

2023-24 Budget Hearing

August 1, 2023

Sean Fitzgerald, Executive Director of Business & Finance



2022-23 Year-End Projections

General Fund

Year - End Projections

REVENUES

	22-23 Projection	22-23 Budget	Variance
Local Taxes	12,219,919	12,186,999	32,920
Local Support Nontax	1,140,000	1,526,300	(386,300)
State, General Purpose	71,780,538	72,874,731	(1,094,193)
State, Special Purpose	22,912,902	23,405,372	(492,470)
Federal, General Purpose	300,000	300,000	-
Federal, Special Purpose	17,800,000	28,743,116	(10,943,116)
Other School Districts	85,000	115,000	(30,000)
Other Entities	500	2,000	(1,500)
Total Revenues	126,238,859	139,153,518	(12,914,659)

EXPENDITURES

Regular Instruction	61,500,000	62,429,154	(929,154)
Federal Stimulus	5,115,000	7,235,598	(2,120,598)
Special Ed Instruction	15,800,000	16,085,911	(285,911)
Vocational Ed. Instruction	8,300,000	8,400,997	(100,997)
Skills Center Instruction	2,050,000	2,020,928	29,072
Compensatory Ed Instruction	11,800,000	17,463,009	(5,663,009)
Other Instructional Program	1,450,000	7,194,595	(5,744,595)
Community Services	32,500	46,591	(14,091)
Support Services	20,050,000	20,644,396	(594,396)
Total Expenditures	126,097,500	141,521,179	(15,423,679)

Change in Net Assets	141,359	(2,367,661)	2,509,020
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Beginning Fund Balance	19,111,949	16,250,000	2,861,949
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Ending Fund Balance	19,253,308	13,882,339	5,370,969
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Associated Student Body

Year - End Projections

	22-23 Projection	22-23 Budget	Variance
REVENUES			
General Student Body	100,000	229,280	(129,280)
Athletics	250,000	340,175	(90,175)
Classes	8,500	5,000	3,500
Clubs	495,000	665,846	(170,846)
Private Moneys	65,000	73,232	(8,232)
Total Revenues	918,500	1,313,533	(395,033)
EXPENDITURES			
General Student Body	30,500	261,535	(231,035)
Athletics	272,250	346,810	(74,560)
Classes	2,525	3,500	(975)
Clubs	465,200	622,237	(157,037)
Private Moneys	65,500	74,850	(9,350)
Total Expenditures	835,975	1,308,932	(472,957)
Change in Net Assets	82,525	4,601	77,924
Beginning Fund Balance	611,971	870,000	(258,029)
Ending Fund Balance	694,496	874,601	(180,105)

Capital Projects Fund

Year - End Projections

	22-23 Projection	22-23 Budget	Variance
REVENUES			
Local Support Nontax	56,000	4,005,000	(3,949,000)
Total Revenues	56,000	4,005,000	(3,949,000)
EXPENDITURES			
Sites	103,253	4,000,000	(3,896,747)
Buildings	450,000	400,000	50,000
Total Expenditures	553,253	4,400,000	(3,846,747)
Change in Net Assets	(497,253)	(395,000)	(102,253)
Beginning Fund Balance	1,460,927	870,000	590,927
Ending Fund Balance	963,674	475,000	488,674

Debt Service Fund

Year - End Projections

	22-23 Projection	22-23 Budget	Variance
REVENUES			
Local Taxes	6,200,000	6,149,848	50,152
Local Support Nontax	78,500	15,000	63,500
Total Revenues	6,278,500	6,164,848	113,652
EXPENDITURES			
Matured Bond Expenditures	3,265,000	3,265,000	-
Interest on Bonds	2,737,788	2,737,788	-
Bond Transfer Fees	-	50,000	(50,000)
Total Expenditures	6,002,788	6,052,788	(50,000)
Change in Net Assets	275,712	112,060	163,652
Beginning Fund Balance	736,062	870,000	(133,938)
Ending Fund Balance	1,011,774	982,060	29,714

Transportation Vehicle Fund

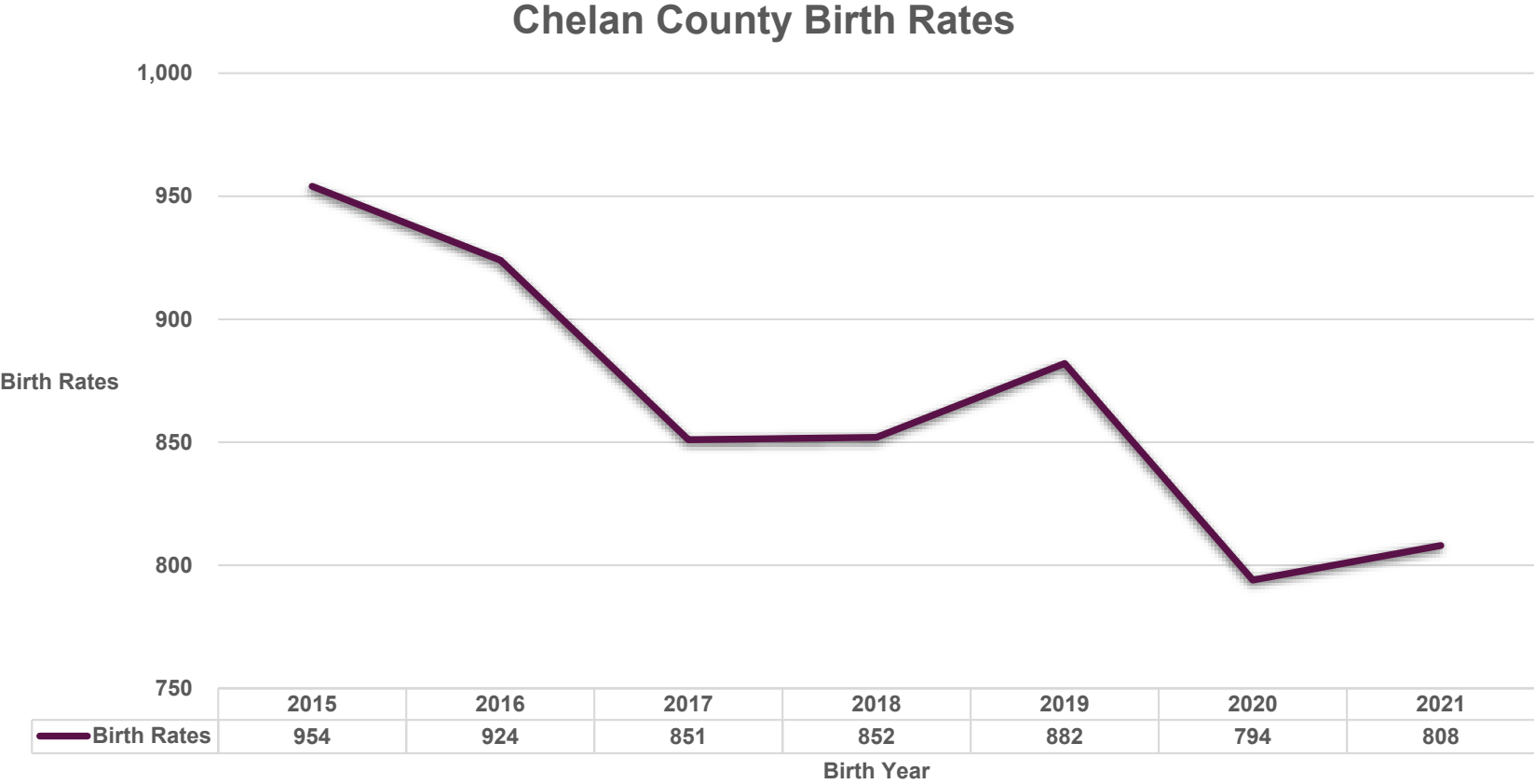
Year - End Projections

	22-23 Projection	22-23 Budget	Variance
REVENUES			
Investment Earnings	25,000	2,000	23,000
State Depreciation Reimbursement	435,296	255,807	179,489
Total Revenues	460,296	257,807	202,489
EXPENDITURES			
Bus Purchases	321,382	605,000	(283,618)
Total Expenditures	321,382	605,000	(283,618)
Change in Net Assets	138,914	(347,193)	486,107
Beginning Fund Balance	874,266	870,000	4,266
Ending Fund Balance	1,013,180	522,807	490,373

Enrollment

Enrollment

County birth rates

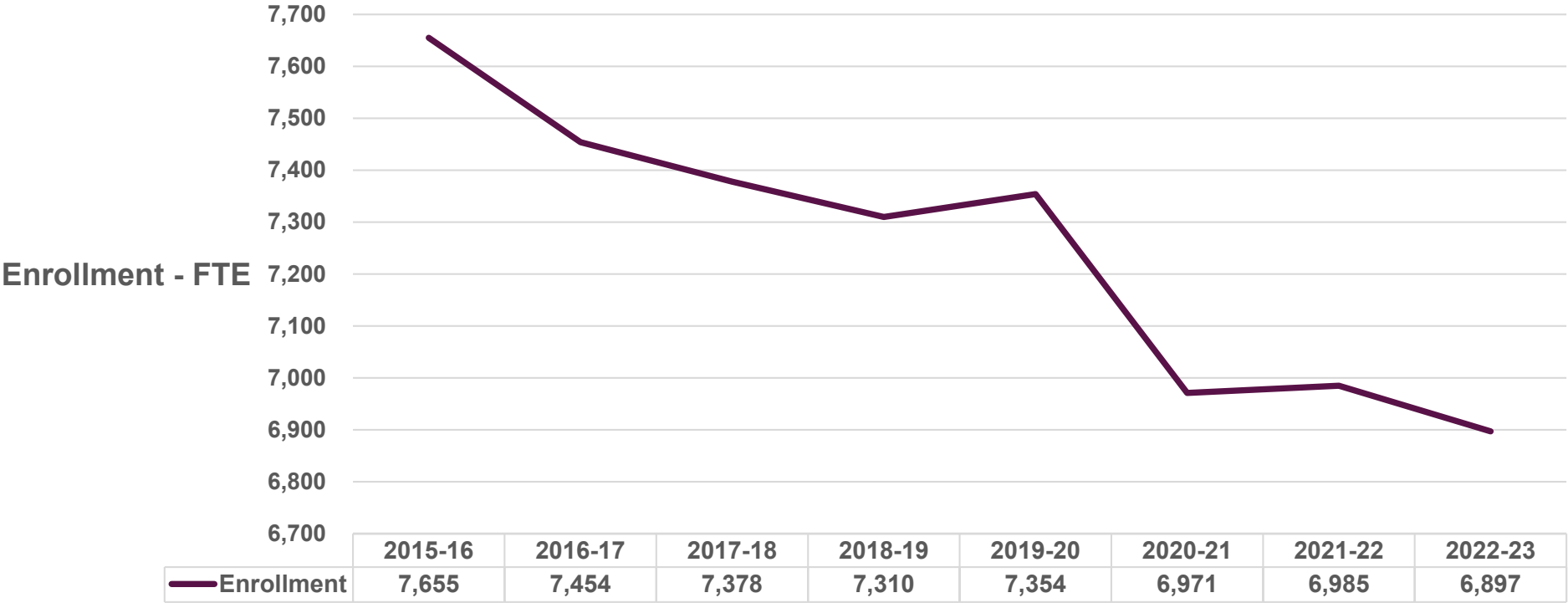


*2021 is the most recent year with birth rate data available from the Washington State Department of Health

Enrollment

2022-23 Current Enrollment

Wenatchee School District
K-12 Enrollment - FTE
2015-16 through 2022-23



*2022-23 Enrollment based on June 2023 AAFTE

Enrollment

2023-24 Projected Enrollment

Grade	2023-24 Budget	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast
Kindergarten	455	455	451	460
First	486	465	445	460
Second	480	470	465	450
Third	443	443	470	460
Fourth	468	430	460	460
Fifth	478	460	420	460
Sixth	498	470	450	430
Seventh	498	490	470	460
Eighth	528	528	490	470
Ninth	540	516	480	490
Tenth	576	530	505	480
Eleventh	518	565	520	505
Twelfth	466	510	555	520
Total Basic Education	6,434	6,332	6,181	6,105
ALE	331	320	320	320
Running Start	205	205	205	205
Dropout	75	75	75	75
TTK	35	35	35	35
Total K-12	7,080	6,967	6,816	6,740

Enrollment

2023-24 Projected Enrollment

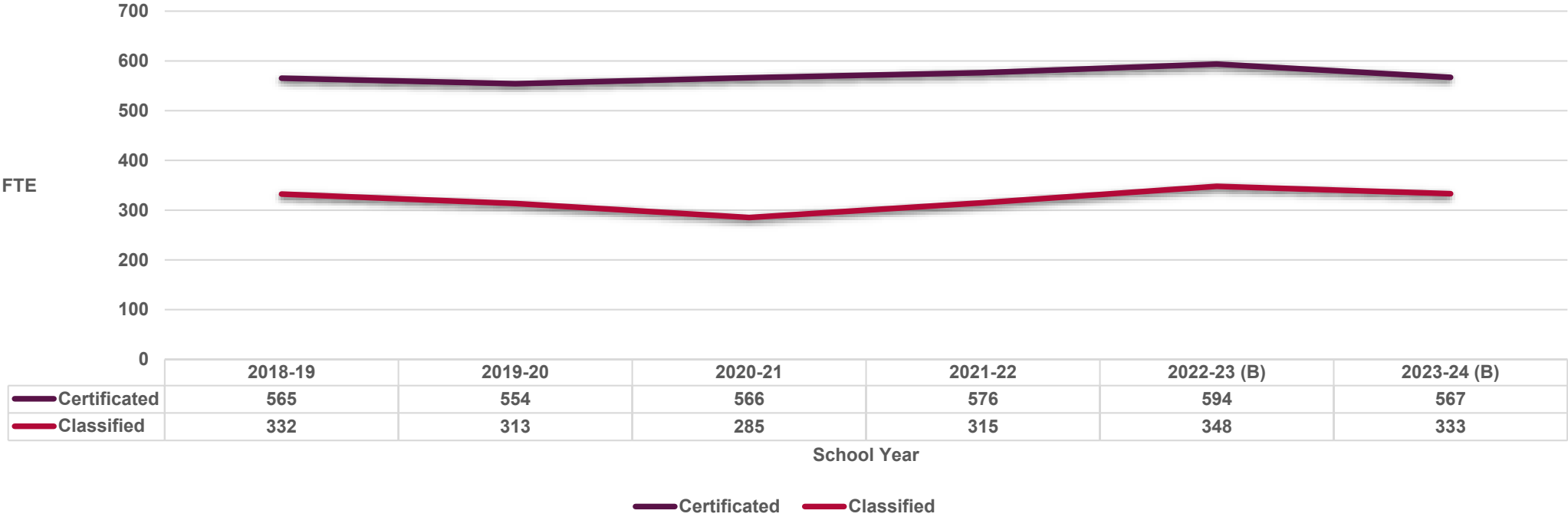
Enrollment Analysis

- County birth rates have declined but leveling off.
- District graduating class sizes are larger than our projected Kindergarten classes.
- Alternative education choices
- Transition to Kindergarten (TTK) students will not be counted towards BEA funding. It will be funded in its own separate program like ALE.
- Expectation is that enrollment will decline about 100 students or 1.4%, consistent with current year trends.
- District is ultimately funded on actual enrollment, not what is budgeted

Staffing

Staffing

Wenatchee School District
Staffing History (in FTEs)



Staffing – Four Year Plan

	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
FTE - Certificated Employees	562	542	530	530
FTE - Classified Employees	338	318.5	310	310
FTE - Total	900	860.5	840	840

- Staffing will continue to be allocated based on anticipated enrollment
- As enrollment changes, staffing will be adjusted
- All positions will continue to be analyzed based on need and funding throughout the 2023-24 school year

General Fund

General Fund

Purpose & Background

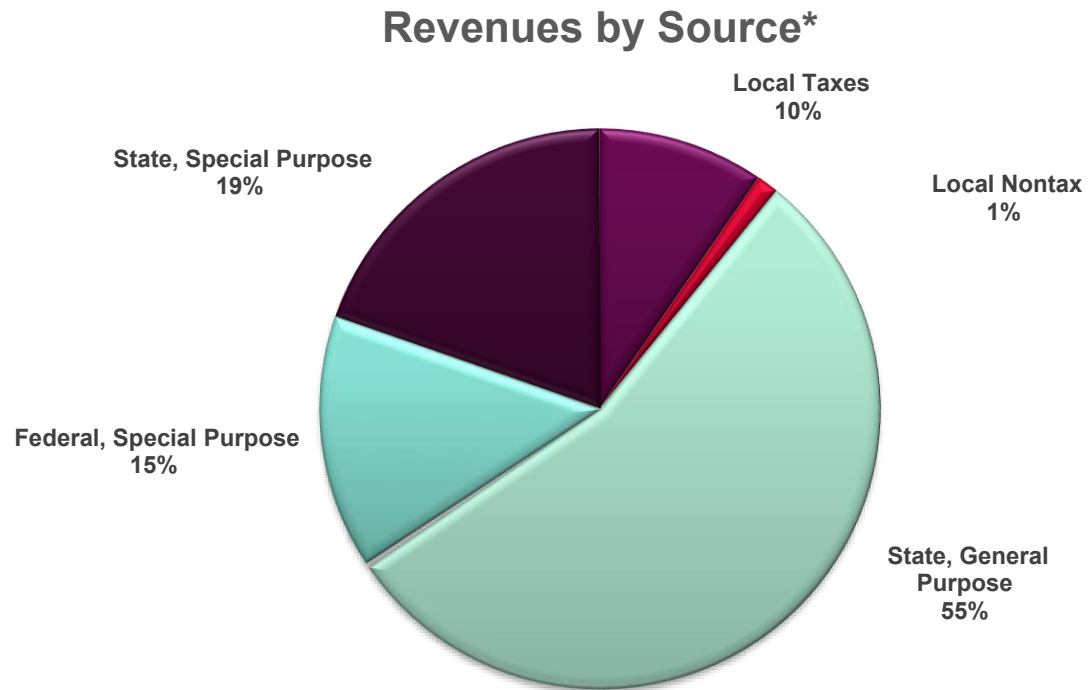
Purpose

- The General Fund is used to account for all financial resources except those required to be accounted for in another fund.
- The General Fund is financed from local, county, state, and federal sources. These revenues are generally used for financing the current ordinary normal and recurring operations of the school district such as programs of instruction for the students, food services, maintenance, data processing, printing, and pupil transportation.
- All school districts must have a General Fund.

General Fund

Revenues by Source

Source	Amount
Local Taxes	12,536,999
Local Nontax	1,637,800
State, General Purpose	71,579,910
State, Special Purpose	25,634,324
Federal, General Purpose	300,000
Federal, Special Purpose	19,175,576
Revenues from Other Districts	105,000
Revenues from Other Agencies	2,000
Other Financing Sources	-
Total Revenues w/ Capacity	130,971,609



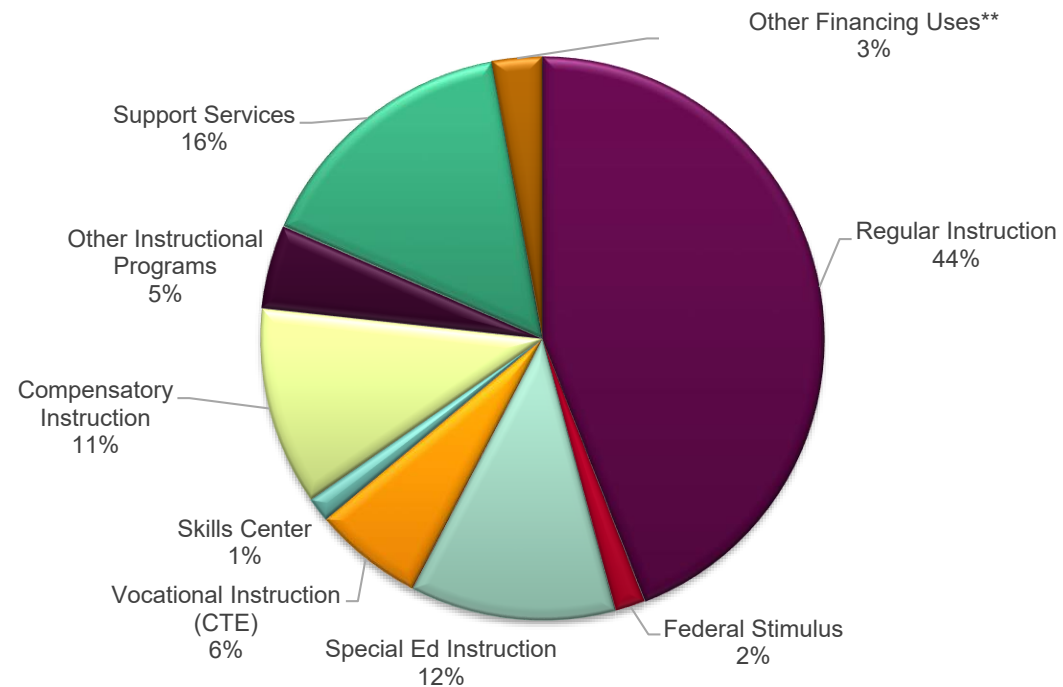
*Revenue sources that make up less than 1% of the total revenues are not included on the chart

General Fund

Appropriations (Expenditures) & Transfers by Program

Program Category	Appropriations
Regular Instruction	61,449,775
Federal Stimulus	2,697,434
Special Ed Instruction	16,494,583
Vocational Instruction (CTE)	8,725,644
Skills Center	1,949,637
Compensatory Instruction	15,750,525
Other Instructional Programs	6,516,191
Community Support	46,729
Support Services	21,722,958
Other Financing Uses	4,000,000
Total Appropriations & Transfers	139,403,477

Appropriations & Transfers by Program*



*Program categories that make up less than 1% of the budget are not included on the chart

** Other Financing Uses is a \$4M transfer to the district's capital projects fund to construct a new softball field.

General Fund

Appropriations/Expenditures

2023-24 MSOC Disclosure

As part of the budget development, hearing, and review process required by RCW 28A.505, each school district must disclose:

- (A) The amount of state funding to be received by the district for materials, supplies, and operating costs (MSOC)
- (B) The amount the district proposed to spend for materials, supplies, and operating costs (MSOC);
- If (A) exceeds (B) any proposed use of this difference, and how this use will improve student achievement.

For the Wenatchee School District No. 246 these values are:

- Amount of budgeted State MSOC funding: \$8,300,190
- Amount District proposed to spend for MSOC: \$12,534,555
- Difference: \$4,234,365

The amount the district anticipates spending on MSOC **exceeds** the amount of anticipated state funding. **The district has allocated all MSOC monies provided by the state for its intended purpose.**

General Fund

Fund Balance Projections

2023-24 Estimated Beginning Fund Balance (06/2023)		
G/L Code	Description	Amount
821	Restricted for Carryover of Restricted Revenue	690,000
825	Restricted for Skills Center	1,470,000
840	Inventory - Nonspensable	60,000
870	Committed to Other Purposes*	2,861,949
884	Assigned to Capital Projects**	4,000,000
888	Assigned to Other Purposes	485,000
890	Unassigned	3,381,484
891	Unassigned to Min Fund Balance	6,304,875
Total Beginning Fund Balance		19,253,308

*Board Resolution 01-23 – Offset Budget Reductions

**Board Resolution 05-22 – Softball Field

General Fund

Fund Balance Projections

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825	Restricted for Skills Center	1,470,000
840	Inventory - Nonspensable	60,000
870	Committed to Other Purposes*	-
884	Assigned to Capital Projects**	-
888	Assigned to Other Purposes	485,000
890	Unassigned	1,346,266
891	Unassigned to Min Fund Balance	6,770,174
Total Ending Fund Balance		10,821,440

*Board Resolution 01-23

**Board Resolution 05-22

General Fund Summary

	23-24 Budget	24-25 Forecast	25-26 Forecast	26-27 Forecast
Beginning Balance	19,253,308	10,821,440	10,009,456	9,770,533
Revenues	130,971,609	127,210,016	128,883,077	131,718,539
Appropriations	135,403,477	128,022,000	129,122,000	131,402,000
Other Financing Uses	4,000,000	-	-	-
Ending Balance	10,821,440	10,009,456	9,770,533	10,087,072
Change in Net Assets	(8,431,868)	(811,984)	(238,923)	316,539
Total Enrollment	7,045	6,932	6,781	6,715
FTE Certificated	563	542	530	530
FTE Classified	338	319	310	310

Other Funds

Associated Student Body

Purpose & Background

Purpose

- The Associated Student Body Fund (ASB) is a special revenue fund used to account for the proceeds of revenue sources that are legally restricted to expenditure for specified purposes.
- The ASB fund is designated for activities or events, which are:
 - Cultural, social, recreational, or athletic nature
 - Optional non-credit extra-curricular event
- The fund is financed from establishing and collecting fees, fines, and donations.

Associated Student Body Budget & Four-Year Summary

	23-24 Budget	24-25 Forecast	25-26 Forecast	26-27 Forecast
Revenues				
General Student Body	268,250	270,000	270,000	270,000
Athletics	342,710	345,000	345,000	345,000
Classes	5,000	5,000	5,000	5,000
Clubs	669,910	670,000	670,000	670,000
Private Monies	68,225	70,000	70,000	70,000
Total Revenues	1,354,095	1,360,000	1,360,000	1,360,000
Appropriations/Expenditures				
General Student Body	198,500	200,000	200,000	200,000
Athletics	364,714	365,000	365,000	365,000
Classes	5,000	5,000	5,000	5,000
Clubs	695,760	700,000	700,000	700,000
Private Monies	73,050	75,000	75,000	75,000
Total Appropriations/Expenditures	1,337,024	1,345,000	1,345,000	1,345,000
Change in Net Assets	17,071	15,000	15,000	15,000
Beginning Fund Balance	694,496	711,567	726,567	741,567
Ending Fund Balance	711,567	726,567	741,567	756,567

Debt Service Fund

Purpose & Background

Purpose & Background

- To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- The fund is used to account for the payment of principal, interest, and the expenditures related to the redemption of outstanding bonds and notes, as well as other noncurrent long-term liabilities.
- The district makes payments on bond principal and interest every June and December of each year.
- The district currently has one outstanding bond, which expires in December 2033.

Debt Service Fund

Budget & Four-Year Summary

	23-24 Budget	24-25 Forecast	25-26 Forecast	26-27 Forecast
Revenues				
Local Taxes	6,271,959	6,300,000	6,450,000	6,750,000
Local Support Nontax	50,000	50,000	50,000	50,000
Total Revenues	6,321,959	6,350,000	6,500,000	6,800,000
Expenditures				
Matured Bond Expenditures	3,550,000	3,850,000	4,170,000	4,650,000
Interest on Bonds	2,567,413	2,382,413	2,202,763	2,024,481
Bond Transfer Fees	50,000	50,000	50,000	50,000
Total Expenditures	6,167,413	6,282,413	6,422,763	6,724,481
Change in Net Assets	154,546	67,587	77,237	75,519
Beginning Fund Balance	1,011,774	1,166,320	1,233,907	1,311,144
Ending Fund Balance	1,166,320	1,233,907	1,311,144	1,386,663

Capital Projects

Purpose & Background

Purpose

- The purpose of the Capital Projects Fund is to account for financial resources to be used for the acquisition or construction of major capital facilities.
- The Capital Projects Fund can be used for the acquisition of land or existing facilities, construction of buildings, purchase of equipment, conducting energy audits, making capital improvements, and implementing technology systems
- Additionally, the fund can be used for improvements to buildings or grounds, remodeling of buildings, and the replacement of roofs, carpets, and service systems

Revenues & Other Financing Sources

- The Capital Projects Fund is generally financed from the proceeds of the sale of bonds, state matching revenues, and special levies.
- The fund is also used to record the proceeds from the sale of, and the net proceeds from, the lease of surplus real property and investment earnings.
- Currently, the district does **not** have any revenue services except for investment earnings and rental lease income.

Capital Projects

Budget & Four-Year Plan

	2023-24 Budget	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast
Revenues				
Rental Leases	2,500	2,500	2,500	2,500
Investment Earnings	22,500	22,500	22,500	22,500
Local Nontax	2,000,000	-	-	-
Other Financing Sources	4,000,000	-	-	-
Total Revenues	6,025,000	25,000	25,000	25,000
Expenditures				
Site Projects	6,300,000	-	-	-
Building Projects	400,000	-	-	-
Total Expenditures	6,700,000	-	-	-
Change in Net Assets	(675,000)	25,000	25,000	25,000
Beginning Fund Balance	963,674	288,674	313,674	338,674
Ending Fund Balance	288,674	313,674	338,674	363,674

*Other Financing Sources is a \$4M transfer from the general fund to construct a new softball field

Transportation Vehicle Fund

Purpose & Background

Purpose

- The Transportation Vehicle Fund is provided for the purchase and major repair of pupil transportation equipment. This fund is a Capital Projects Fund due to the cost of the equipment it acquires and the long-term use of the asset.

Revenues & Other Financing Sources

- The Transportation Vehicle Fund is generally financed by the state reimbursement to school districts for depreciation of approved pupil transportation equipment although other revenues sources such as non-voted debt and levies can be used.
- Additionally, the district may transfer money from the General Fund into the Transportation Vehicle Fund.

Expenditures

- Expenditures are recorded when busses are delivered to the district, not when the district places an order.

Transportation Vehicle Fund

Budget & Four-Year Plan

	2023-24 Budget	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast
Revenues				
Investment Earnings	25,000	25,000	25,000	25,000
State Depreciation Reimbursement	372,199	364,622	331,392	404,912
Total Revenues	397,543	389,622	356,392	429,912
Expenditures				
Bus Purchases	596,694	655,559	590,000	620,000
Total Expenditures	596,694	655,559	590,000	620,000
Change in Net Assets	(199,151)	(265,937)	(233,608)	(190,088)
Beginning Fund Balance	1,013,180	814,029	548,092	314,484
Total Ending Fund Balance	814,029	548,092	314,484	124,396

Budget Timeline

July 10th: Budget due to ESD

August 1st: Public Hearing at Special Meeting

August 22nd: Budget Adoption at Regular Meeting

Questions?