

Memorandum

To: Board of Directors, Estacada School District

From: Scott B. Pillar, Director of Finance

Date: September 3, 2025

Subject: Monthly Board Report – Written

In your Board Packet, you will find my financial report reflecting preliminary transactions through August. One key item to note is the decrease in beginning fund balances (BFB), which dropped from just over \$6 million to \$5.78 million. This is below the adopted budget of \$6.4 million.

The decline from last month is the result of closing out all 200-level accounts, known as Special Revenue Funds (primarily grant funds). Best practice requires that these funds be “zeroed out” by charging last year’s “Transfers Out” line in the General Fund. This process raised prior-year expenditures more than anticipated, which in turn lowered the BFB.

Dr. Carpenter will speak further to the reasons why the final BFB is below the \$6.4 million budget estimate. In short, this figure is set early in the budget cycle (April), before final revenues and expenditures are known for the year. Actual outcomes sometimes differ from projections. By monitoring monthly cash flow through reports such as this, we can refine estimates and improve accuracy over time.

Our fiscal office, working with HR, is finalizing the September payroll at this writing. This is typically the most complex payroll of the year, as it is the first for most staff—including teachers and paraprofessionals—whose salaries and benefits have increased over the prior year. Once this cycle concludes, our salary and benefit tracking will stabilize allowing us to provide higher-quality data moving forward.

Last week, the State of Oregon released its Economic and Revenue Forecast. While the outlook is not especially positive, state economists are not predicting a recession. However, recent federal tax cuts enacted by the President recent bill will reduce Oregon’s revenue, as Oregon is one of only five states tied directly to federal taxable income. In addition, reductions in federal services also reduce state-level revenues, since many federal programs are administered through states.

Fortunately, Oregon education is supported by several reserve funds designed to buffer districts from the boom-and-bust cycles of the past. Even so, it is important to begin preparing now for potentially difficult budget conditions ahead.

On the facilities side, we are concluding seismic rehabilitation work in the high school gym while beginning similar work in the high school commons, scheduled for construction next summer. Contractors are addressing minor electrical issues, including HVAC controls, with final painting set for November between volleyball and basketball seasons. Overall, the project remains under budget, though the district may need to contribute a small amount of funds for expanded painting that will exhaust the remaining seismic grant funds.

In your packet, you will also find an action item authorizing use of the CM/GC delivery model for the high school commons project. This is the same model we have used successfully on prior seismic grants. If you have any questions or concerns, please let me know.

Thank you for your continued commitment to the students of the Estacada School District. As always, I am happy to provide any information that will support your work.