



EASTMONT SCHOOL DISTRICT

FISCAL YEAR 2021-2022 BUDGET

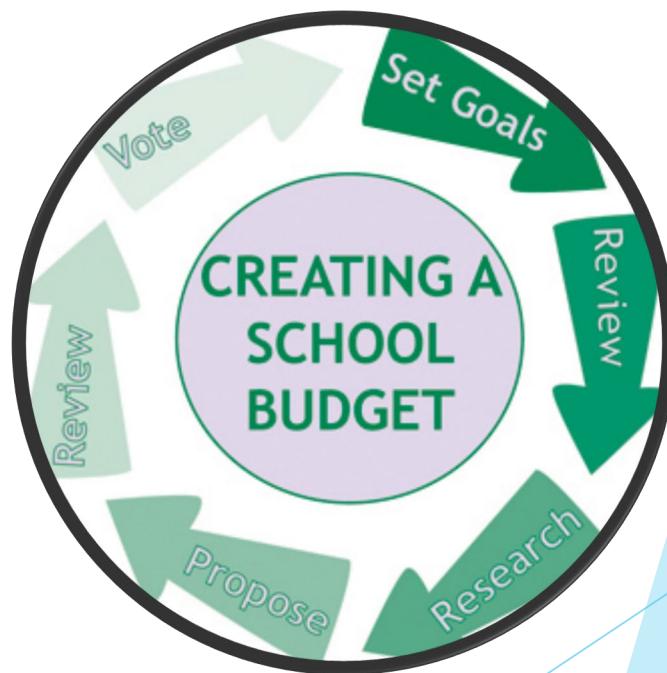
As Presented for Public Hearing

July 12, 2021

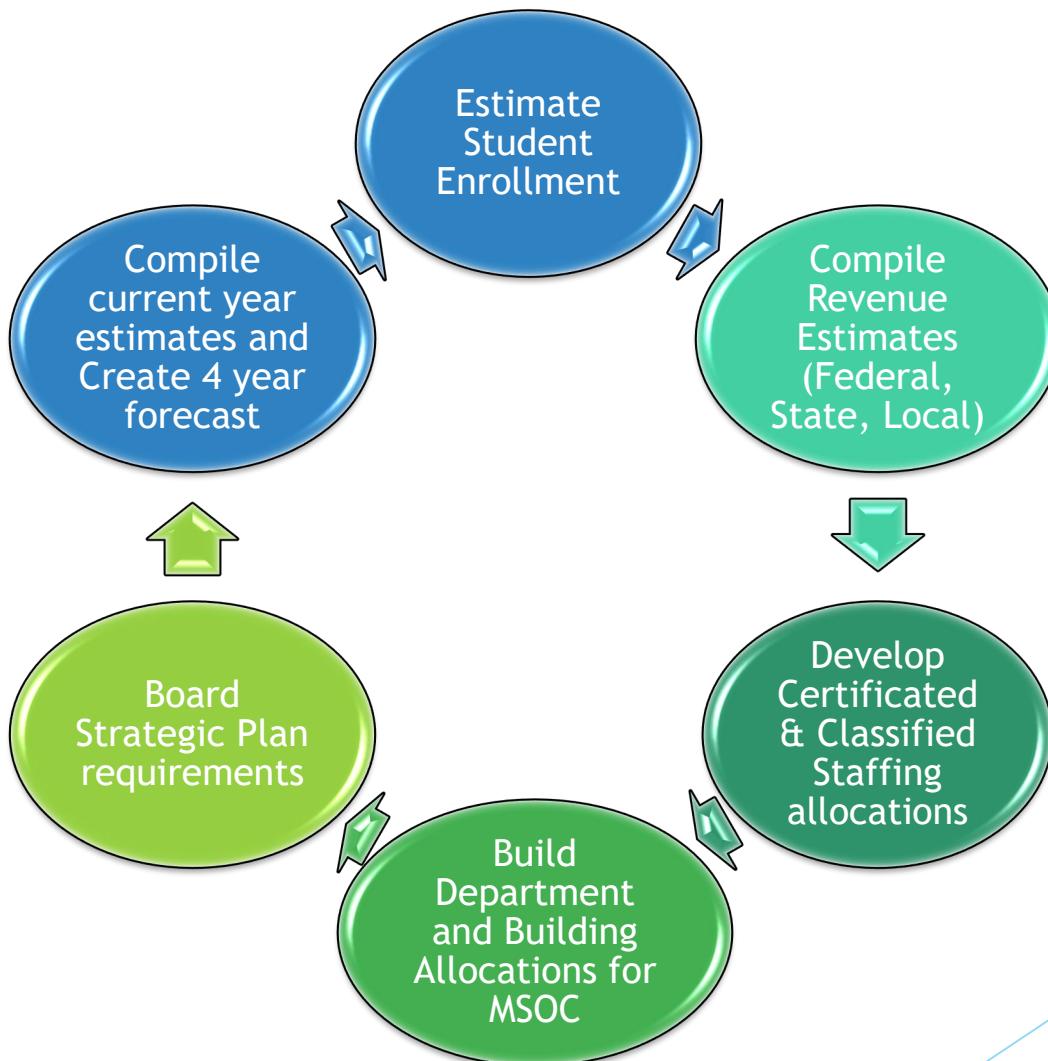
Presented by: Cindy Ulrich, Executive Director of Financial Services

2021-2022 BUDGET PRESENTATION AGENDA:

- ▶ Review Budget Process
- ▶ Present Proposed Budgets for:
 - ▶ General Fund
 - ▶ Associated Student Body Fund
 - ▶ Debt Service Fund
 - ▶ Capital Project Fund
 - ▶ Transportation Vehicle Fund
- ▶ Answer Questions



GENERAL FUND: BUDGET DEVELOPMENT CYCLE



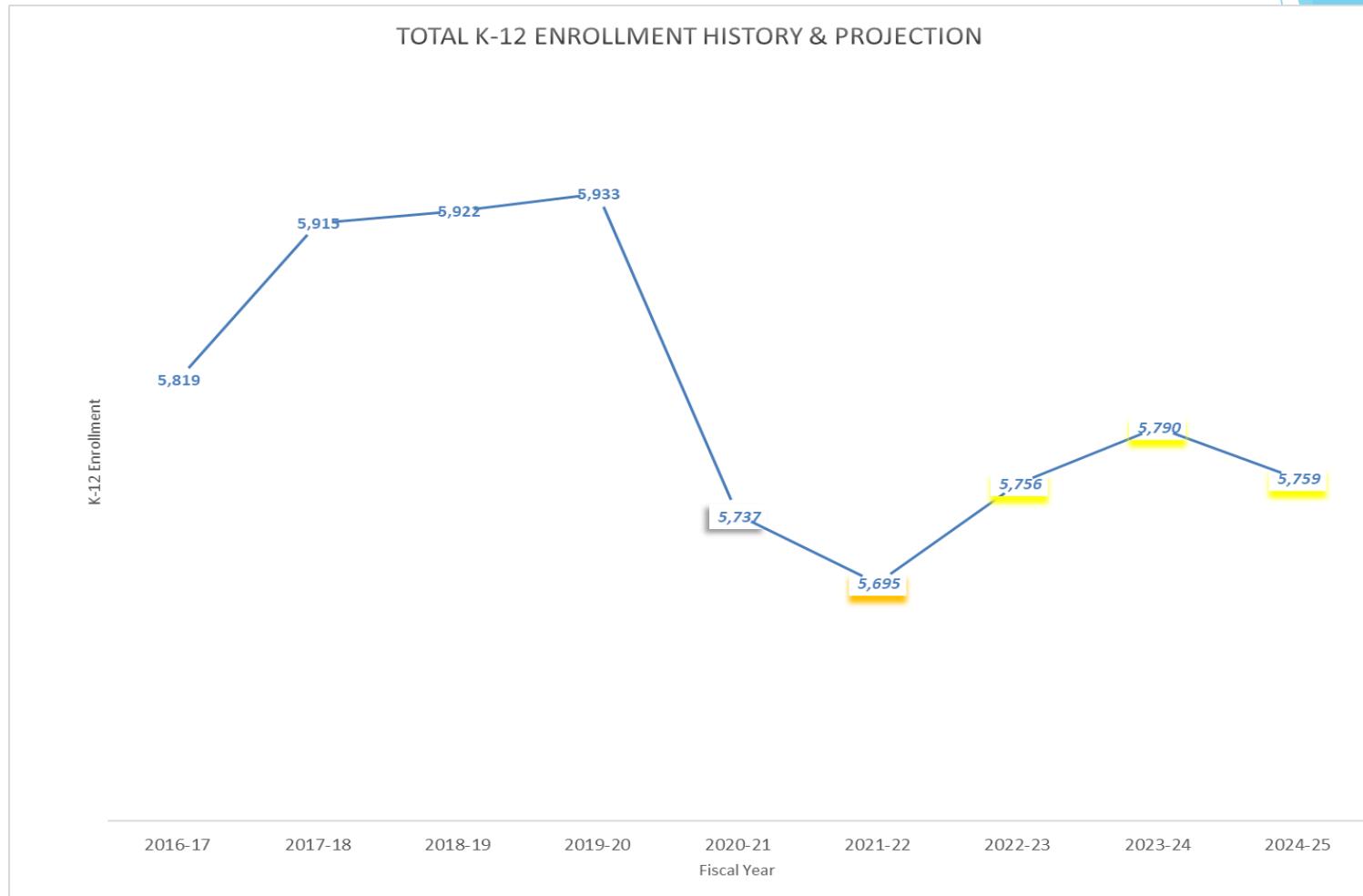
GENERAL FUND: BUDGET DEVELOPMENT HIGHLIGHTS

- ▶ **2020-2021 ENDING FUND BALANCE**
 - ▶ \$2.7 million more than projected. This fiscal year began with better than anticipated fund balance.
- ▶ **2021-2022 ENROLLMENT ESTIMATE**
 - ▶ 0% growth in roll-up of current Kindergarten through 8th grade
 - ▶ Negative 0.5% growth in roll-up of current 9th -11th grade
 - ▶ Assume 270 average enrollment for Eastmont Academy (ALE program)
- ▶ **2021-2022 REVENUE**
 - ▶ Local revenue less as meals will be served for free under USDA Seamless Summer Option (SSO) program
 - ▶ State apportionment allocation lower as result of lower enrollment estimate
 - ▶ Federal revenue higher due to Elementary & Secondary Schools Emergency Relief funding (\$6.6 million)
- ▶ **2021-2022 EXPENDITURES**
 - ▶ Compensation continues to represent the largest component of General Fund operations (83%)

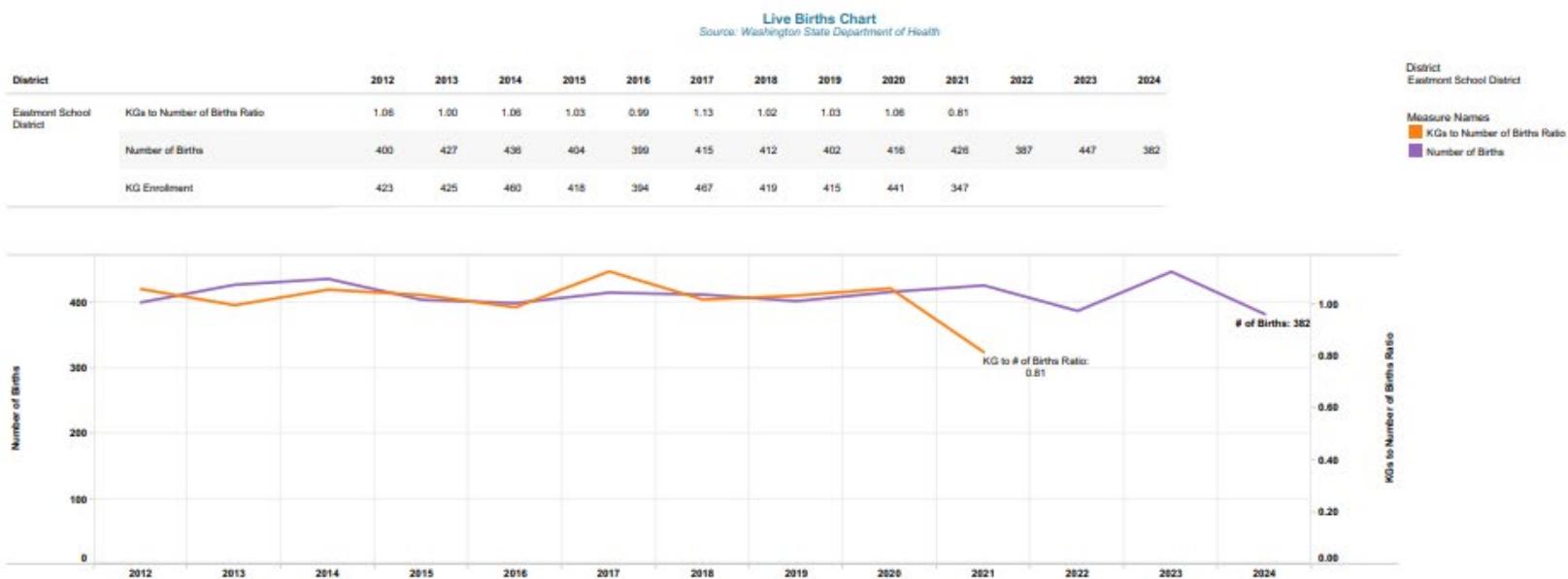
GENERAL FUND: CURRENT YEAR END ESTIMATES

- ▶ REVENUES = Project \$2.6 million less than estimated
 - ▶ Budget estimate was \$87.3 million
 - ▶ Actual projection is \$85.2 million (97% of budget)
- ▶ EXPENDITURES = Project \$4.0 million less than estimated
 - ▶ Budget estimate was \$90.5 million
 - ▶ Actual projection is \$86.5 million (96% of budget)
- ▶ TOTAL ENDING FUND BALANCE = \$15.0 million
 - ▶ Total includes \$7.2 million Commitment to Minimum Fund Balance (8% of budgeted expenditures)

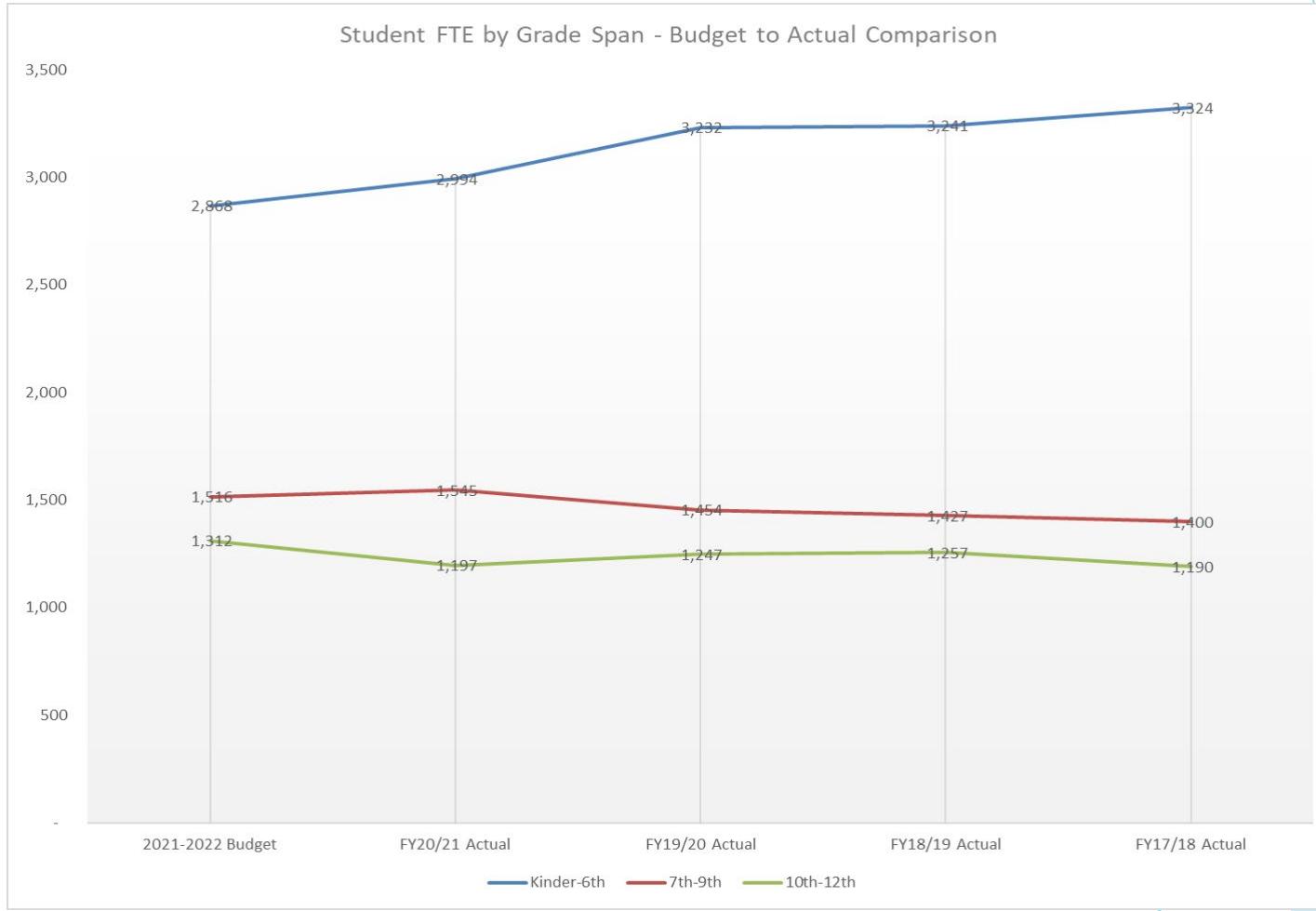
GENERAL FUND: 2021-2022 ENROLLMENT ESTIMATE



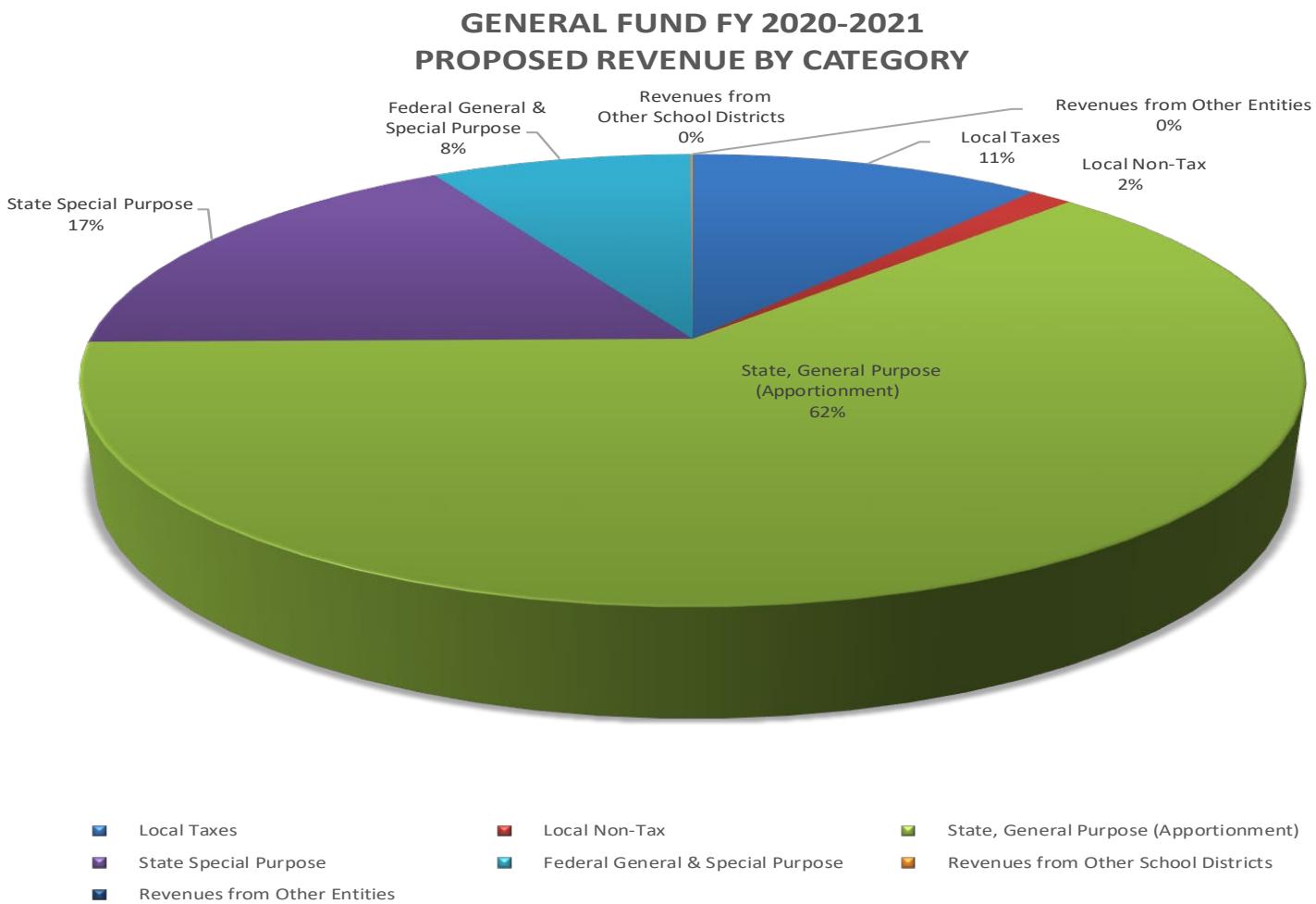
GENERAL FUND: 2020-2021 ENROLLMENT ESTIMATE



GENERAL FUND: Actual & Projected Building Enrollment



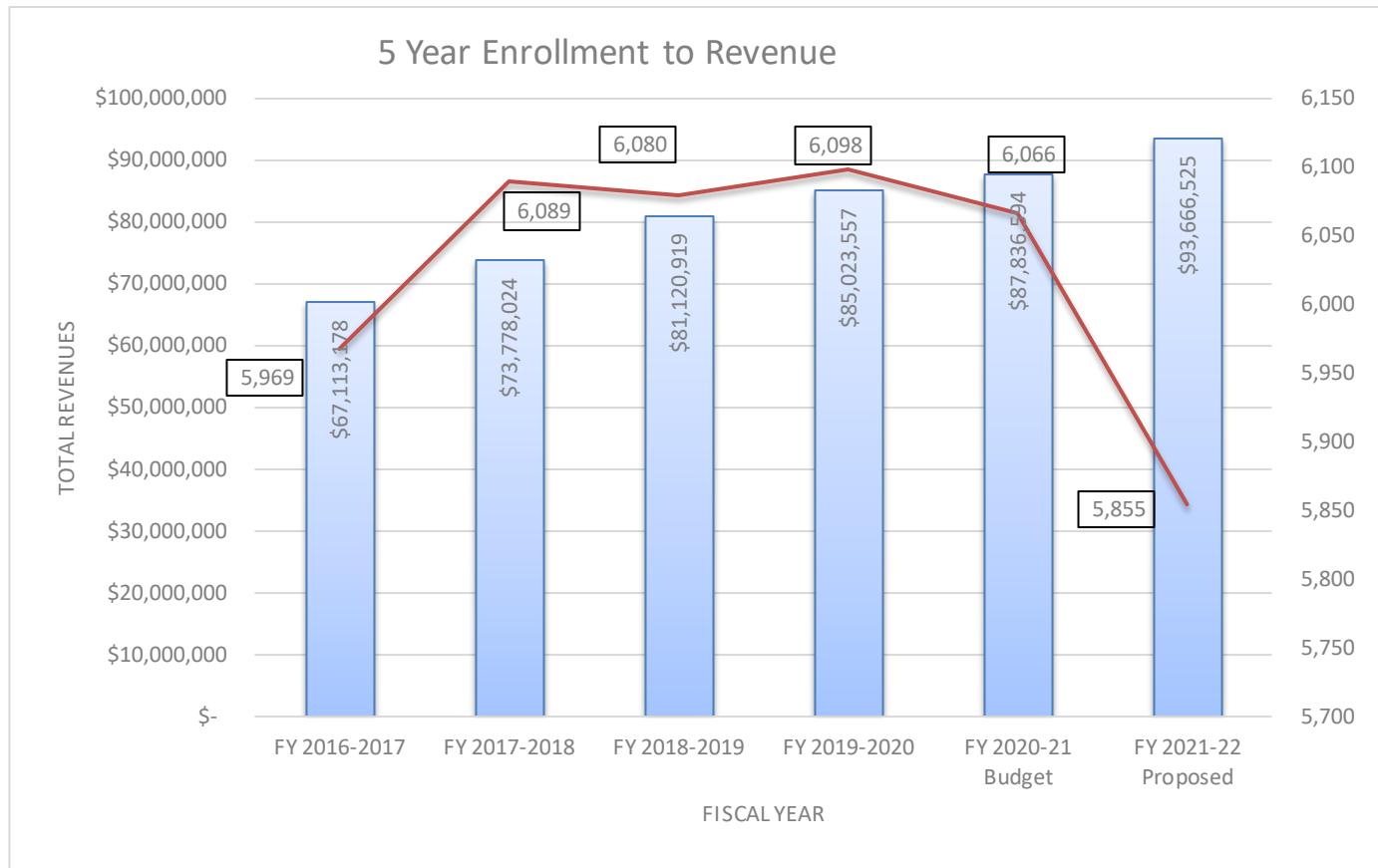
GENERAL FUND: PROPOSED REVENUE = \$93.6 million



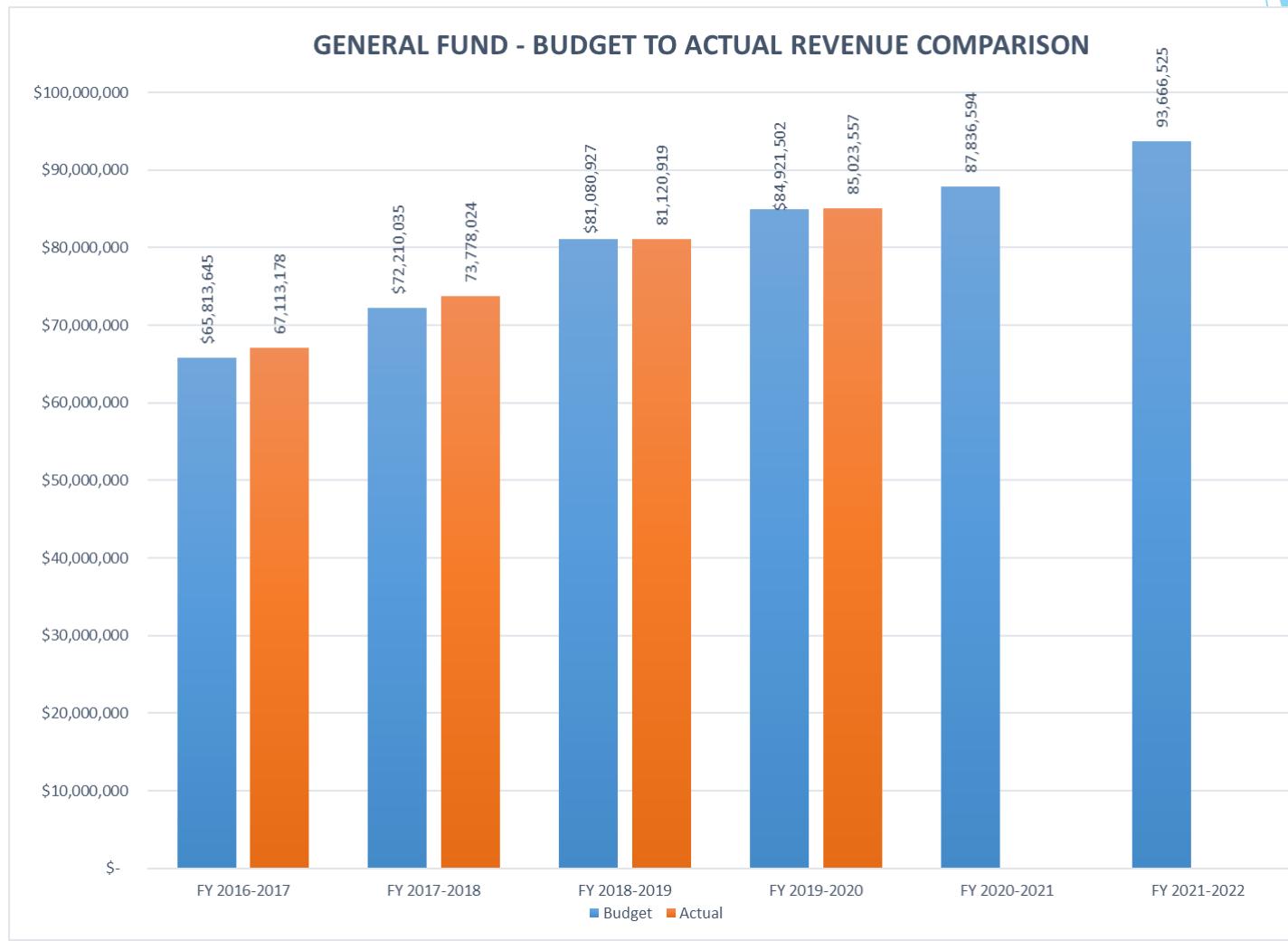
GENERAL FUND: EP&O Levy Rate vs. Combined Levy Rate

Calendar Collection Year	General Fund		Capital Projects Fund		Debt Service Fund		Combined Levy Rate per Thousand of Assessed Valuation
	EP&O Levy	EP&O Rate per Thousand of Assessed Valuation	Capital Projects Levy	Capital Project Levy Rate per Thousand of Assessed Valuation	Debt Service Levy	Debt Service Levy Rate per Thousand of Assessed Valuation	
2021	\$ 10,523,103	\$ 2.09	\$ 5,749,000	\$ 1.14	\$ 2,658,000	\$ 0.53	\$ 3.76
2022	\$ 11,049,000	\$ 2.14	\$ 5,832,000	\$ 1.13	\$ 1,753,000	\$ 0.34	\$ 3.60
2023	\$ 11,602,000	\$ 2.16	\$ 5,922,000	\$ 1.10	\$ 1,778,000	\$ 0.33	\$ 3.60
2024	\$ 12,182,000	\$ 2.17			\$ 1,803,000	\$ 0.32	\$ 2.49
2025	\$ 12,791,000	\$ 2.17			\$ 1,833,000	\$ 0.31	\$ 2.48

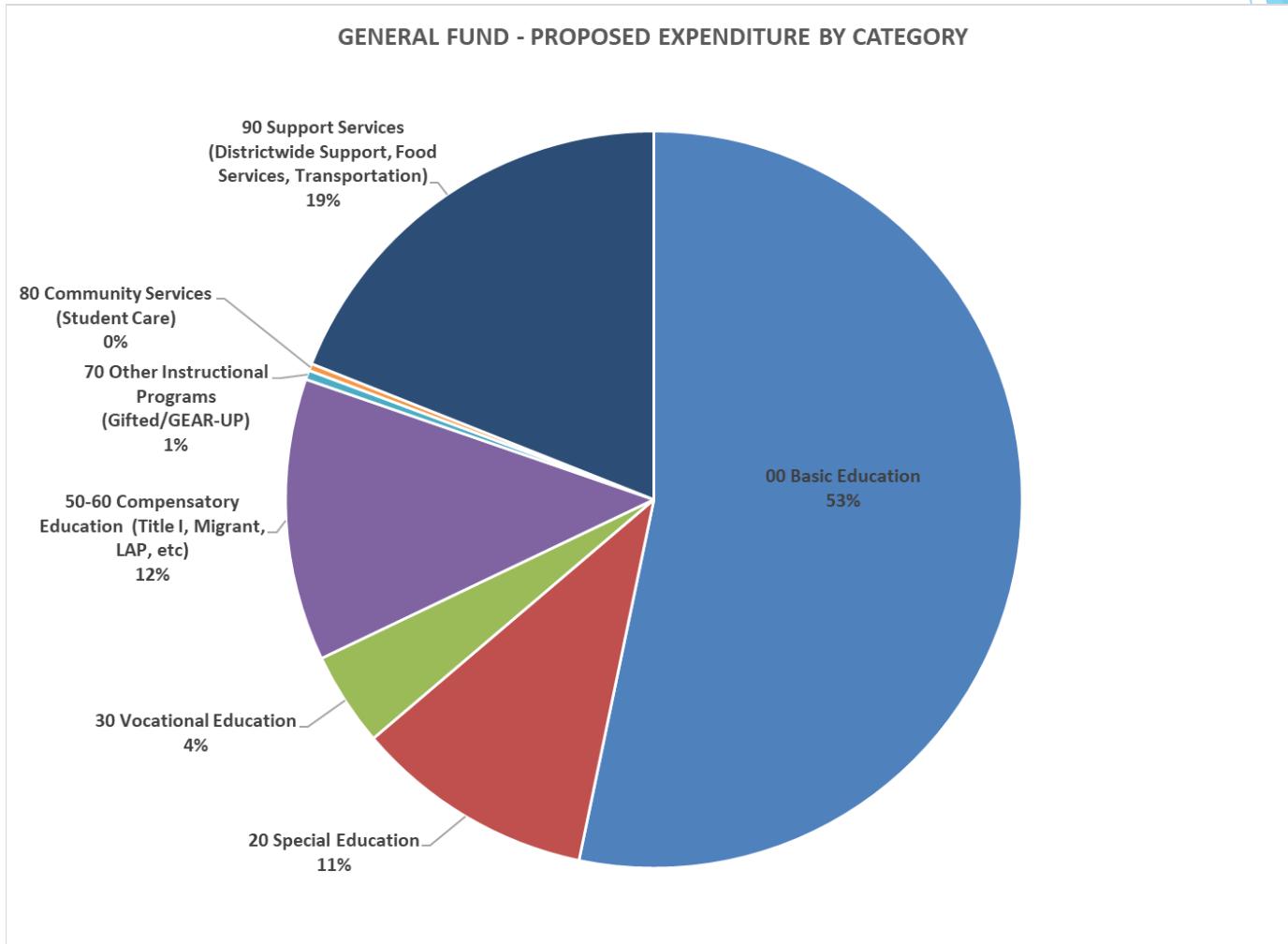
GENERAL FUND: ENROLLMENT & REVENUE



GENERAL FUND: BUDGET TO ACTUAL COMPARISON



GENERAL FUND: PROPOSED EXPENDITURES = \$97.3 million





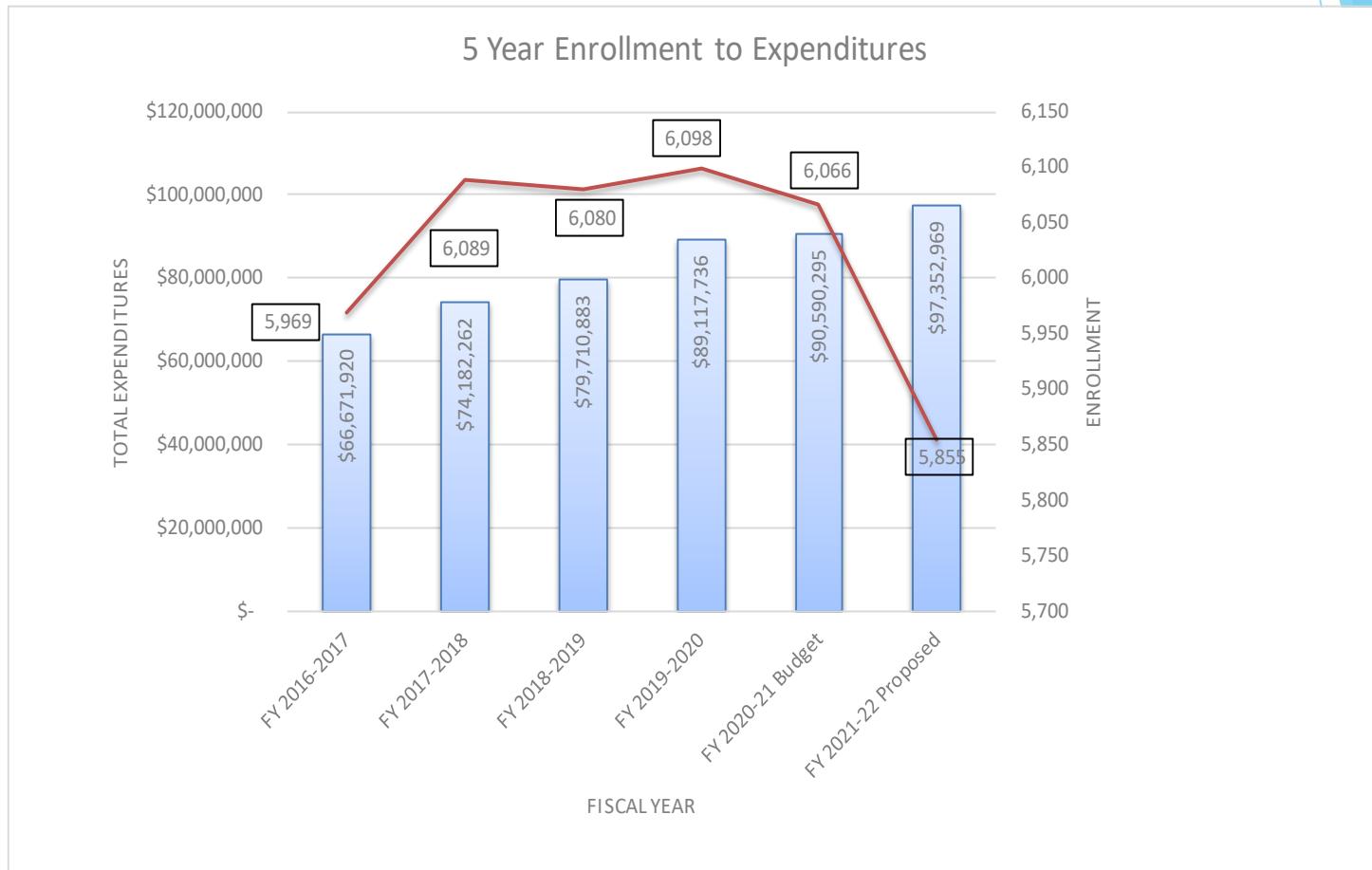
GENERAL FUND: PROPOSED EXPENDITURES

- ▶ Operating Expenditures:
 - ▶ \$80.3 million for personnel costs
 - ▶ Staffing assignments are at pre-COVID levels
- ▶ Strategic Plan Expenditures-\$2.8 million:
 - ▶ \$411,160 -Curriculum
 - ▶ \$550,000-Technology infrastructure
 - ▶ \$205,000 - Maintenance & Fleet Equipment replacement
 - ▶ \$300,000 - Safety and Security needs (School Resource Officer; Facility Safety & Security Upgrades)
 - ▶ \$1,268,250 - Transfer to CPF for LGO Bond Interest & EJHS Roof repair
 - ▶ \$250,000 - Transfer to TVF

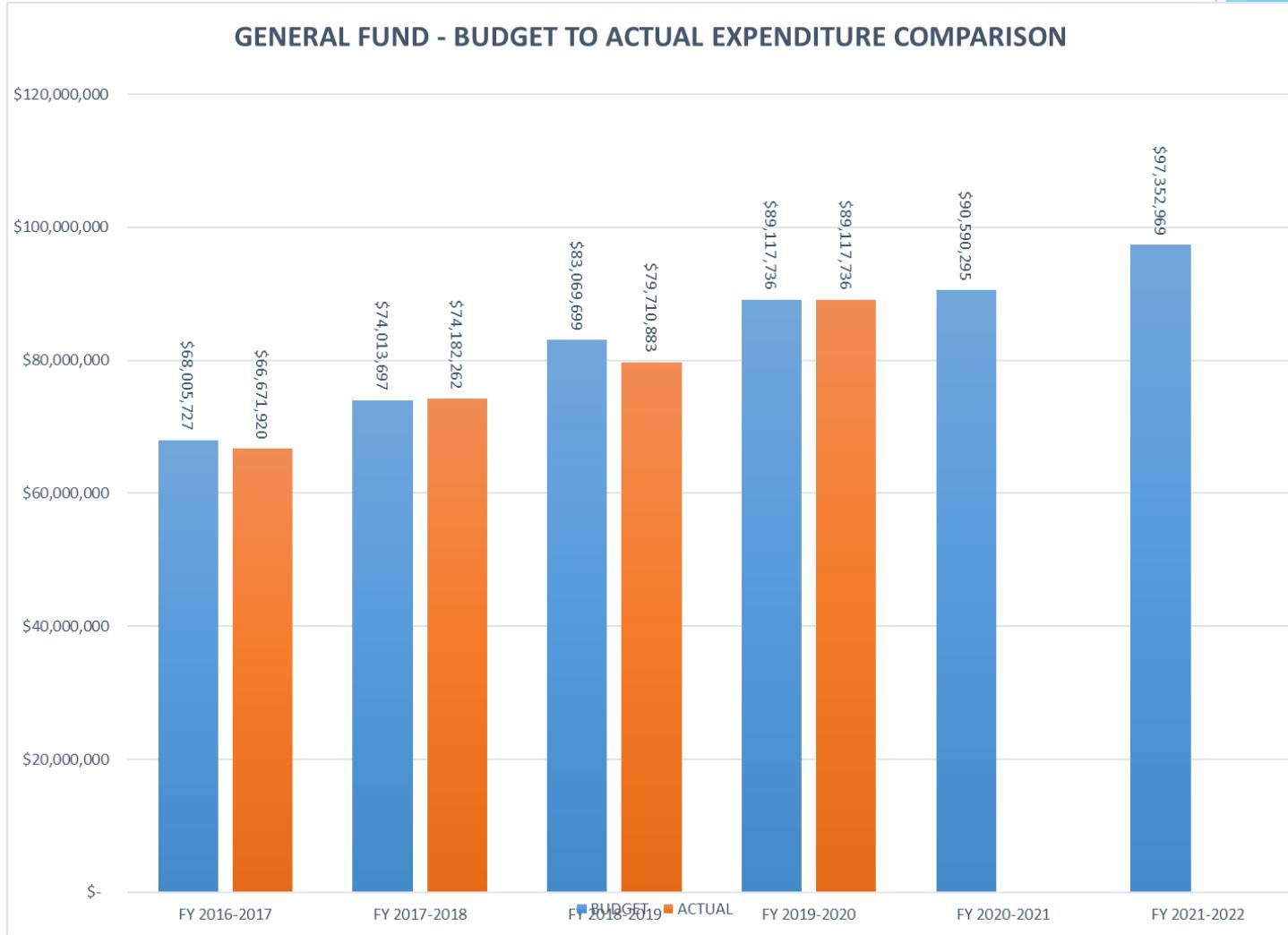
GENERAL FUND: PROPOSED EXPENDITURES

- ▶ Materials, Supplies and Other Costs (MSOC)
 - ▶ The State Legislature continues to require that School Districts disclose:
 - ▶ The amount of MSOC funding in the budget; the amount the District plans to spend on MSOC; and the difference between the two amounts. If the amount of MSOC funding exceeds the proposed spending, the District must report use of this difference and “how it will improve student achievement.”
 - ▶ In the event MSOC Revenue exceeds MSOC Expenditures: Any excess of funding over expenditures will improve student achievement by continuing to provide funding to attract & retain qualified staff
 - ▶ MSOC Revenue estimate = \$6.9 million
 - ▶ MSOC Expenditure estimate = \$7.0 million

GENERAL FUND: ENROLLMENT & EXPENDITURES



GENERAL FUND: PROPOSED EXPENDITURES



GENERAL FUND: LOCAL SUB FUND SOURCES & USES

- ▶ Separate accounting of state and local revenues, and local revenues to expenditures is required. Local revenues means enrichment levies collected under RCW 84.52.053, local effort assistance funding received under chapter 28A.500 RCW, and other school district local revenues including, but not limited to, grants, donations, and state and federal payments in lieu of taxes.
- ▶ Local revenue does not include other federal revenues, or local revenues that operate as an offset to the district's basic education allocation under RCW 28A.150.250
- ▶ School districts are required to deposit local revenues into a sub-fund of the general fund.

GENERAL FUND: 2021-2022 LOCAL SUB FUND SOURCES & USES

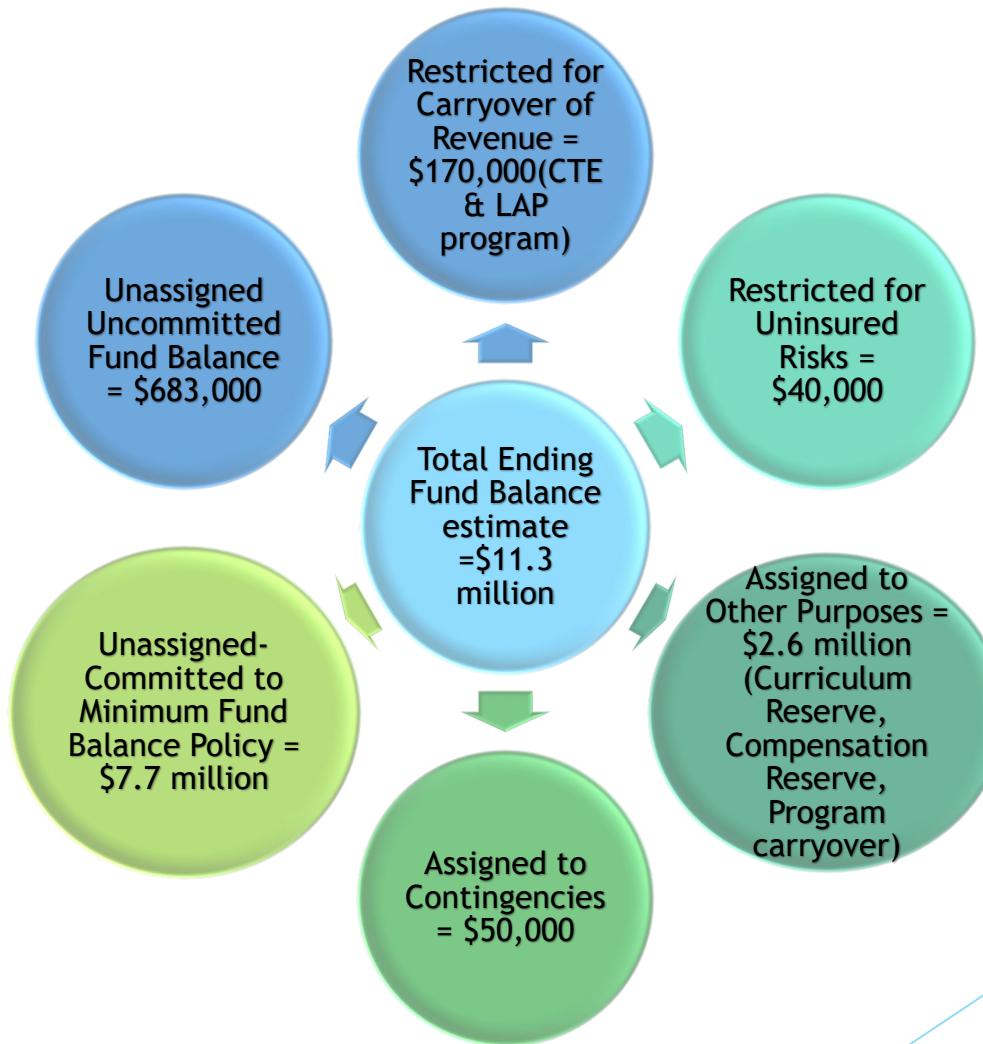
- ▶ Local Sub Fund Sources - \$13.2 million
 - ▶ Educational Program Levy = \$10.7 million
 - ▶ Local Effort Assistance = \$2.0 million
 - ▶ Local Grants & Donations = \$500,000
 - ▶ Student Fees & Fines (Local Fee Schedule)
 - ▶ Facility Use Fees (Local Fee Schedule)
- ▶ Local Sub Fund-Uses
 - ▶ Costs of personnel that exceed the OSPI proto-typical school funding model
 - ▶ Board Program Initiatives (Spanish, SRO, K-6 Art, Music, STEAM)
 - ▶ Strategic Plan requirements (Technology, Maintenance, Facility Improvements/Investment)
 - ▶ Pre-School program offerings not funded by SPED or CTE
 - ▶ All optional extra-curricular activities
 - ▶ Student & Staff Safety/Security

GENERAL FUND: PROPOSED FUND BALANCE

- ▶ Proposed Total Expenditures exceed Proposed Total Revenues by \$3.2 million
- ▶ Fiscal impact is the use of Unassigned Fund Balance
 - ▶ Unassigned Fund Balance is available

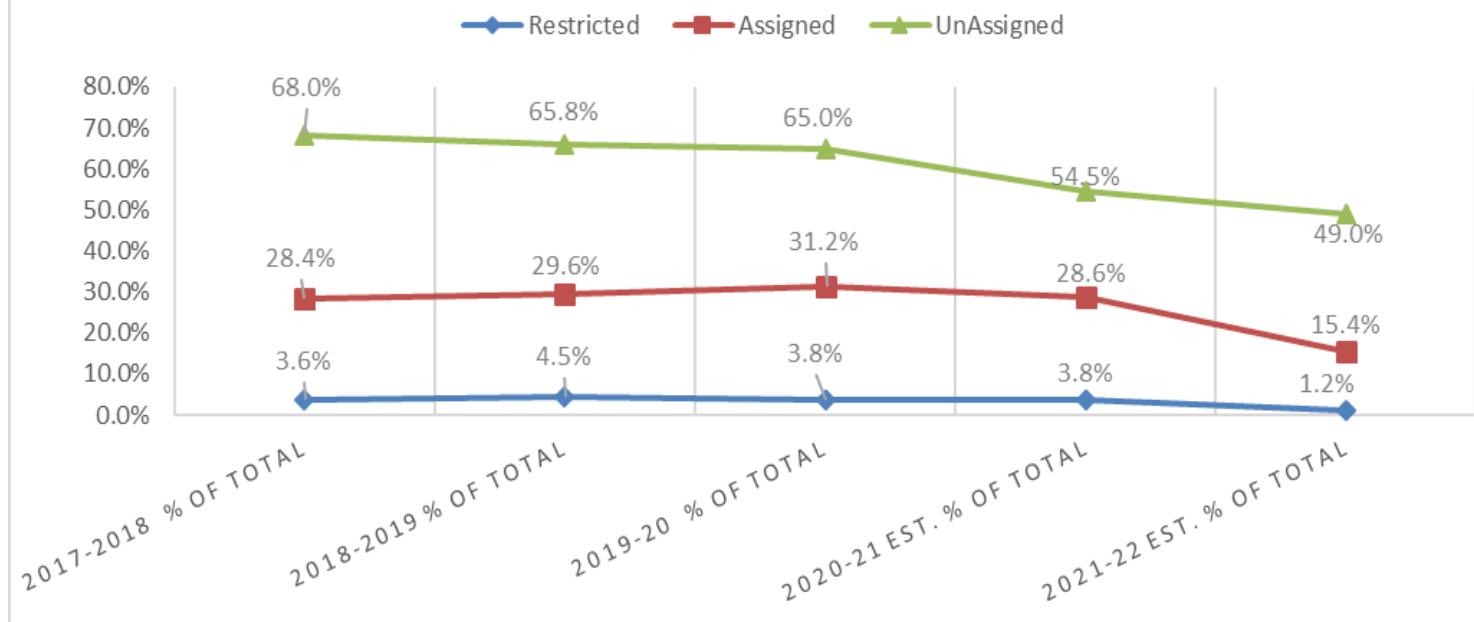
Beginning Balance:	\$15.0 million
+ Estimated Revenue:	\$93.6 million
- Estimated Expenditures:	\$97.3 million
= Ending Fund Balance:	\$11.3 million
- ▶ August 2022 Unassigned Fund Balance Projection \$8.4 million:
 - ▶ Commitment to Minimum Fund Balance = \$7.7 million (8% of total budgeted expenditures)
 - ▶ Unassigned Fund Balance = \$683,000

GENERAL FUND: PROPOSED FUND BALANCE BREAKDOWN



GENERAL FUND: DISTRIBUTION OF FUND BALANCE DESIGNATIONS

GENERAL FUND - 5 YEAR FUND BALANCE DESIGNATION DISTRIBUTION





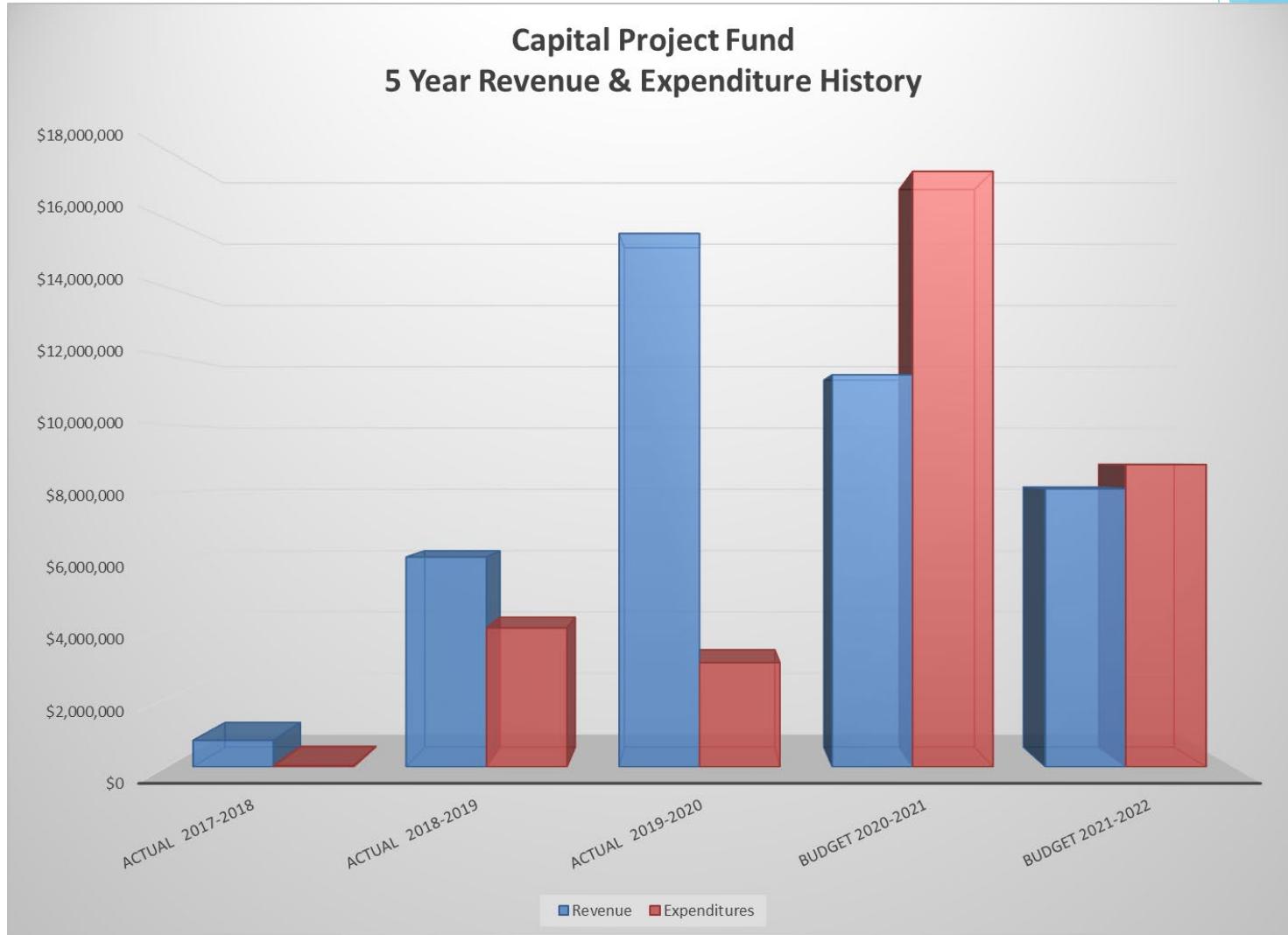
CAPITAL PROJECT FUND: PROPOSED BUDGET

- ▶ The Capital Projects Fund includes all monies and resources set aside for the construction of buildings, certain purchases of new equipment and making capital improvements to its buildings or infrastructure
- ▶ Revenues received by this fund are typically from the sale of bonds, state match, or special levies. Monies received from the sale of surplus real property must also be received in this fund
- ▶ Estimated beginning fund balance is \$3.0 million. Estimated ending fund balance is \$2.3 million

CAPITAL PROJECT FUND: PROPOSED BUDGET

- ▶ Proposed Revenue = \$8.1 million:
 - ▶ \$5.7 million - Capital Levy Collection
 - ▶ \$1.0 million - estimated revenue from grants for improvements related to COVID-19
 - ▶ \$53,000 - rental income from lease of Orchard property
 - ▶ \$268,250 - Transfer from General Fund for interest on LGO Bond
- ▶ Proposed Expenditures = \$8.8 million:
 - ▶ \$2.2 million - Phase 1 Elementary modernization
 - ▶ \$1.0 million - Facility improvements related to COVID19
 - ▶ \$1.0 million - EJHS Roof Repair
 - ▶ \$4.6 million - 2019 LGO Bond principal payment; this will be transferred to Debt Service Fund

CAPITAL PROJECT FUND: PROPOSED BUDGET



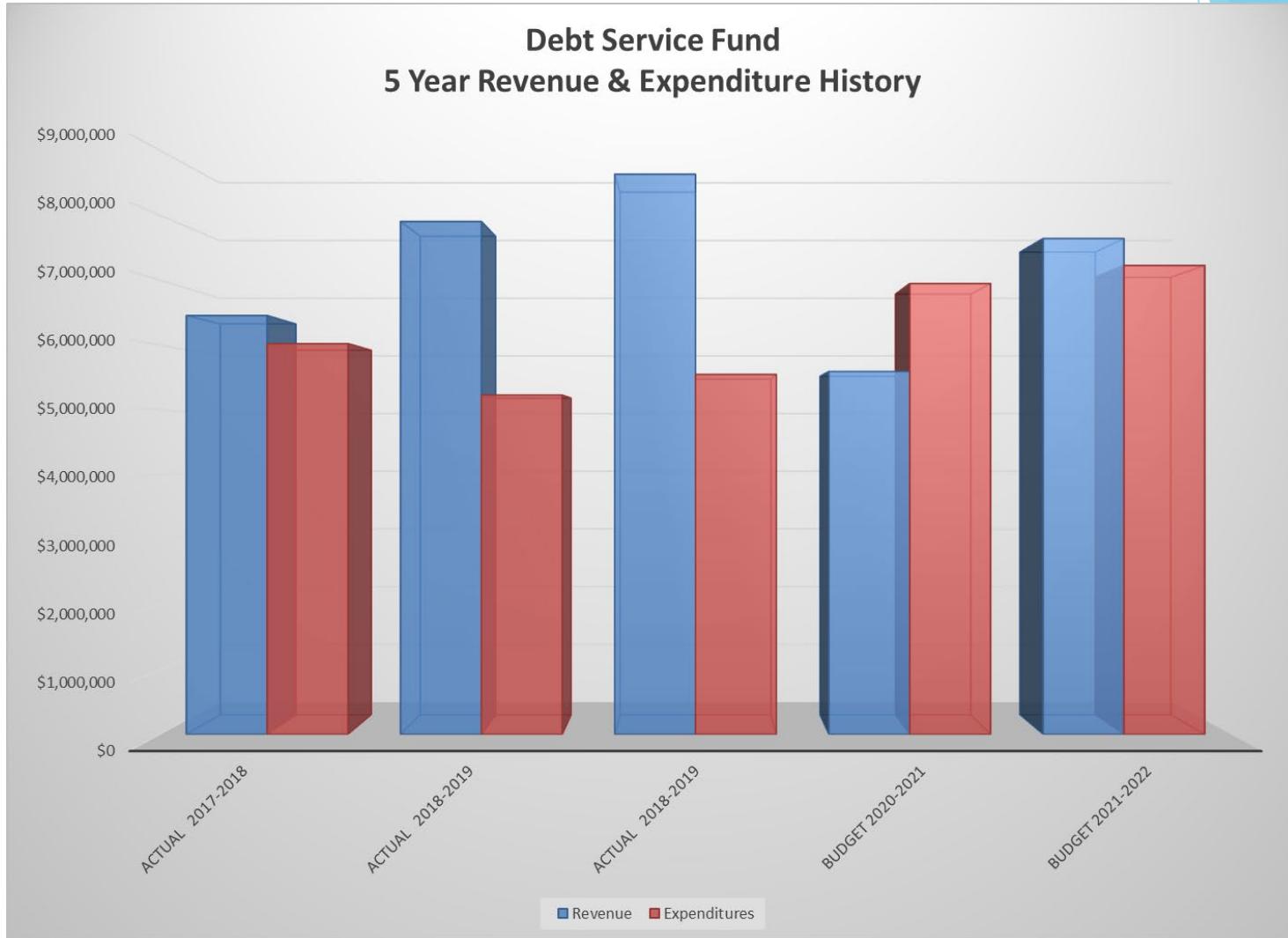
DEBT SERVICE FUND: PROPOSED BUDGET

- ▶ Washington State law requires that this fund be established to account for the payment of principal, interest, and other expenditures related to the redemption of outstanding bonds
- ▶ Provisions must be made annually for the making of a property tax levy sufficient to meet payment of principal and interest
- ▶ The County Treasurer holds collected levy monies in authorized interest earning accounts and/or securities until bond maturity or interest payment dates
- ▶ Estimated beginning fund balance \$11.1 million. Estimated ending fund balance is \$11.5 million.
 - ▶ The fund balance includes the fair market value of the Sinking Fund Investment that will be used to pay off the principal balance of the Qualified School Construction Bond (QSCB) in December 2025

DEBT SERVICE FUND: PROPOSED BUDGET

- ▶ Proposed Revenue = \$7.5 million:
 - ▶ \$2.1 million - Debt Service Levy Collection
 - ▶ \$822,000 - Federal Subsidy for QSCB
 - ▶ \$4,628,650 - Transfers from CPF for non-voted debt payment
- ▶ Proposed Expenditures = \$7.2 million:
 - ▶ \$989,100- Voted Bond interest payments
 - ▶ \$1,510,000 - QSCB payment
 - ▶ \$4,628,650 - Principal & Interest due for 2019 LGO Bond

DEBT SERVICE FUND: PROPOSED BUDGET

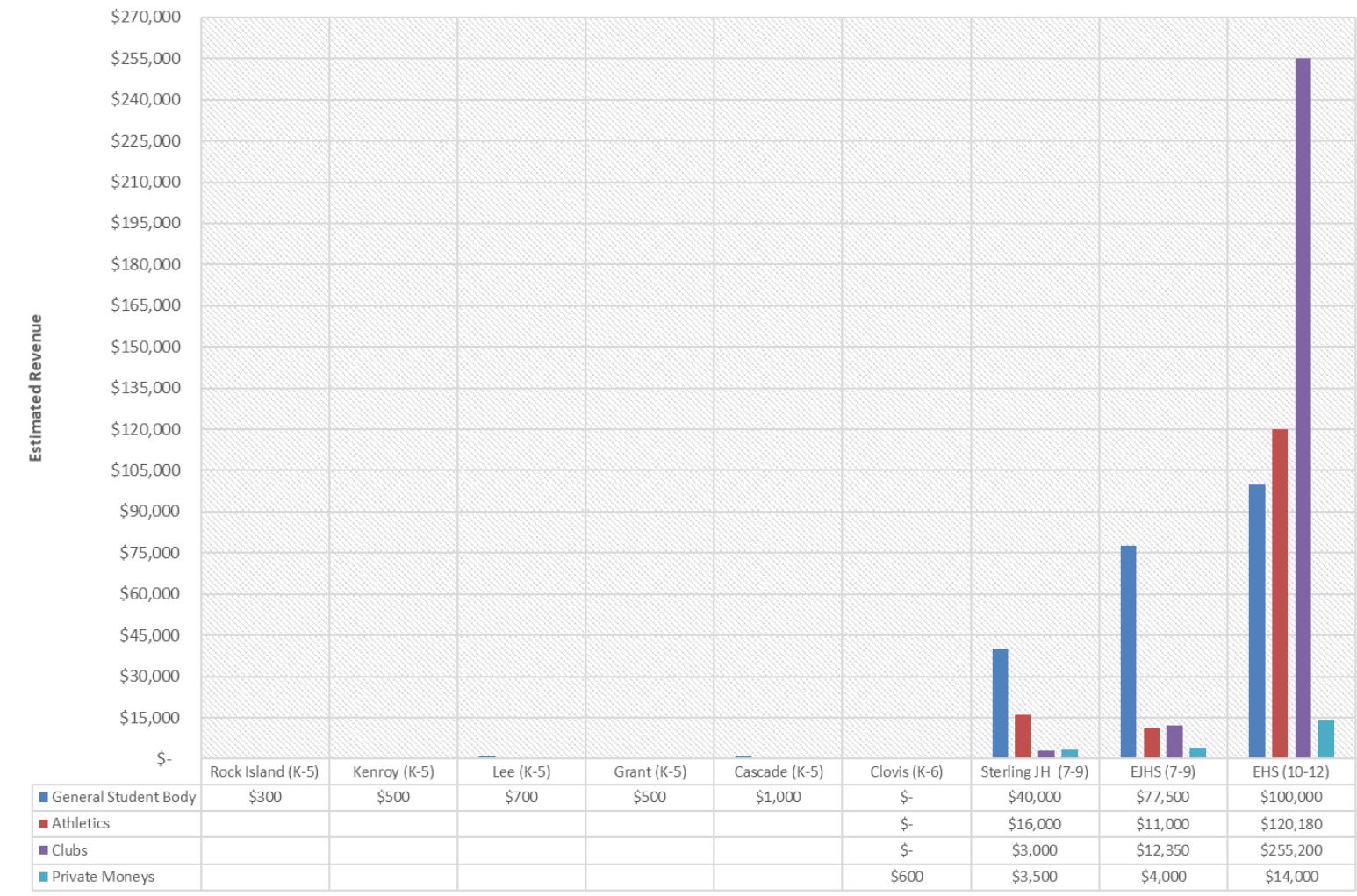


ASSOCIATED STUDENT BODY FUND: PROPOSED BUDGET

- ▶ The ASB fund is financed by the collection of fees from students and non-students for attendance at any optional non-credit extracurricular events of the district.
 - ▶ ASB's are planned for all schools.
- ▶ Revenue may also be raised by student fund-raisers. The monies paid from this fund are used to support activities of the general student body, classes, clubs, etc. that are cultural, athletic, recreational or social in nature
- ▶ Estimated beginning fund balance is \$480,858. Estimate ending fund balance is \$495,382.

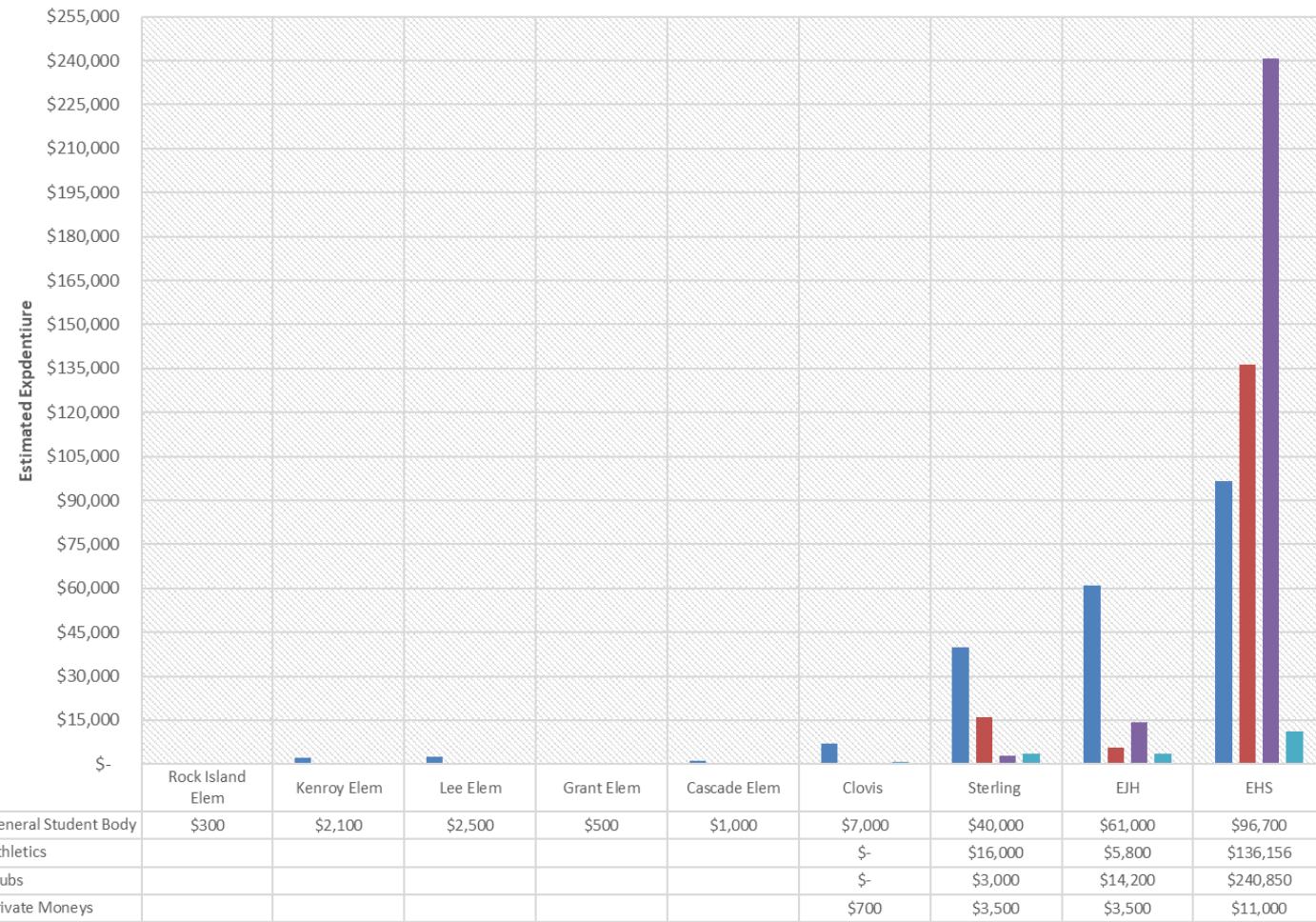
ASB FUND: PROPOSED REVENUE = \$660,330

FY 2021-2022 ASB PROPOSED BUDGET
REVENUES BY CLUB/ACTIVITY



ASB FUND: PROPOSED EXPD = \$645,806

FY 2021-2022 ASB PROPOSED BUDGET
EXPD BY CLUB/ACTIVITY



TRANSPORTATION VEHICLE FUND: PROPOSED BUDGET

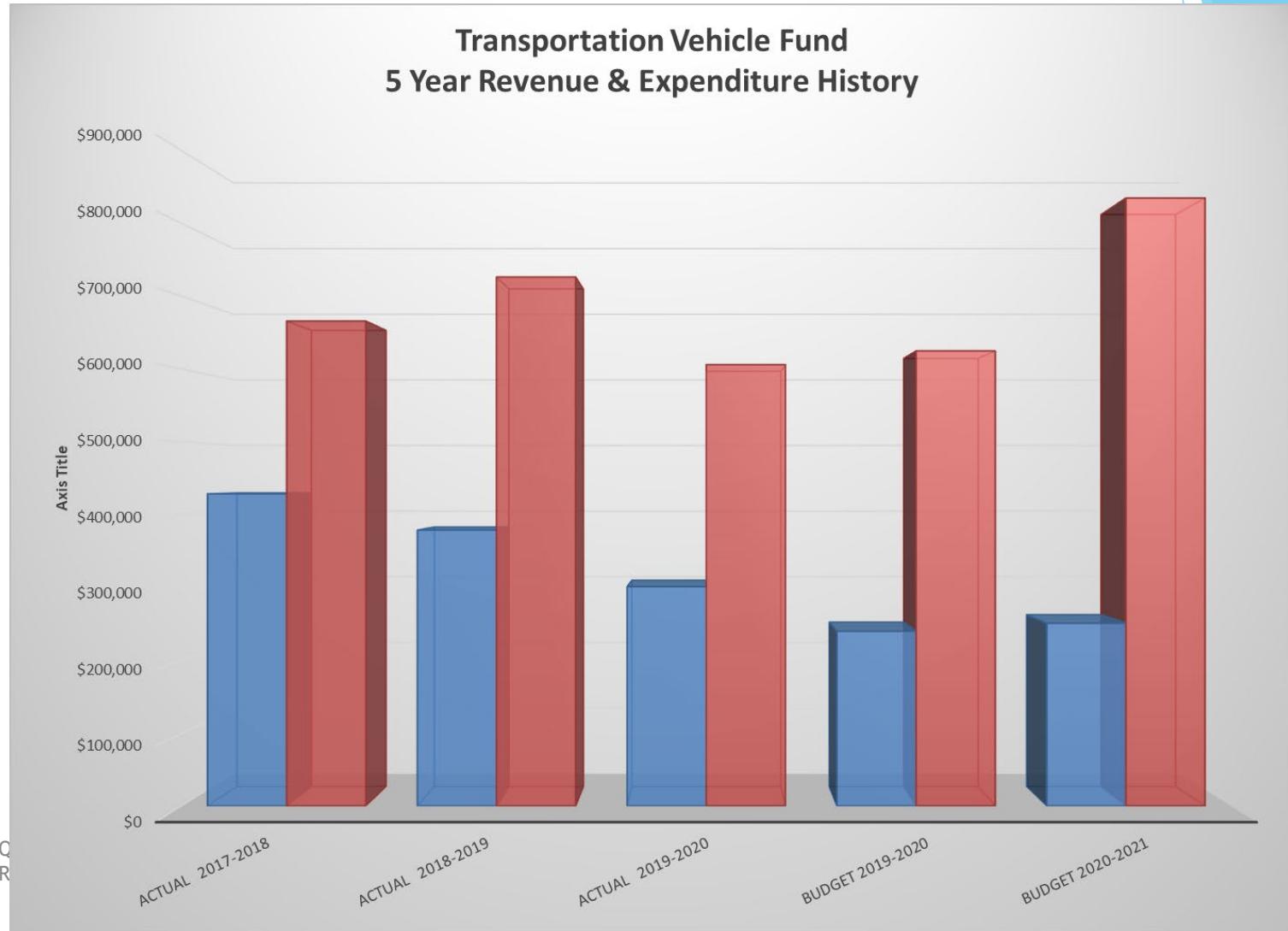
- ▶ The Transportation Vehicle Fund is used to account for the state reimbursement to school districts for purchase or major repair of buses or other vehicles used to transport students to and from school.
- ▶ Estimated beginning fund balance is \$1,042,000. Estimate ending fund balance is \$708,000.

TRANSPORTATION VEHICLE FUND: PROPOSED BUDGET

- ▶ Proposed Revenue = \$501,000
 - ▶ \$250,000 - OSPI Depreciation Funding
 - ▶ \$250,000 - Transfer from General Fund

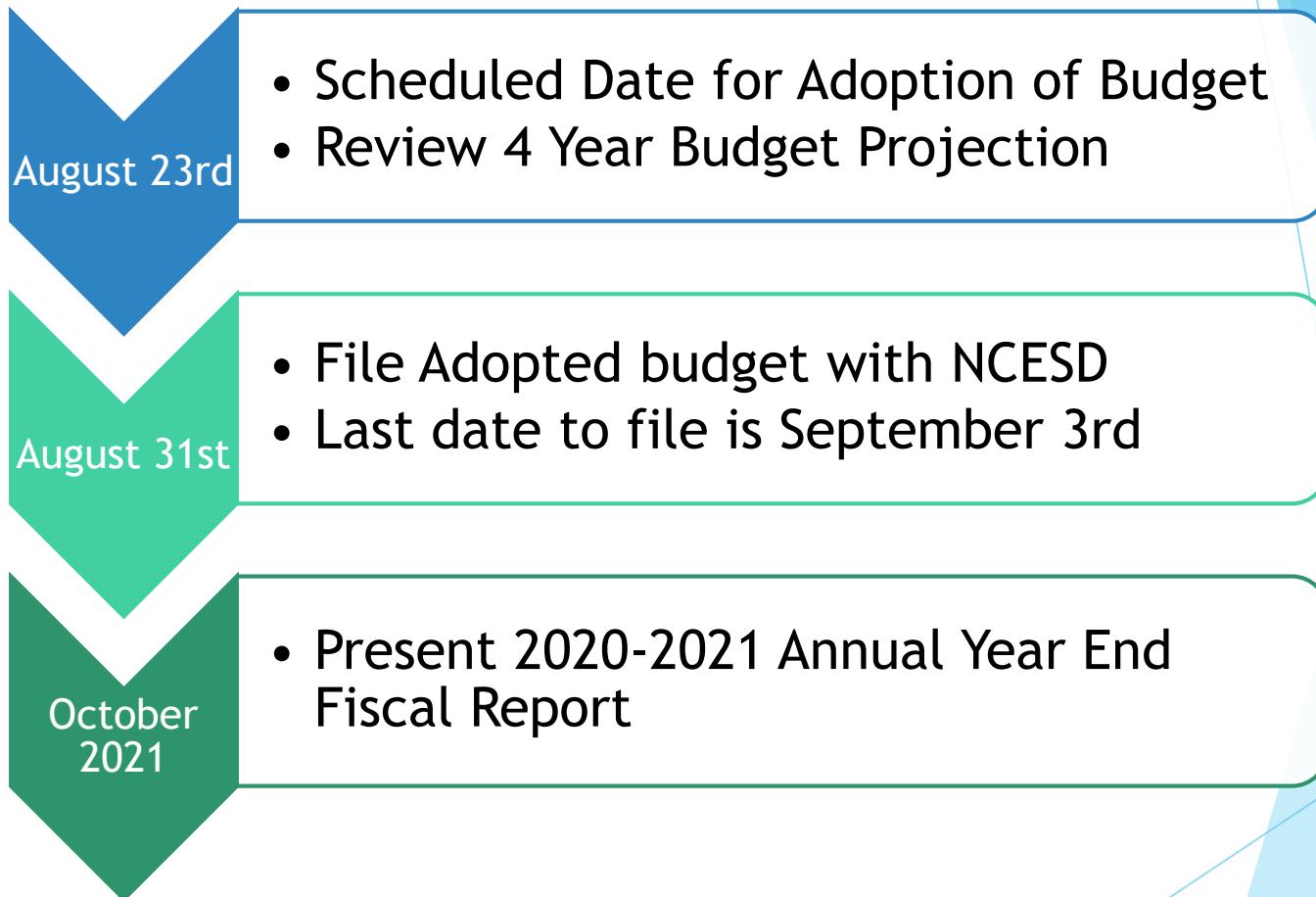
- ▶ Proposed Expenditures = \$835,000
 - ▶ 5 New Transit buses: 1 Type A; 1 Type C
wheel chair accessible; 3 Type D

TRANSPORTATION VEHICLE FUND: PROPOSED BUDGET





BUDGET PROCESS NEXT STEPS



BUDGET CONSIDERATIONS

► General Fund Considerations for continued funding of Board Initiatives:

- ▶ Spanish Language at Junior High Schools - \$200,000
- ▶ STEM - \$107,000 included in proposal
- ▶ Music - \$25,000 equipment included in proposal
- ▶ K-7 Art - \$300,000 included in proposal
- ▶ Safety/Security - \$300,000 included in proposal for SRO & Facility needs
- ▶ Local Grant Funded program - included in the event enrollment is better than projected
- ▶ Are there other initiatives that we should be considering?



QUESTIONS ?? COMMENTS ??

Need more budget information about Eastmont School District?

Please contact me:

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THANK YOU FOR YOUR TIME & ATTENTION!