						
Policy Bill:	Current Law		House Bill 1356		Senate Bill 5593	
Calendar Year	2026	2027	2026	2027	2026	2027
Local Effort Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Enrichment Levy - Local Revenue	\$ 64,848,016	\$ 67,109,635	\$ 74,589,314	\$ 79,703,322	\$ 77,832,152	\$ 79,700,124
Total Calendar Year	\$ 64,848,016	\$ 67,109,635	\$ 74,589,314	\$ 79,703,322	\$ 77,832,152	\$ 79,700,124
Adjusted Assessed Values					\$ 144,057,414,840	\$ 156,458,855,346
Levy Base					\$ 258,592,962	\$ 264,799,193
Levy Authority with 30% Max Levy					\$ 77,577,889	\$ 79,439,758
Transfers					\$ 254,263	\$ 260,366
Levy Equalization w/18%					\$ 46,699,291	\$ 47,820,074
Maximum LEA					\$ -	\$ -
Estimated Levy Authority after LEA					\$ 77,832,152	\$ 79,700,124
District's 18 percent levy rate					0.324	0.306
State's average 18 percent levy rate					1.017	0.961
Net Change to Current Law						
Local Effort Assistance			\$ -	\$ -	\$ -	\$ -
Enrichment Levy - Local Revenue			\$ 9,741,298	\$ 12,593,687	\$ 12,984,136	\$ 12,590,489
Total Policy Change			\$ 9,741,298	\$ 12,593,687	\$ 12,984,136	\$ 12,590,489

Comparison by Fiscal Year - Net Change to Current Law						
Policy Bill:	Current Law		House Bill 1356		Senate Bill 5593	
State Fiscal Year	2026	2027	2026	2027	2026	2027
Local Effort Assistance			\$ -	\$ -	\$ -	\$ -
Enrichment Levy			\$ 5,126,000	\$ 11,242,000	\$ 12,799,000	\$ 12,777,000
Total			\$ 5,126,000	\$ 11,242,000	\$ 12,799,000	\$ 12,777,000
Biennium	2025-27		2025-27		2025-27	
Local Effort Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Enrichment Levy	\$ -	\$ -	\$ 16,368,000	\$ 16,368,000	\$ 25,576,000	\$ 25,576,000
Total	\$ -	\$ -	\$ 16,368,000	\$ 16,368,000	\$ 25,576,000	\$ 25,576,000

Thoughts,
Concerns, &
Questions?