

Memorandum

To: Board of Directors, Estacada School District

From: Scott B. Pillar, Director of Finance

Date: February 4th 2026

Subject: Monthly Financial Report

Enclosed in your Board Packet is the financial report summarizing preliminary transactions through January. Overall, both revenues and expenditures are tracking as expected. You will notice that the beginning fund balance increased by approximately \$383,000 due to auditor adjustments and a prior period adjustment explained further below. This will likely have a positive impact on our ending fund balance as we move into the second half of the fiscal year.

I am pleased to report that the audit is complete and was uploaded to ODE within the extended deadline of January 31st. A copy of the audit and the management letter are included in your Board packet. We did receive two “dings” (technical accounting term), one significant deficiency and one material weakness, noted on pages 65 and 66 of the audit report. I have included a narrative of my view of the dings and plans to address the issues raised. While dings are not uncommon, they are disappointing to our department; however, we are treating them as targeted areas for improvement. I welcome your questions and feedback.

When auditors conduct their work, they also sometimes need to “look back” at how finances were reported in the prior year. In reviewing 2023–24, they identified three items that required restatement: two related to liabilities (employee leave balances and leased assets) and one asset affecting the prior year’s ending fund balance related to workers’ compensation. There was also some issues relating to cash vs accrual accounting in how the books are tied out. In sum, we have a little more money to start the year off than expected and have taken measure to avoid future adjustments.

Oregon legislative “short” session began Monday with a focus on state budget issues. I sit on the OASBO Legislative Committee, which meets virtually bi-monthly during session. Our first meeting is after this writing, but I will keep you informed of any pertinent fiscal issues as they arise.

Our work on the program-based budget (PBB) has also begun in earnest, and I applaud the efforts of our department leaders as they learn this new approach and review their programs with a critical eye. PBB organizes financial resources around intended outcomes, creating a budget that is more deliberate than traditional line-item budgeting. The process is not easy, but this staff is up for the task.

Finally, last month we submitted a new seismic grant application for the high school auxiliary gym. In consultation with WRK/IMEG, the auxiliary gym is expected to be the best next candidate for the grant. We anticipate hearing award decisions by late spring.

Thank you for your continued support of the Estacada School District and its students. Please do not hesitate to contact me if you would like additional detail or clarification regarding any aspect of the District's financial position.

