

March 2025
Financial Report

May 15th ,2025





Agenda

Legislation Updates

Budget Update

Interfund Loan Update

Questions



Legislative Updates

Positive Impact



MSOC – SB 5192 –
Maintenance Increase

- For BSD, we could potentially see up to \$500K in additional funding.

Special Education SB
5263 – Tier Increase

- For BSD, we could potentially see up to \$1.3M in additional funding.

Levy/LEA – HB 1356/2049
– Levy/LEA Increases

- For BSD, we could potentially see up to \$5M in additional funding from the EP&O Levy.

Note: All bills are currently on the Governor's desk.

Positive Impact



SB 5412 – Interfund Loan/Property Sale

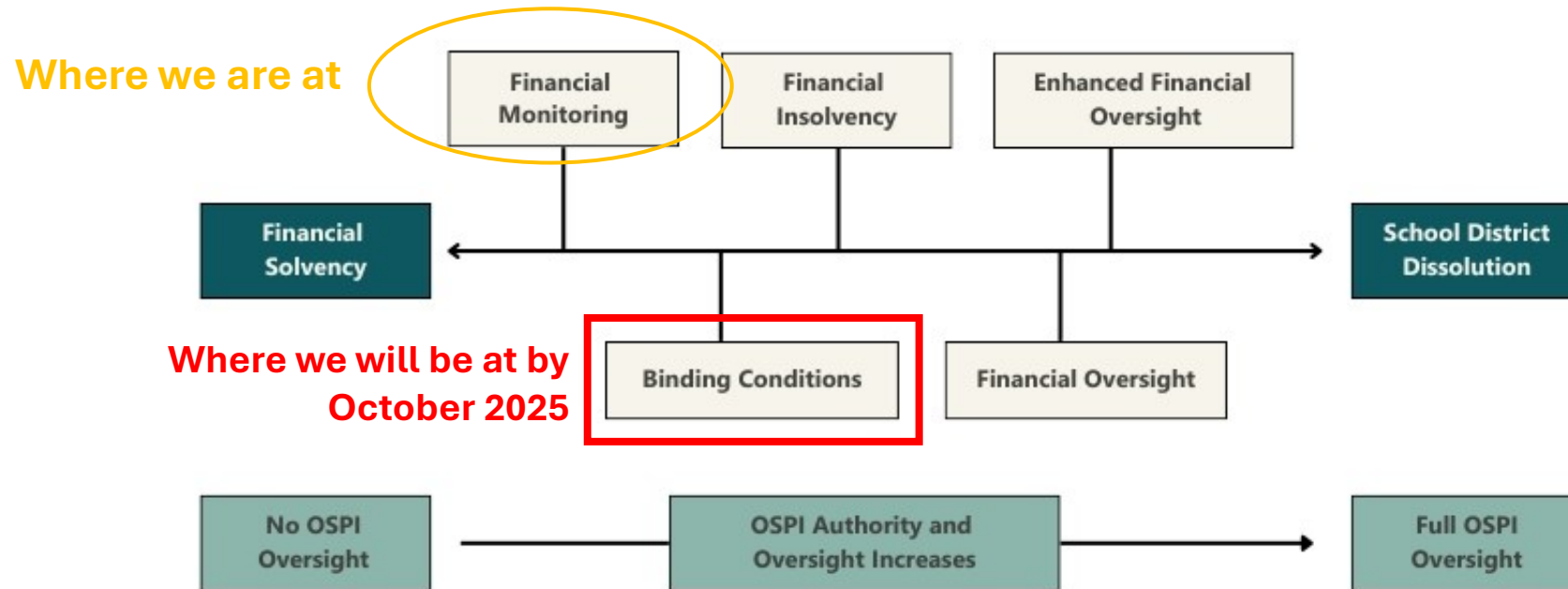
- For BSD, this could save up to \$600K if the district is in binding conditions and takes an interfund loan.
- For BSD, if property is sold, the district would be allowed to use those funds to help stabilize our general fund.

SB 5167 2025-27 Fiscal Biennium Operating Appropriation

- One time funding for the 2024-25 school year. District's will receive \$50/student.
- This could result in additional \$700K for BSD.
- Should receive the funding in June.

Note: All bills are currently on the Governor's desk.

Binding Conditions Update



Positive News - MSOCs

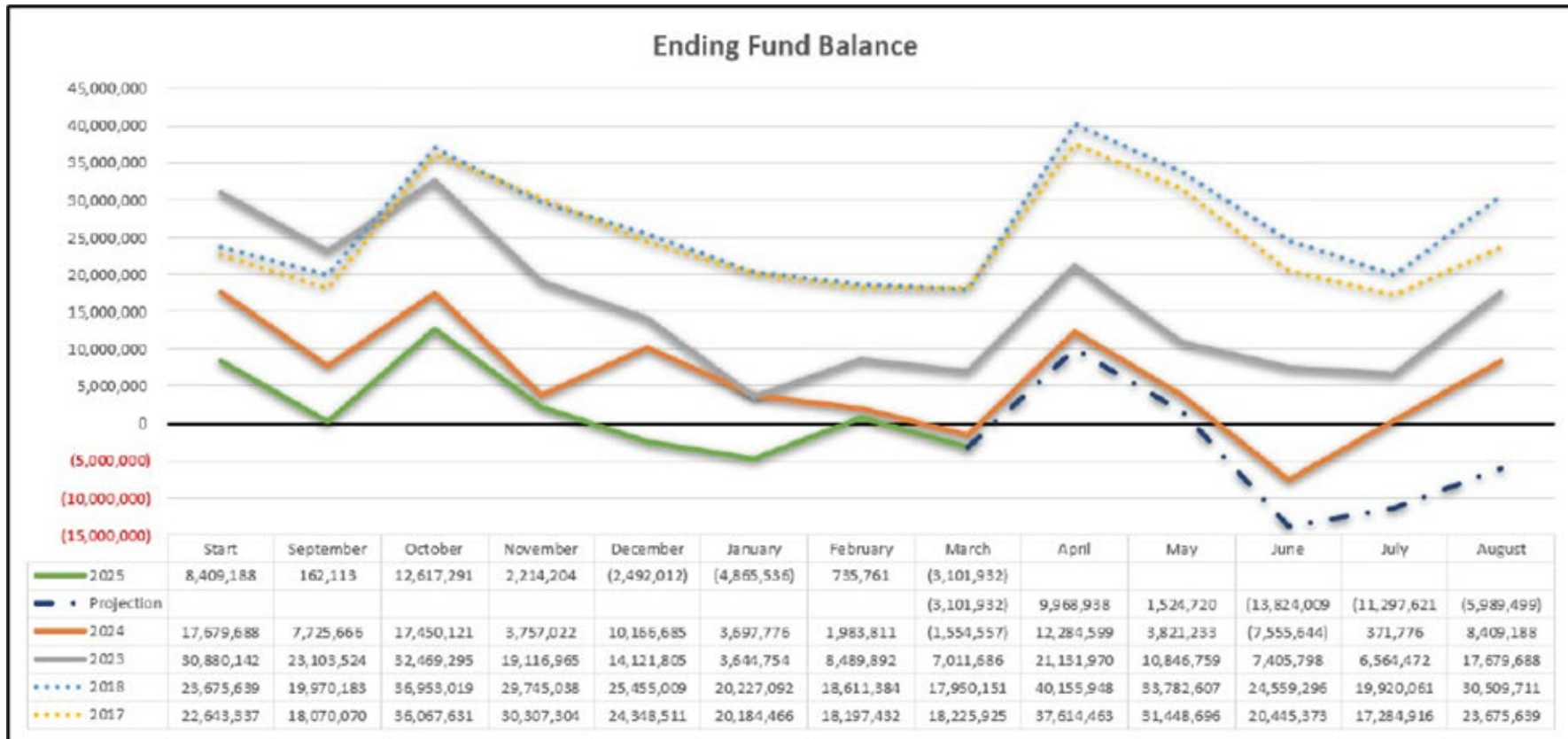


MSOC True
Month by Month



* March actual has \$1.6M that is in April's projection, without this March actual would be \$3,891,301

Continued Concern – Ending Fund Balance



- Projected Year-End Ending Fund Balance - **(\$5.9M)**
 - Projection continues a downward trend. Change of **(\$700K)** from last month.
 - YTD Revenue: \$238.8M & YTD Expenditures: \$250.3M (diff **(\$11.5M)**)

Continued Concern - Reductions



Budget Reductions	Revenue 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 - \$2.2M	Confirmed Savings to Date \$0.00

*SafetyNet Reimbursement – Budgeted \$6.5M, we submitted \$11M, & projecting \$8.0M.



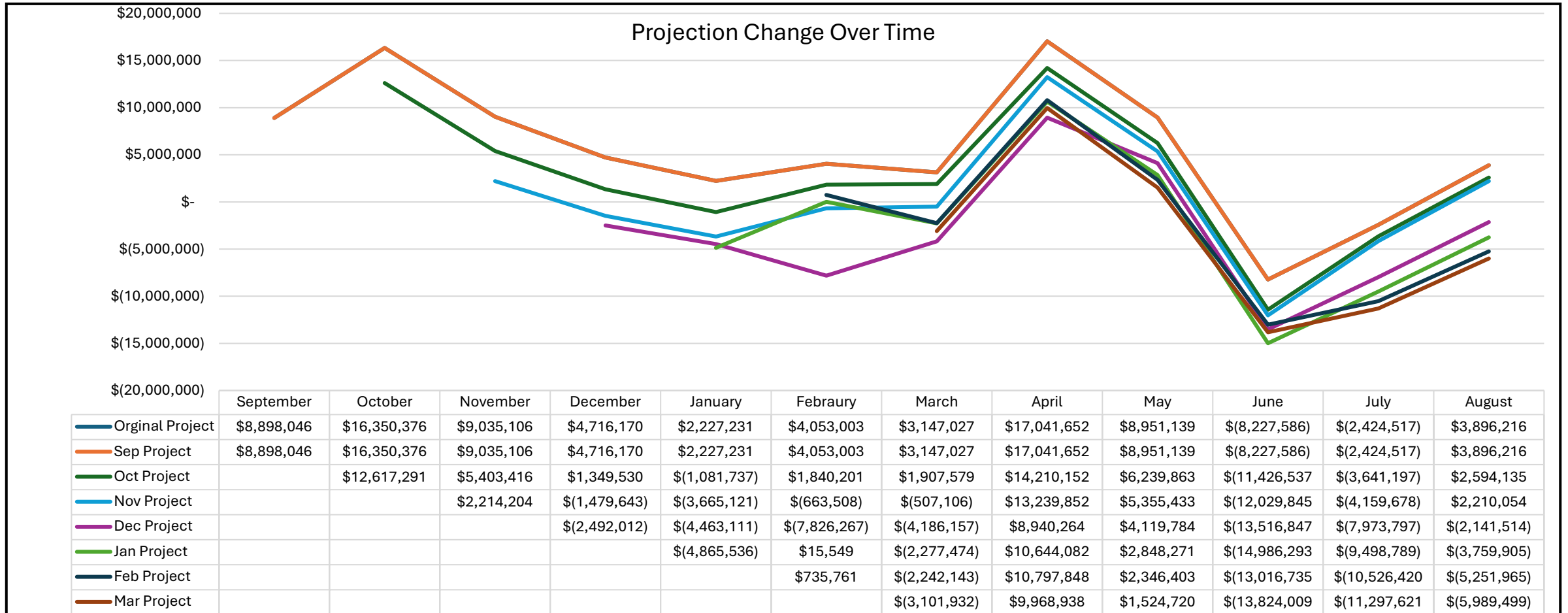
Ending Fund Balance Possibilities

◆ **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)**.

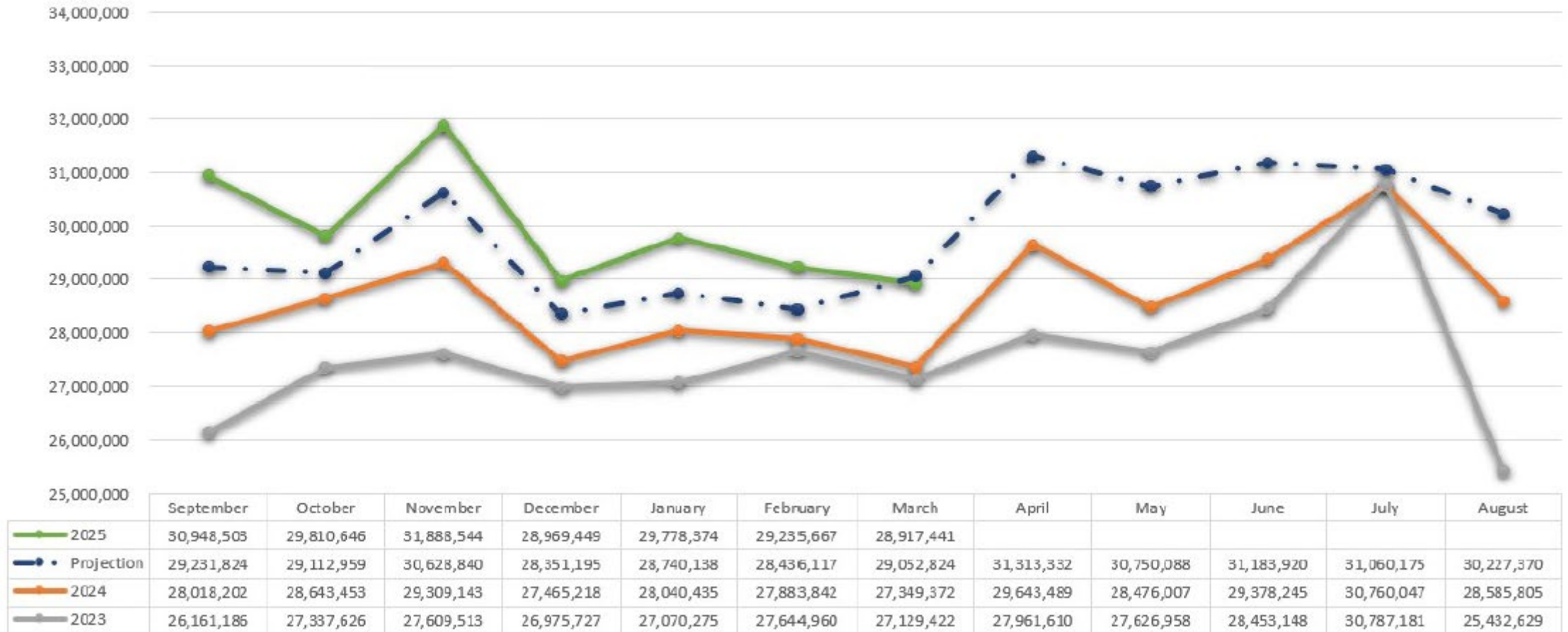
Projections have changed over time due to actual spending



Salary and Benefits Analysis



Salaries and Benefits
Month by Month



Cash Flow Options



- ✓ Capital Projects Fund Levy Transfer(s)
 - ✓ Approved to transfer up to \$35.5M
 - ✓ Currently transferred \$29M
 - ✓ Next projected transfer of \$3.2M in June
- ✓ Implement cost – reduction measures
- ✓ Implement Extraordinary Measures
- ✓ Basic Education Apportionment Advancement
 - ✓ Resolution passed 02/06/25
 - Determined not to help June – August cash flow
- ✓ Interfund Loan from Capital Projects Fund
 - ✓ Resolution passed today

Interfund Loan Transfer Overview



Prior Steps Taken

- Capital Projects Fund Transfer(s)
 - Currently trying to maximize our CPF Transfer (need qualifying expenses)
- Implemented Cost Reduction Measures (to date: \$2.1M in savings)

Extraordinary Measures (First time the district has resorted to these options)

- ~~Evaluated Basic Education Apportionment Advancement (was not going to provide any relief)~~
- Interfund Loan from Capital Projects Fund (Board Resolution 2025-03)

Why the Interfund Loan?

- One of the last tools available to the district.
- The interfund loan provides flexibility on how much, how often, and when we can transfer funds.
- We will only be required to pay interest on the amount we transfer. If we only transfer \$10M amount, then we only required to pay interest on that amount. Not that full \$13M.

Interfund Loan Transfer Projections



Month	Transfer	Est. Max Interest
June	\$2.5M	\$128K
July	\$5M	\$256K
August	\$2.5M	\$128K

We used an interest rate of 5%. King County is currently at 4.3%.
Max Interest if we take the full 12 months to repay.



Next Steps

Time Frame: February – April	Status
Analyze expenditures September thru February	Completed
Update financial projects for March thru August	Completed
2025-26 Budget Preparations	In-Progress
Analysis of the impact of reductions.	Not Started
Analyzing salary and benefits up to February.	Not Started



Next Steps – Up coming

Time Frame: May - June	Status
Analyze expenditures September thru May	Not Started
Update financial projections for May thru August	Not Started
Analyze impact of reductions	Not Started
Submit Interfund Loan resolution to board	Completed

Questions?

