

**Asking the Right Questions:**

**WENATCHEE SCHOOL DISTRICT**

Source for Questions: The Basics of School Finance by WSSDA

1 How does actual enrollment compare to budgeted amount?		Budgeted Enrollment	Actual Average Enrollment	Amount Over (Under)
April	17-18	7,741.00	7,737.60	-3.40
EOY	2016-17	7,880.00	7,727.28	-152.72
EOY	2015-16	7,929.00	7,894.40	-34.60
EOY	2014-15	7,715.00	7,802.31	87.31
EOY	2013-14	7,705.00	7,760.86	55.86
EOY	2012-13	7,666.00	7,662.49	-3.51
EOY	2011-12	7,689.00	7,647.66	-41.34
EOY	2010-11	7,700.00	7,697.56	-2.44

  

2 How does actual staffing compare to the budgeted amount?		F-195 Budget	1801 Actual	amount actual is over (under)	F-195 Budget	1801 Actual	amount actual is over (under)	F-195 Budget	1801 Actual	amount actual is over (under)
Total	Certificated	543.051	537.520	-5.531	547.142	554.258	7.116	570.056	562.490	-7.566
Total	Classified	336.511	308.949	-27.562	351.183	328.768	-22.415	350.019	335.432	-14.587

  

3 How does actual beginning fund balance compare to the budgeted amount?		General Fund	Budgeted	Actual
Beginning Fund Balance	17-18	September 1, 2017	11,000,000	11,526,123
	16-17		9,923,956	12,134,512
	15-16		11,417,371	11,417,371
	14-15		11,806,556	11,774,426
	13-14		14,500,000	13,169,635

  

4 Are year to date revenues and expenditures reasonable?				Yes
% of Year Complete (Feb 2018)		50.0%		
	Budget	Actual		
4	Revenue	99,875,361	45,738,802	45.8%
5	Expenditure	103,101,483	47,583,218	46.2%

  

6 Are revenue and expenditure trends consistent with historical patterns?				Yes
February	Revenue	2018	45.80%	Expenditure
		2017	45.40%	
		2016	47.80%	
		2015	47.20%	
		2014	47.40%	
		2014	46.90%	

  

7 Is the ending fund balance adequate?		General Fund	Yes - for now	ASB Fund Balance	Plenty - working on
	Expenditure	Fund Balance	% of Expend	February	bringing balance down
Budget	Feb 2018	103,101,483	9,581,707	9.29%	
Actual	8/31/17	92,482,379	11,526,123	12.46%	
Actual	8/31/16	88,876,738	12,134,512	13.65%	** Met with Jim Beeson & Tami Walters to discuss ways to bring heavy WHS ASB fund balances down.
Actual	8/31/15	83,027,834	11,417,371	13.75%	
Actual	8/31/14	78,722,228	11,774,426	14.96%	
Actual	8/31/13	73,961,690	13,169,635	17.81%	
Actual	8/31/12	71,717,915	14,717,300	20.52%	Also discussed levels of fund balance being carried by each middle school.
Actual	8/31/11	70,191,602	13,670,595	19.48%	Each vice principal has indicated their effort to reduce their levels of fund balance.
Actual	8/31/10	69,413,776	12,843,812	18.50%	
Actual	8/31/09	69,833,467	11,562,223	16.56%	
Actual	8/31/08	65,514,725	9,363,198	14.29%	
Actual	8/31/07	61,288,632	7,798,212	12.72%	
Actual	8/31/06	59,278,674	6,317,845	10.66%	
Actual	8/31/05	55,322,332	6,288,442	11.37%	(March 2005)
Actual	8/31/04	51,705,877	5,420,291	10.48%	
Actual	8/31/03	49,711,099	3,979,518	8.01%	

  

8 Did we budget sufficient amounts for individual programs? Yes hopefully (although that doesn't mean the program is self sufficient)	

Indicators of Financial Difficulty										
1	Is your district continually engaged in short term borrowing?									NO
2	Has your district experienced recent levy losses?									NO
3	Is your district at its legal debt limit? as of 3/29/18									NO
	Current Debt limit is									\$136,905,334
	Current long term debt is									\$69,500,000
4	Has there been a decrease in year end fund balance levels over the past few years?									Generally yes
			Total amount	% of expend						
	August 31, 2017		11,526,123	12.46%						
	August 31, 2016		12,134,512	13.65%						
	August 31, 2015		11,417,371	13.75%						
	August 31, 2014		11,774,426	14.96%						
	August 31, 2013		13,169,635	17.81%						
	August 31, 2012		14,717,300	20.52%						
5	Have expenditures exceeded revenues over the past few years?									MIXED
		Revenue	Expend	under (over)						
	2016-17	92,323,990	92,482,379	-158,389						
	2015-16	90,813,294	88,876,738	1,936,556						
	2014-15	82,456,075	83,027,834	-571,759						
	2013-14	78,026,633	78,722,228	-695,595						
	2012-13	72,568,025	73,961,690	-1,393,665						
	2011-12	72,810,620	71,717,915	1,092,705						
6	Has the district been delinquent in paying debt instruments, obligations to other school districts, salaries, payroll taxes and deductions?									NO
7	Is the district involved in pending litigation that could adversely affect its financial condition?									NOT THAT I'M AWARE OF
8	Is enrollment declining?									MIXED
	can be compared on monthly or annual average, FTE or headcount, total district or by school, etc.									increase
average FTE by grade level	Kinder	Grades 1-5	Grades 6-8	Grades 9-12	Running Start	Open Door	ALE	Total	(decrease)	
2018-19	498.00	2,736.00	1,684.00	2,134.00	240.00	90.00	290.00	7,672.00	-70.10	
2017-18	499.94	2,777.55	1,703.57	2,106.82	268.71	83.90	301.61	7,742.10	14.82	
2016-17	526.18	2,826.87	1,634.84	2,131.65	203.80	90.41	313.53	7,727.28	-167.15	
2015-16	554.01	2,859.49	1,668.08	2,302.73	155.49	101.14	253.49	7,894.43	92.10	
2014-15	510.50	2,916.16	1,771.87	2,340.92	172.90	89.98		7,802.33	41.46	
2013-14	513.61	2,846.20	1,864.21	2,322.07	125.55	89.23		7,760.87	98.38	
2012-13	451.85	2,818.31	1,807.55	2,451.27	133.51			7,662.49	14.82	
2011-12	497.19	2,836.04	1,761.48	2,414.62	138.34			7,647.67		
9	Has the number of schools remained the same even though enrollment has declined?									Added Wenatchee Valley Tech Skills Center
10	Have cash balance levels decreased over the past few years?									YES
	Net Cash & Investment				February 2018		9,794,307			
	August 31, 2017		14,090,246		February 2017		12,156,084			
	August 31, 2016		14,485,780		February 2016		11,667,713			
	August 31, 2015		13,441,554		February 2015		12,191,128			
	August 31, 2014		14,571,983		February 2014		13,471,032			
	August 31, 2013		15,456,290		February 2013		14,609,419			
	August 31, 2012		16,583,328		February 2012		14,283,423			

11	Has the student/staff ratio decreased as enrollment declined?							YES
	Average Students	Teachers	Students per Teacher	Teachers per 1,000 students	Para's	Students per Para		
	2017-18	7,479	453.38	16.50	60.62	90.95	82.23	
	2016-17	7,522	448.75	16.76	59.66	90.92	82.73	
	2015-16	7,738	436.75	17.72	56.44	82.38	93.93	
	2014-15	7,556	431.19	17.52	57.07	68.23	110.74	
	2013-14	7,565	432.30	17.50	57.14	65.36	115.74	
	2012-13	7,555	429.15	17.60	56.80	69.12	109.30	
12	Has facility utilization dropped below 70% at any school site?							NO
	March 2018							
	Building Capacity	Enrollment	Utilization %		Building Capacity	Enrollment	Utilization %	
	Columbia	544	411	75.62%	Foothills	685	606	88.42%
	Lewis & Clark	484	482	99.61%	Orchard	676	489	72.27%
	Lincoln	487	523	107.39%	Pioneer	798	606	75.95%
	Mission View	488	515	105.53%				
	Newbery	517	477	92.17%	WHS	2,074	1,747	84.21%
	Sunnyslope	328	300	91.46%	WSHS	250	270	107.94%
	Washington	541	566	104.62%				
13	Has state ranking of cost per student increased?							Slightly
	2011-12				2015-16			
	1	Walla Walla	10,130		3	Mt. Vernon	11,826	
	2	Shoreline	10,089		1	Walla Walla	11,800	
	3	Mt. Vernon	10,040		7	North Kitsap	11,733	
	4	Longview	9,829		2	Shoreline	11,552	
	5	Franklin Pierce	9,749		5	Franklin Pierce	11,486	
	6	Sumner	9,659		14	Snohomish	11,480	
	7	North Kitsap	9,655		6	Sumner	11,318	
	8	Sunnyside	9,513		16	Peninsula	11,162	
	9	Olympia	9,327		4	Longview	11,094	
	10	South Kitsap	9,325		11	Moses Lake	11,066	
	11	Moses Lake	9,322		12	Wenatchee	11,035	
	12	Wenatchee	9,193		20	Monroe	11,027	
	13	Eastmont	9,180		9	Olympia	11,025	
	14	Snohomish	9,130		19	Mead	10,814	
	15	Tumwater	9,091		15	Tumwater	10,677	
	16	Peninsula	9,082		10	South Kitsap	10,654	
	17	Tahoma	9,077		8	Sunnyside	10,615	
	18	Lake Stevens	8,841		18	Lake Stevens	10,575	
	19	Mead	8,783		13	Eastmont	10,351	
	20	Monroe	8,542		17	Tahoma	10,132	
14	Is the property tax collection rate 95% or less?				Collections are 99%+ over 4 or 5 years			
15	Have payments to vendors been delayed to solve cash flow shortages and minimize borrowing?							NO
16	Has the number of building permits issues within your district declined?							NO
17	Has there been an increase in the number of accumulated vacation and sick leave days per employee?							Mixed Not significantly
18	Has there been an increase in accounts payable at year end?							YES
	G/L 601		August 31, 2017		1,572,807		Just the impact of timing of purchases received and receipt of invoices. Not an indicator of any financial difficulty.	
			August 31, 2016		1,522,890			
			August 31, 2015		1,524,545			
			August 31, 2014		1,489,434			
			August 31, 2013		1,200,318			
			August 31, 2012		807,380			

19	Has there been an increase in the ratio of bonded indebtedness to total assessed valuation? (per amortization schedule, Seattle NW (Ryan Swanson) and my spreadsheet)								Mixed
	Assessment Year	Tax Collection Year	Assessed Value	100% TAV (Timber)	Bond Assessed Value	% Increase From Prior Year	Bonded Indebtedness 31-Dec (Thousands)	Indebtedness to Assessed Value (%)	
	1995	1996	1,600,810,765	\$ 5,471,985	\$ 1,606,282,750	--	--		
	1996	1997	1,655,422,131	4,409,717	\$ 1,659,831,848	3.33%	\$ 29,434	1.77%	
	1997	1998	1,843,291,790	1,943,238	\$ 1,845,235,028	11.17%	\$ 27,779	1.51%	
	1998	1999	1,990,884,944	1,649,223	\$ 1,992,534,167	7.98%	\$ 25,918	1.30%	
	1999	2000	2,033,556,123	623,106	\$ 2,034,179,229	2.09%	\$ 23,799	1.17%	
	2000	2001	2,062,407,093	754,463	\$ 2,063,161,556	1.42%	\$ 21,353	1.03%	
	2001	2002	2,137,686,246	1,202,674	\$ 2,138,888,920	3.67%	\$ 45,270	2.12%	added new bond
	2002	2003	2,243,100,250	559,156	\$ 2,243,659,406	4.90%	\$ 42,195	1.88%	
	2003	2004	2,268,643,472	1,240,427	\$ 2,269,883,899	1.17%	\$ 38,658	1.70%	
	2004	2005	2,339,712,374	864,335	\$ 2,340,576,709	3.11%	\$ 34,783	1.49%	
	2005	2006	2,477,391,294	1,473,157	\$ 2,478,864,451	5.91%	\$ 30,480	1.23%	
	2006	2007	2,879,499,499	779,090	\$ 2,880,278,589	16.19%	\$ 25,795	0.90%	
	2007	2008	2,938,696,591	4,252,252	\$ 2,942,948,843	2.18%	\$ 24,760	0.84%	
	2008	2009	3,049,099,363	2,889,058	\$ 3,051,988,421	3.71%	\$ 23,635	0.77%	
	2009	2010	3,464,549,431	349,398	\$ 3,464,898,829	13.53%	\$ 22,525	0.65%	
	2010	2011	3,697,828,852	185,364	\$ 3,698,014,216	6.73%	\$ 21,075	0.57%	
	2011	2012	3,653,196,599	461,922	\$ 3,653,658,521	-1.20%	\$ 19,495	0.53%	
	2012	2013	3,495,023,810	888,823	\$ 3,495,912,633	-4.32%	\$ 17,830	0.51%	
	2013	2014	3,391,273,428	1,118,364	\$ 3,392,391,792	-2.96%	\$ 75,515	2.23%	added new bond
	2014	2015	3,625,746,676	2,643,587	\$ 3,628,390,263	6.96%	\$ 73,635	2.03%	
	2015	2016	3,888,868,880	2,643,587	\$ 3,891,512,467	7.25%	\$ 71,635	1.84%	
	2016	2017	4,168,230,242	2,576,446	\$ 4,170,806,688	7.18%	\$ 69,500	1.67%	
	2017	2018	4,300,113,789	1,803,040	\$ 4,301,916,829	3.14%	\$ 67,170	1.56%	
	2018	2019	4,429,117,203	1,857,131	\$ 4,430,974,334	3.00%	\$ 184,840	4.17%	estimates addition of \$120 million bond and sale of bonds in 2018
	Bond indebtedness ratio less than 3% is considered good number.								
	Bond indebtedness over 5% signals a potential concern to rating agencies.								
20	Has there been a decrease in revenues from local sources?					Increase (decrease) prior year	NO		
	Budget	2017-18	Local Taxes	Local nontax Support	Total Sources				
	Actual	2016-17	11,960,637	2,168,110	14,128,747	683,007			
	Actual	2015-16	11,671,085	2,112,484	13,783,569	720,182			
	Actual	2014-15	11,459,346	1,604,041	13,063,387	492,089			
	Actual	2013-14	10,955,366	1,615,932	12,571,298	104,149			
	Actual	2012-13	10,845,895	1,621,254	12,467,149				
21	Has there been an increase in fringe benefits as a percentage of total salary costs?								Mixed
	School district "fringe benefits" include mandatory (statutory) benefits.								
	Most mandatory benefits are allocated to school districts by the state. Employees hired by the district in excess of staffing formulas have their salaries and benefits paid by local funds (or federal dollars if available and allowable).								
	The following table shows mandatory benefits (as reported on F-196) as a percentage of payroll:						projected		
			2013-14	2014-15	2015-16	2016-17	2017-18		
	Cert salaries		34,479,995	35,196,584	38,559,123	40,417,356	44,453,474		
	Class salaries		13,132,282	13,480,965	14,866,588	15,778,636	16,922,723		
			47,612,277	48,677,549	53,425,711	56,195,992	61,376,197		
	Employee Benefits		17,507,206	17,812,067	20,481,993	21,320,306	24,805,346		
			36.77%	36.59%	38.34%	37.94%	40.42%		

To:	Board of Directors Superintendent				
From:	Les Vandervort				
Re:	Budget Conversations				

Here is a list of programs/expenditures in no particular order that have been discussed for consideration in the 18-19 budget (or not)  
 These are programs NOT state funded or that expend more than their state funding

The 2018-19 budget will largely be driven by the implementation of McCleary to salaries and benefits.  
 That impact is still being determined.

**Estimated Cost**

1	Special Ed		1,000,000	in excess of state funding	includes almost \$500,000 deficit for preschool
2	After School Programs		250,000	committed as "match"	this grant is in process
3	School Safety / Security		1,000,000	see attached list	
4	Early Learning		??	coordinator?	
5	Social Emotional Learning		??	Second steps curriculum / committee work	
6	Grant Writer		80,000	would be new	
7	Highly Capable		210,000	already ongoing	
8	AVID		500,000	already ongoing	
9	PBIS		500,000	already ongoing	
10	Buses		250,000	annual commitment for 3 years	
11	Fund Balance		8,000,000	somewhere between 5% and 8% of expenditures should be MINIMUM	\$5 million to \$8 million

12	Unfunded positions	certs	15 FTE		
		classified	62 FTE		
		admin	3 FTE		

**Other Considerations:**

1	Technology		12,000,000	to get close to 1:1	would require Cap Project Levy
2	Handicapped access - auto doors, ramps,				
3	Athletics - girls softball field and support facilities				
4	Additional classrooms for reduced class sizes				