



January 2025 Financial Report

March 13th, 2025



Agenda

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



About This Report's Financial Data

- We are reporting on January 2025 financial data.



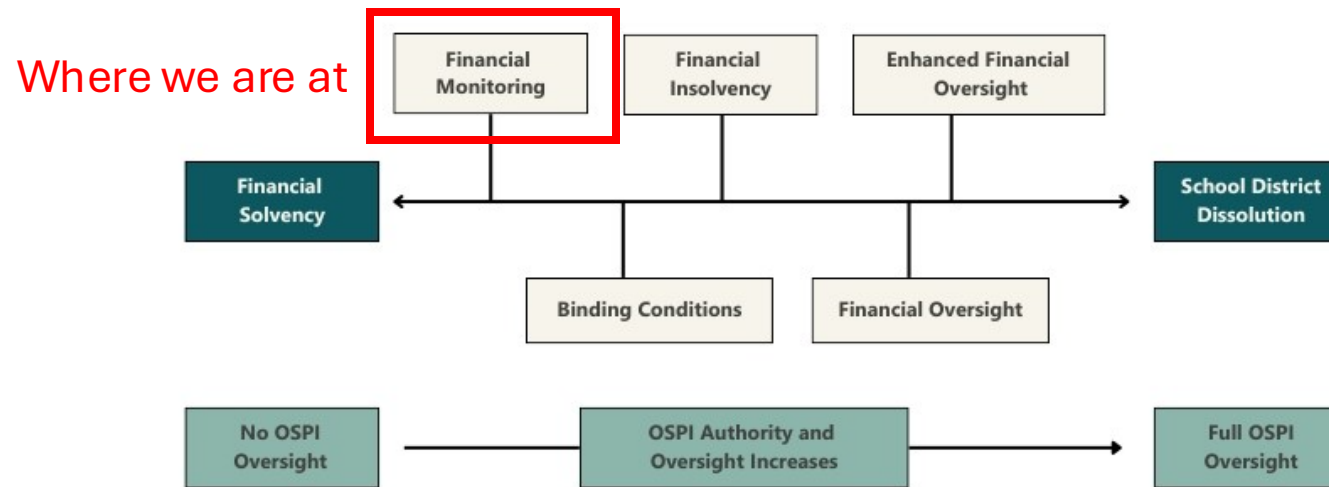
Financial Report Format Updates

- 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.
- Removed analysis of Balance Sheet
 - This was determined to be redundant analysis of revenue and expenditures. The Balance Sheet statement is still being created and shared with the board and public.
- Adding Capital Technology Levy Transfer Chart (slide 14)



What are binding conditions?

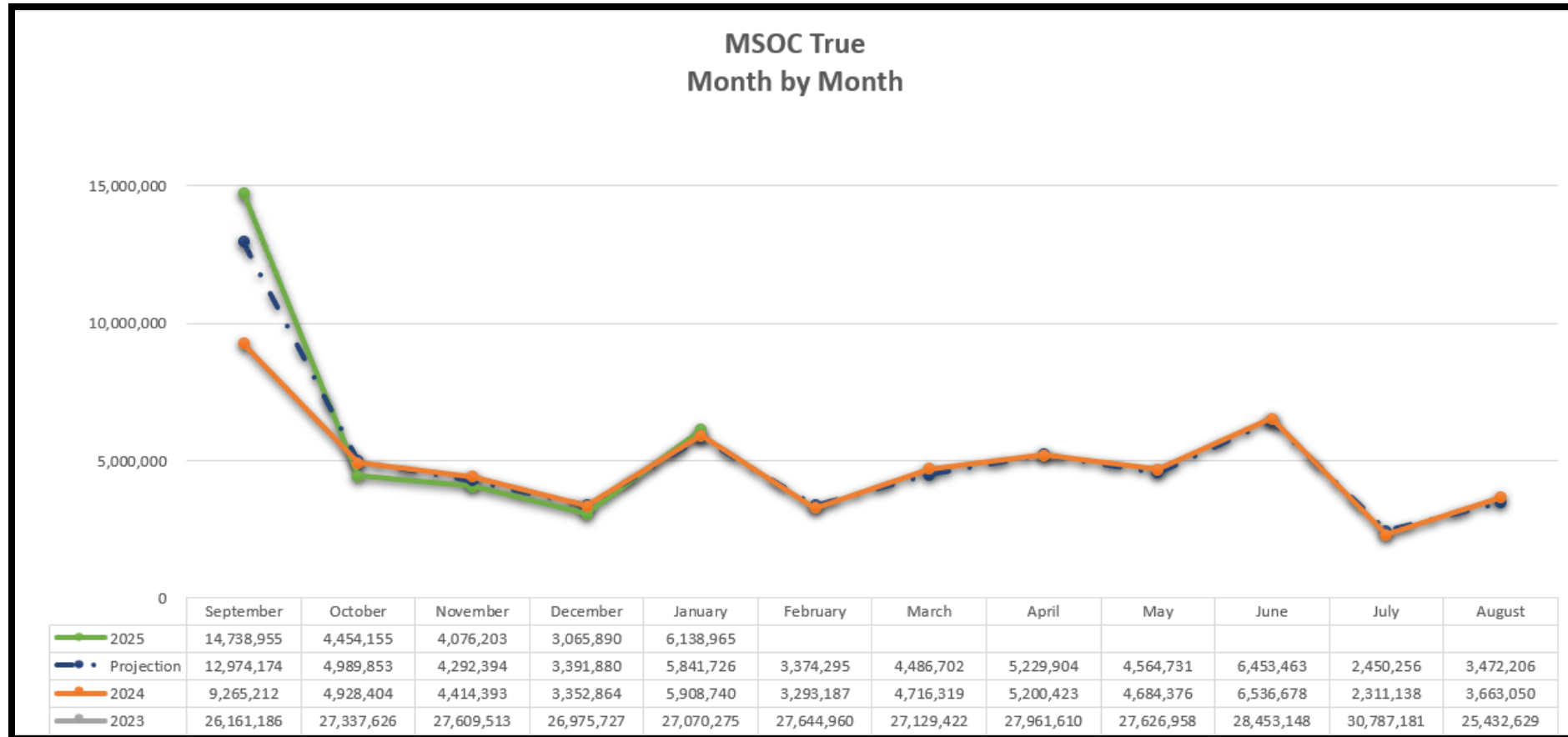
- The purpose of binding conditions is to provide the school district with additional oversight and counsel to support the district in returning to a financially healthy position.



- We are currently projecting the district will enter binding conditions with OSPI between June and October of this year.

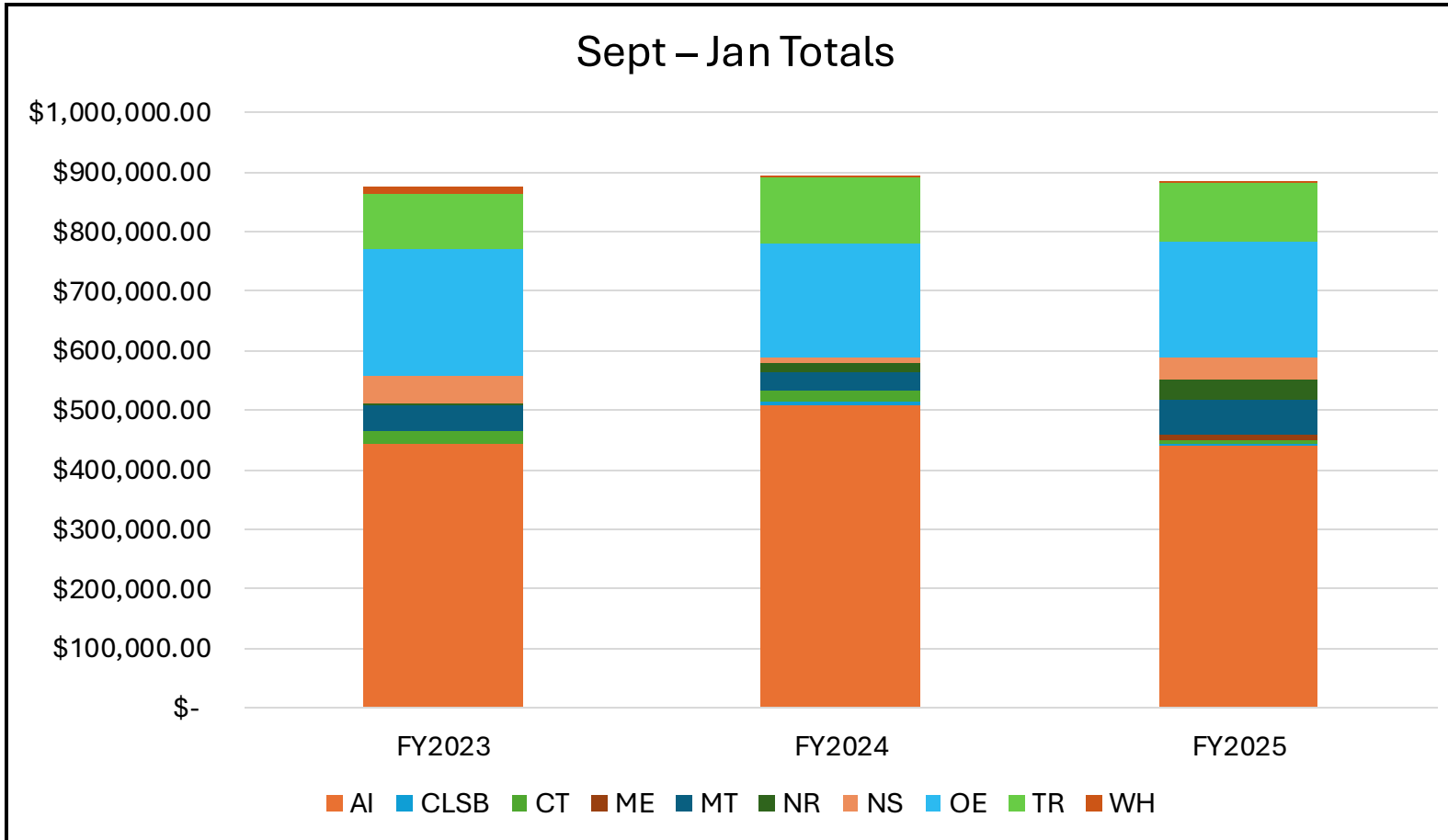


Positive News - MSOCs



At the beginning of the year, MSOC reductions were implemented. We have been trending at our projections.

Positive News - Additional Work Hours (Classified Employees)



Fiscal Year	Total Pay	Total Hours
FY2023	\$875,325	21,054
FY2024	\$891,958	20,088
FY2025	\$884,347	18,624

Overall we have seen a reduction in additional work hours for classified employees. Compared to last year, there are 1,464 fewer hours. Costs have remained the same based on the various bargaining groups and the salary increase they received in the 2024-25 school year.

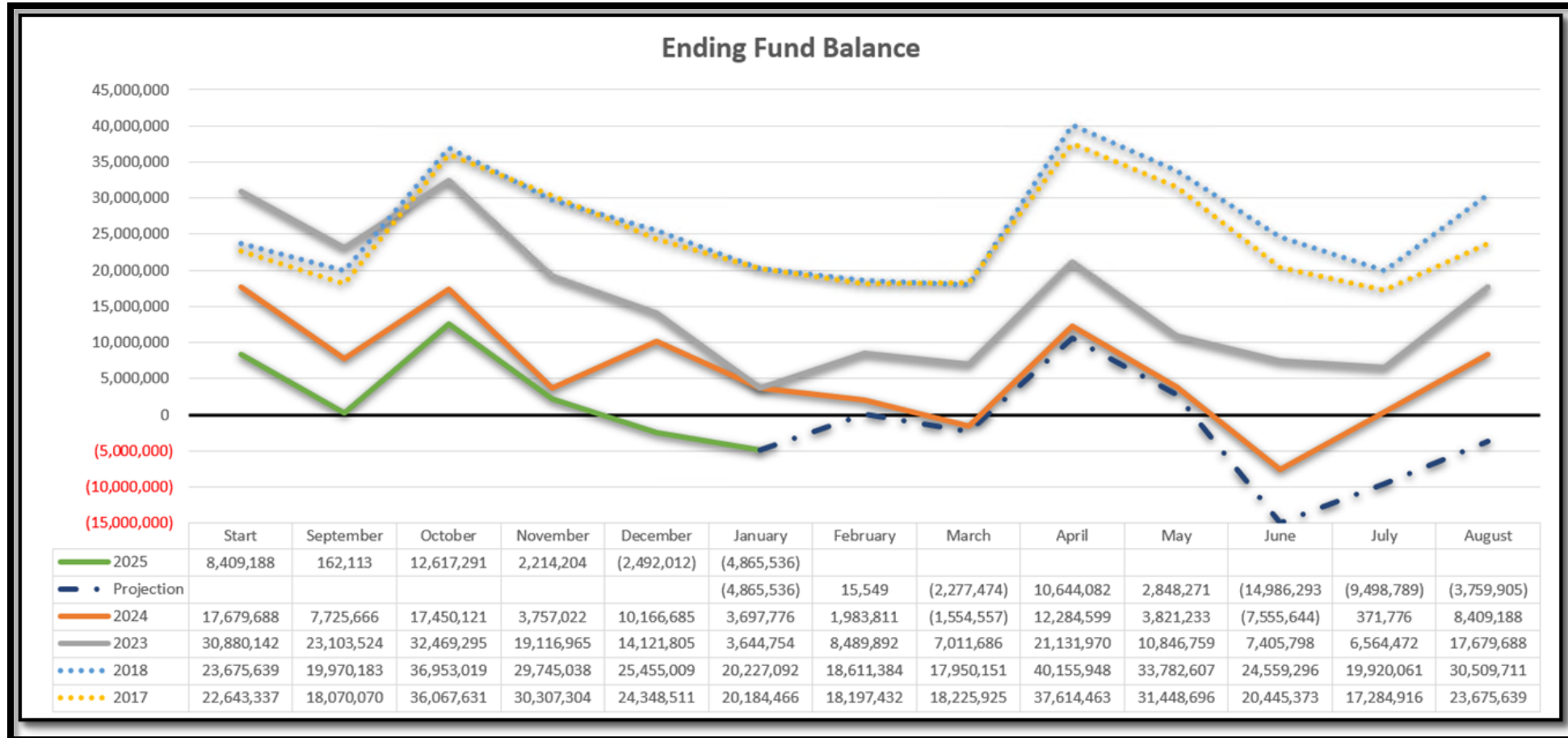


Positive News – Special Education

- Submission to OSPI for review of Safety Net has reached \$10.3M
- Potential reimbursement could be between \$7M – \$9M.
- We budgeted reimbursement at \$6.5M.
- This is being driven by the collaboration between the Special Education, Budget team and our Safety Net consultant.
- This will help offset the projected overage within Special Education.



Continued Concern – Ending Fund Balance



- Projected Year-End Ending Fund Balance - **(\$3.8M)**
 - Projection continues on a downward trend.
 - YTD Revenue: \$170.6M & YTD Expenditures: \$183.9M
 - Salaries and Benefits are trending \$1.1M (3.8%) higher than projected per month.



Continued Concern - Reductions

- Confirmed Reduction is at \$1.3M
- Likelihood of meeting the \$6.5M
- And the impact on the Ending Fund Balance

Budget Reductions	Budget Increases
Initial Proposal Nov 2024 - \$10M	Initial Proposals Nov 2024 - \$2.75M
Revised Proposal Dec 2024 - \$6.9M	Revised Proposals - \$1.5M
Confirmed Saving to Date - \$1.3M	Confirmed Savings to Date \$0.00



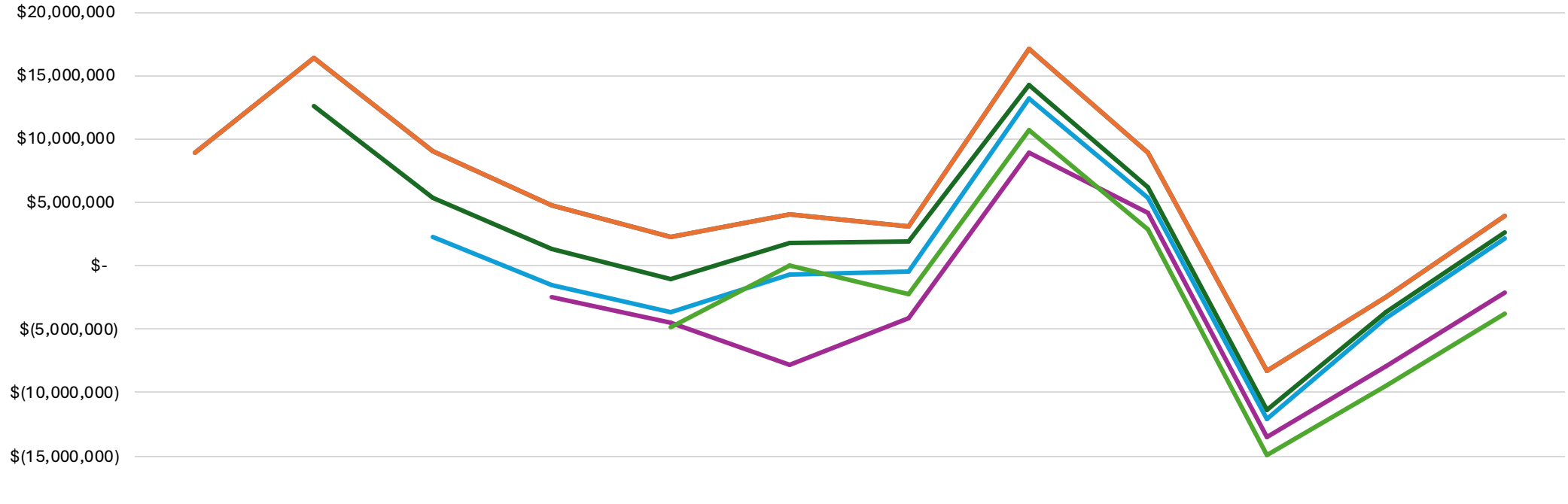
Ending Fund Balance Possibilities

- ◆ **Optimistic Outcome:** If the full \$6.5M in budget reductions are achieved, the district's ending fund balance could range between **\$1M and \$3M**.
- ⚠ **Expected Outcome:** Based on current projections, the district is likely to end the year with a deficit between **\$(3M)** and **\$(5M)**.
- 🚨 **Adverse Outcome:** If reductions fall short or unexpected expenses arise, the deficit could deepen to **\$(9M)** to **\$(11M)**.

Projections have changed over time due to actual spending



Projection Change Over Time



	September	October	November	December	January	February	March	April	May	June	July	August
Original Project	\$8,898,046	\$16,350,376	\$9,035,106	\$4,716,170	\$2,227,231	\$4,053,003	\$3,147,027	\$17,041,652	\$8,951,139	\$(8,227,586)	\$(2,424,517)	\$3,896,216
Sep Project	\$8,898,046	\$16,350,376	\$9,035,106	\$4,716,170	\$2,227,231	\$4,053,003	\$3,147,027	\$17,041,652	\$8,951,139	\$(8,227,586)	\$(2,424,517)	\$3,896,216
Oct Project		\$12,617,291	\$5,403,416	\$1,349,530	\$(1,081,737)	\$1,840,201	\$1,907,579	\$14,210,152	\$6,239,863	\$(11,426,53)	\$(3,641,197)	\$2,594,135
Nov Project			\$2,214,204	\$(1,479,643)	\$(3,665,121)	\$(663,508)	\$(507,106)	\$13,239,852	\$5,355,433	\$(12,029,84)	\$(4,159,678)	\$2,210,054
Dec Project				\$2,492,012	\$4,463,111	\$(7,826,267)	\$(4,186,157)	\$8,940,264	\$4,119,784	\$(13,516,84)	\$(7,973,797)	\$(2,141,514)
Jan Project					\$4,865,536	\$15,549	\$(2,277,474)	\$10,644,082	\$2,848,271	\$(14,986,29)	\$(9,498,789)	\$(3,759,905)

January Staffing Analysis

- One of the drivers in higher expenditures than budget is the following:

Staffing	Certificated FTE	Classified FTE	Total
Budgeted FTE	1,488.40	859.30	2,347.70
Jan Actual FTE	1,501.57	878.81	2,380.38
Difference	(13.17)	(19.51)	(32.68)

- Using an average salary of \$122,881, the overbudgeted 32.68 FTE puts salaries/benefits over budget by **\$4M**.
- The vast majority of these positions were added in September.
- Once position control was fully implemented, we've only filled positions that were budgeted for.



Next Steps – In-Progress

- February – April
 - Analyze expenditures September thru February.
 - Update financial projects for March thru August.
 - 2025-26 Budget Preparations
 - Analysis of the impact of reductions.
 - Analyzing salary and benefits up to February.



Next Steps – Up coming

- May -June
 - Analyze expenditures September thru May.
 - Update financial projections for May thru August.
 - Analyze impact of reductions.
 - Submit Interfund Loan resolution to board.



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~~ Will need for July & August

Questions?