

MESD BUSINESS SERVICES

Financial Update Summary

Board Finance Committee – 9/11/2025

June 30, 2025 PRELIMINARY FINANCIAL REPORT

Legal Compliance: As of the end of June, when rounded to the nearest dollar, all expenditures are within budget appropriation and in compliance with legal requirements.

Cash Balance, All Funds: The MESD's combined cash balance for all funds was \$22.0 million at the end of June. This is 107% above our cash balance last year at this point (details at the fund level are below). Note: in consultation with our auditor, we recorded a year-end adjustment of \$74 thousand in addition to the \$22 million reported at actual cost. This adjustment reflects the material difference between the investments' cost basis and their fair market value as of year-end.

Resolution Services Fund 1: Fund 1 is \$2.4 million or 25% above last year. The largest factor is the timing on transit payments. A transit payment of \$7 million was made in July for the FY 2024-25 fiscal year.

Contracted Services Fund 2: Fund 2 continues to show a negative cash balance due to timing issues with revenue collection for reimbursable expenses. However, the balance is improved compared to last year at this time. There are \$15 million in outstanding receivables as of June 30.

Operating Fund 6: Fund 6 is \$61 thousand or 1% below last year. Significant factors include increased personnel costs and the one time catch-up transfer to Fund 4 reserves.

Risk Management & Reserve Fund 7: Fund 7, reflected in the all funds chart, is \$3.5 million or 206% above last year. The TAN proceeds were received in June.

Revenues: Recorded revenues in Funds 1, 2, and 6 through the end of June total \$102.8 million, which is \$5.3 million or 5.4% above this time last year. State sources is the most significant factor. Roughly half of the increase in state sources is due to 1) the shift of Rivercrest Academy from component district funding to state funding and 2) expansion in the ESD Student Success Act Technical Assistance.

Expenditures: Agency expenditures through June total \$105.1 million, an increase of \$7.6 million or 7.8% above last year.

Special Education Services is up 17.7%, with the largest increase at Wheatley. Instructional Services, on the whole, is up 6.2% above last year with the largest increases in the ESD Student Success Act Technical Assistance and Outdoor School.

Transits and Other Transfers: Through June, transits have totaled \$10.6 million (as compared to \$7.7 million through June 2024). MESD has completed the \$2 million in Emergency Aid loan payments to Corbett School District.

Interfund Transfers: To date, \$5.3 million in SSF and property tax funds (10% of total receipts, as per statute) has been transferred to the Operating Fund to offset FY 2025 operating costs.