

Key Financial Management Achievements and Strategies, 2020-2025

September 2025

Introduction

Central Question: *What have been the key strategies and practices that have led to SLLIS' excellent financial position?*

There have been a number of significant achievements in SLLIS' financial practices over the past five years that have contributed to our outstanding financial position as we enter FY26. These achievements include the reduction of our debt after the sale of our parking lots, careful budgeting for and use of ESSER funds, our highly competitive SLLIS salary structure, and a \$5 million cash balance.

SLLIS was only able to achieve these significant milestones in its financial journey due to strong Board engagement, oversight, and support and the commitment of our staff, students and families. Thank you to the broader SLLIS community for your dedication and support!

Debt Reduction. In fall 2019, SLLIS made a strategic decision to sell its surface parking lots to the developing soccer stadium one block away. As a result, SLLIS received \$1.8 million from the sale, and all proceeds went directly to reducing debt (with a very small exception made for funds that went directly to the construction of SLLIS' playground). While SLLIS transitioned to our new campus with some \$3.5 million in debt from previous operational needs and improvement costs at our current location, that debt was significantly reduced when SLLIS sold the parking lots and used the proceeds to pay down our debt. SLLIS then achieved a very attractive financing agreement on the remaining \$1.5 million, and we had an interest only provision for the first five years. In addition, SLLIS negotiated a parking agreement with its new neighbors, which includes free parking in the garage across 19th Street for 25 years. Moreover, the value of SLLIS' campus improved overall thanks to the new stadium and other development in the Downtown West area. As of January 2025, SLLIS began paying both principal and interest each month - and we did so this past school year and still achieved a \$1.2 million surplus. As such, the sale of the parking lots, while very helpful to SLLIS from a long-term position, did not contribute any money to our current cash balance.

ESSER Funds. Between 2020-2024, SLLIS received nearly \$3.5 million in ESSER funds.

ESSER funding was very helpful to all schools as we struggled to figure out exactly how to educate children and operate during the pandemic. What has set SLLIS apart, however, has been our extraordinary success in carefully budgeting our standard funding sources as well as our ESSER funds. It's important to note that, in FY25, SLLIS ran a \$1.2 million surplus not including any ESSER funds. In other words, including ESSER funds, we achieved a \$1.6 million surplus in 2024-2025. These details about FY25 indicate to what extent SLLIS has successfully managed its annual budget and leveraged its ESSER funds.

Competitive Salary Structure. The strong position we have achieved at SLLIS is the result of intentional planning and strong financial management. However, it is very important to recognize that our strong financial position did not necessarily require scaling back all our expenditures. In fact, SLLIS offers highly competitive salaries to its employees and has routinely increased salaries to ensure we keep up with - and exceed - the market. With a goal of offering top salaries in the St. Louis region, in early 2022, SLLIS developed and implemented the SLLIS Salary Manual. This document, which is reviewed and revised routinely to ensure it remains relevant and competitive, summarizes SLLIS' compensation philosophy, outlines compensation procedures in the school, and most importantly, establishes a number of highly competitive salary scales for various tiers of staff in the organization to ensure top tier competitive pay in the education market in St. Louis. In fact, with a starting salary of nearly \$47,000 for a first year teacher with a Bachelor's degree, SLLIS ranks among the top ten districts in Missouri when it comes to starting teacher salaries. SLLIS' starting salaries are thus comparable to districts such as Clayton, Ladue, Parkway, and the Special School District. This set of compensation procedures and the highly competitive salaries allow SLLIS to recruit top talent in the St. Louis region and even across the world as we recruit overseas. Importantly, our strong financial position has not been at the expense of our teachers and staff.

\$5 Million Fund Balance. As we close out FY25, SLLIS is very close to achieving a milestone - \$5 million cash on hand, which equates to a fund balance of over 62%. While a number of extraordinary circumstances have undoubtedly contributed to this milestone, the most critical factor in establishing this financial position has been excellent budget planning and implementation. This includes detailed planning multiple years in advance and taking proactive steps to ensure long term financial health and sustainability.

Looking Ahead. How did we realize these achievements? The key to SLLIS' financial success has been regrowing the population of SLLIS, and thus growing funding from the state of Missouri over the past few years - along with our careful management structure we have in place at the school. The question is, of course, "Can we sustain this financial success without events such as the sale of parking lots or ESSER funding?" The answer is "Yes" - but we must continue to be intentional and prudent in our budgeting and spending. This document summarizes some of our key practices in our journey to achieve an excellent financial position at SLLIS.

Sale of parking lots, debt reduction, and loan strategy

- In Fall 2018, SLLIS sold its parking lots and reduced its debt to \$1.5 million.
- From March 2019 through December 2024, SLLIS was paying interest only at about \$3,500 per month.
 - For a school, this is an extremely low rate to pay for occupancy.
 - This period where SLLIS was "recovering" from the excess cash needed to pay for the new building and construction.
- Principal payments started in January 2025 for a monthly total of \$17,144.14.

Learning from experts

- SLLIS has been extremely fortunate to have worked with Rich Carver and Randy Charles at LDR. Both are school finance experts and have been able to share that expertise with the Superintendent and Board since LDR started supporting SLLIS with school finance in 2018.
- Many of our existing practices in this document are thanks to the expertise of these two individuals, both retired school district CFOs.

Intentional leveraging of ESSER funds for existing expenses

- From 2020 through 2024, SLLIS received:
 - ESSER I (2019-2020): \$270,500
 - ESSER II (2020-2021): \$994,807
 - ESSER III (2020-2024): \$2,207,669

- SLLIS spent ESSER funds specifically on health and safety as well as on many other needs.
- With careful planning and proactive implementation, SLLIS was able to effectively leverage ESSER funds to improve the financial position of the school.

Keeping the reality of ESSER front and center at all times

- While ESSER funds did cause a large increase in our revenue, we knew exactly how much we would receive, and we knew exactly when the funds would run out. Part of the challenge with ESSER was being comfortable with some increased expenditures - with the knowledge that this was short term revenue.
- To that end, we provided strong, routine communication between the CFO, Superintendent, Finance Committee, and Board about the impact of these funds on our overall budget.
- Here are the key strategies we used:
 - Net Underlying Budget: Every board-approved budget we drafted in that five year period had two "Net" lines - the budget including ESSER, and the underlying budget without ESSER. Here is a screenshot from our FY23 budget presented to the Board in June 2022:

Budget Summary

SLLIS

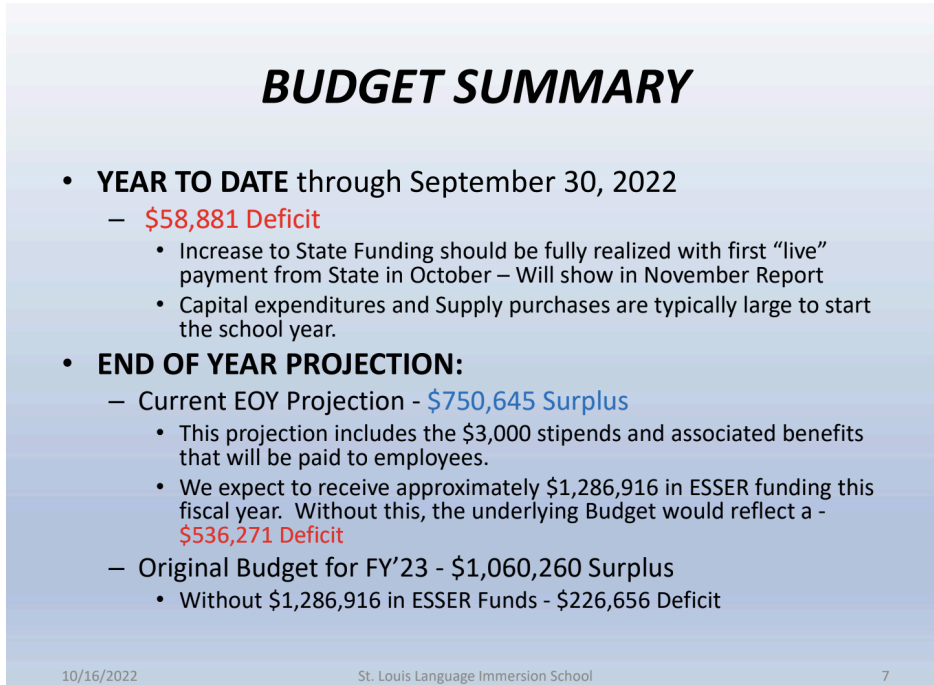
REVENUE	FY 21 ACTUAL	FY 22 PROJECTED	FY 23 BUDGET	FY 24 PROJECTED	FY 25 PROJECTED
Local	849,800	751,050	741,000	652,100	663,022
State	5,054,520	4,985,590	5,725,459	5,389,806	5,397,232
Federal	492,537	790,322	743,000	743,000	743,000
Federal ESSER	268,030	800,000	1,286,916	1,119,135	-
TOTAL	6,664,887	7,326,962	8,496,375	7,904,041	6,803,254

EXPENDITURES	FY 21 ACTUAL	FY 22 PROJECTED	FY 23 BUDGET	FY 24 PROJECTED	FY 25 PROJECTED
Salaries	2,781,337	3,125,678	3,213,018	3,309,409	3,371,489
Benefits	825,375	921,331	964,055	1,001,142	1,039,913
Purchased Services	1,839,717	2,007,388	2,258,413	2,299,665	2,367,905
Supplies	554,604	568,738	520,400	536,012	552,092
Capital Outlay	1,083,852	385,414	712,439	309,059	173,488
TOTAL	7,084,885	7,008,550	7,668,325	7,455,287	7,504,889

NET	\$	(419,998)	\$	318,413	\$	828,050	\$	448,754	\$	(701,635)
NET W/O ESSER	\$	(688,028)	\$	(481,587)	\$	(458,866)	\$	(670,381)	\$	(701,635)

- Monthly Underlying Budget Update: During the Monthly Financial Report at every board meeting during the ESSER period, the Board views a

Budget Summary slide. This slide summarizes the surplus or deficit to date for the given month of the fiscal year, then shows what the underlying budget surplus or deficit would be *absent of ESSER*. Here is a screenshot from October 2022:



BUDGET SUMMARY

- **YEAR TO DATE** through September 30, 2022
 - **\$58,881 Deficit**
 - Increase to State Funding should be fully realized with first “live” payment from State in October – Will show in November Report
 - Capital expenditures and Supply purchases are typically large to start the school year.
- **END OF YEAR PROJECTION:**
 - Current EOY Projection - **\$750,645 Surplus**
 - This projection includes the \$3,000 stipends and associated benefits that will be paid to employees.
 - We expect to receive approximately \$1,286,916 in ESSER funding this fiscal year. Without this, the underlying Budget would reflect a - **\$536,271 Deficit**
 - Original Budget for FY’23 - \$1,060,260 Surplus
 - Without \$1,286,916 in ESSER Funds - \$226,656 Deficit

10/16/2022 St. Louis Language Immersion School 7

- These strategies helped ensure that the board and community were fully informed about the ESSER funds on their impact on our overall financial picture.
- When it was time to scale back expenses, the board already knew it was coming.

Conservative budgeting with an eye on the financial future for SLLIS

- Effective budget planning and implementation includes multiple strategies:
 - Effective enrollment projections that rely heavily on past data to inform the future (especially cohort survival analysis),
 - Long term planning (looking ahead 5+ years when planning for the next fiscal year),
 - Routine monthly review, including strong board oversight and engagement,
 - Close monthly study of where funds are being spent (where we are ahead, where we are behind), followed by changes in implementation of the budget in the school where needed,

- Informed budget amendments throughout the fiscal year, and
 - Intentional and proactive planning for personnel expenditures, which are the largest part of the budget for a school.
- SLLIS has a routine for planning effectively for personnel on an annual basis and keeping the board informed.
 - Each year in January, we begin the process of enrollment projecting enrollment for the following year.
 - Once projections are completed, we compare projected revenue for the coming year to current year revenue and examine the differences carefully.
 - The Board reviews a proposed staffing plan and staffing budget annually in February during Closed Session.
 - Once the Board confirms the staffing plan, SLLIS can implement it in the following ways:
 - Hiring for new roles
 - Renewing contracts for existing roles as appropriate
 - Adjusting the Organizational Structure as appropriate to ensure financial sustainability
 - All of this planning for personnel must be completed before contracts are issued in March of each year.
 - Throughout this process, SLLIS is very strategic in how to communicate any changes with administrators, staff, and the community.
- The above plan is only effective when school administrators are willing to make personnel changes, even when it is difficult. For example, in anticipation of the ESSER dropoff coming up in 2024-2025, we closed four positions in Spring 2024. This was not easy to implement, but it was necessary to ensure financial viability for SLLIS.

Recent Developments

SLLIS' budget has become even stronger in recent years due to the following factors:

- Advanced planning for a balanced budget after ESSER in 2025-2026.
 - This included planning *two years ahead* for a budget shortfall. Therefore, we began scaling back the budget for 2024-2025 even though 2025-2026 is actually the first non-ESSER year.

- We cut four admin positions and scaled back numerous Purchased Services in the 2024-2025 budget in anticipation for this change.
- Increased enrollment due to added entry points
 - SLLIS introduced the Bridge To French Program and its own Pre-K in Fall 2023 for a total of five new entry points in grades PK, 2, 3, 4, and 5. Previously, SLLIS only admitted new students with entry points in K and 1.
 - Since then, enrollment has increased to pre-pandemic levels - student enrollment increased from about 400 in 23-24 to 475 in 24-25.
 - This increased SLLIS' WADA figures for 2024-2025 and caused an additional \$1.6 million surplus in FY25.
- Increased WADA payments
 - SLLIS' FY25 budget anticipated a payment per WADA of about \$12,000. However, this increased for all charter schools in St. Louis to \$14,699.44.
 - We anticipate another increase in FY26, although we budgeted conservatively.
- In FY25, numerous factors contributed to another significant budget surplus.
 - Increased WADA payments + planned decreased in expenditures + higher enrollment and a much higher WADA = \$1.6 million surplus
- Development
 - SLLIS has diligently built, or rebuilt, partnerships in St. Louis since 2018.
 - Although the annual donations to SLLIS are relatively small compared to the overall budget, they do have an impact on SLLIS' bottom line each year.
- Investment Strategy
 - With cash on hand, SLLIS has developed a multi-faceted investment strategy that includes the following:
 - Long term investments: SLLIS implements a ladder approach for multiple 52-week CDARS accounts, one of which reaches maturity approximately each quarter.
 - Short term investments: SLLIS implements a rotating strategy for two, 4-week CDARS accounts, one of which reaches maturity every two weeks.
 - The total amount invested as of September 2025 is \$ 3,702,977.
 - SLLIS earns approximately \$10,500 per month on its current investments.