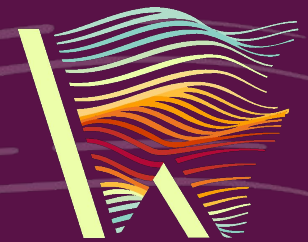


2026-27 Preliminary Budget

General Fund

June 23, 2026

Sean Fitzgerald, Executive Director of Business & Finance



WENATCHEE
SCHOOL DISTRICT

District Fund Structure

Governmental accounting operates on a **fund basis**.

A fund is a self-balancing fiscal entity segregated for specific activities or objectives in accordance with regulations.

General fund is the largest fund and makes up about **85-90%** of the district budget.

THE FIVE DISTRICT FUNDS



General



**Capital
Projects**



Debt Service



ASB



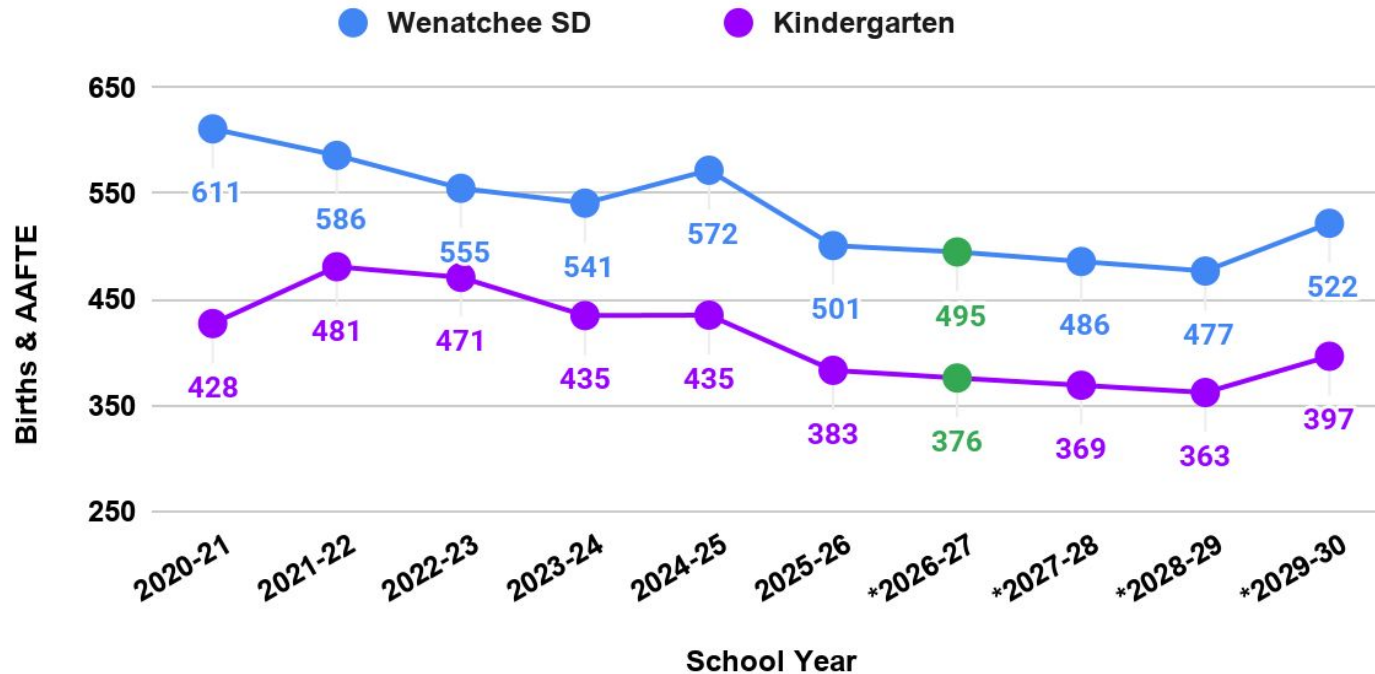
Transportation

Enrollment

Enrollment Birth Rates and Kindergarten

Wenatchee SD Births vs. Kindergarten Enrollment

2025-26 Year-End Projection



- Kindergarten classes start with the student's birth year and add 5 years.
- For example, a student born in 2020 would be projected to be enrolled in the district in the 2025-26 school year.
- Increased birth rates for both county and district in 2019 followed by a sharp decline in 2020 (71 births).
- Birth rates increased in 2024, reflected in 2029-30 projection
- **2026 birth rates are not available.**
- **2025-26 Wenatchee: 383 FTE**
- **2025-26 Eastmont: 397 FTE**

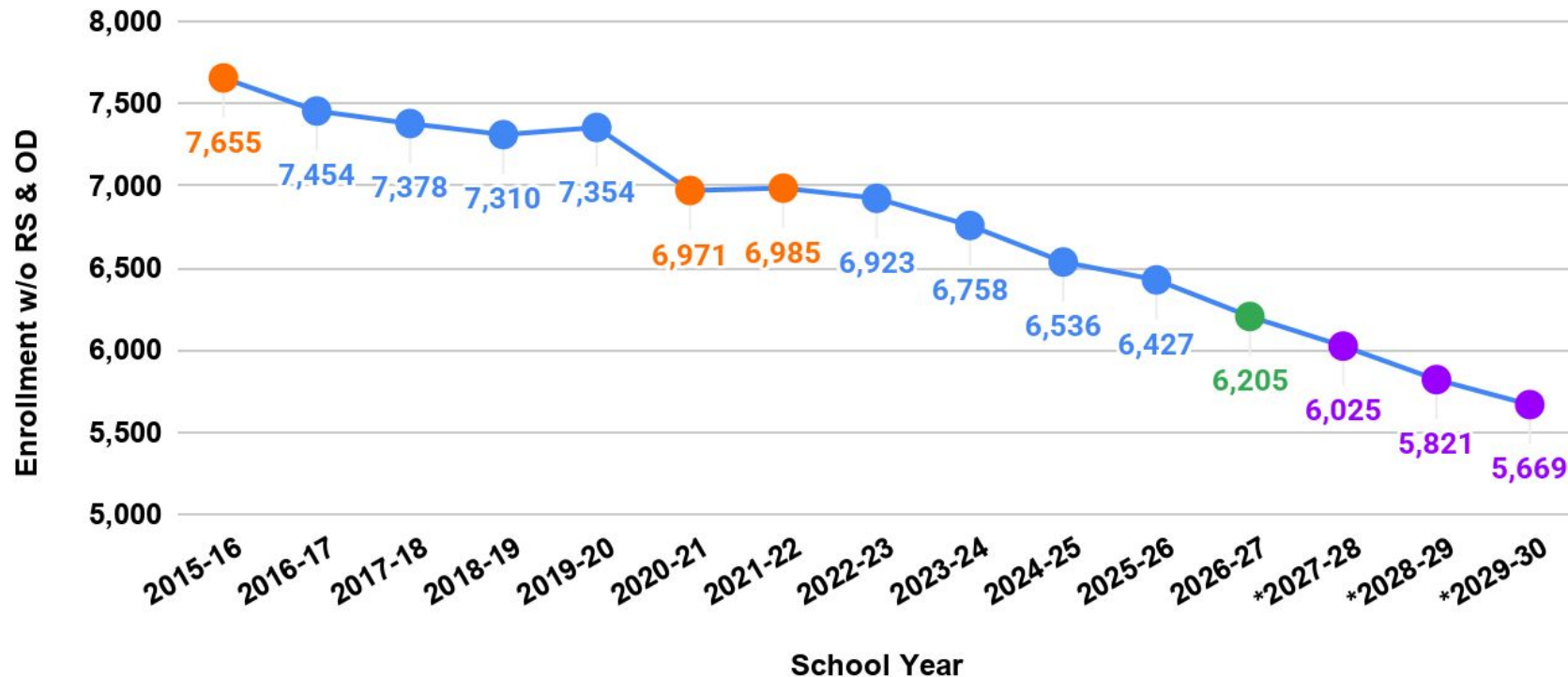
*Projections, subject to change

Enrollment

District Enrollment & Forecasting

Annual Enrollment & Preliminary Forecasting

Excludes Running Start & Open Doors



2015-16: Enrollment Peak

2020-21: COVID Pandemic Lockdown

2021-22:

- Lockdowns lifted
- Charter School/Private schools openings and expansions begin

2025-26:

- Year-End Projection - subject to change

2027-28 & Beyond:

- Forecasting - subject to change
- Birth rates from 2022 through 2024

Enrollment Birth Rate Trends - District & County

Grades & Program	2024-25 Actual	2025-26 Year-End Projection	2026-27 Budget	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Transition to Kindergarten	60	58	43	43	43	43
Kindergarten	435	383	376	369	363	397
First	453	462	399	395	388	377
Second	481	459	462	403	399	392
Third	505	472	455	458	399	395
Fourth	489	514	477	459	462	403
Fifth	495	483	514	477	459	462
Sixth	478	462	463	494	453	441
Seventh	521	484	467	468	499	457
Eighth	521	515	474	457	459	489
Ninth	574	560	527	486	468	470
Tenth	569	587	567	533	491	474
Eleventh	484	481	490	479	451	410
Twelfth	471	506	491	504	488	459
Total TK-12	6,536	6,427	6,205	6,025	5,821	5,669

Forecast Summary

- TK: state budget cuts
- Low birth rates
- Low capture rates
- Sub-400 FTE classes for kindergarten
- 500+ FTE classes forecasted to be gone by 2028-29
- Decrease of 867 FTE over the next five years

TK-12 Change/Year	-	(109)	(223)	(180)	(204)	(152)	(867)
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2026-27 Enrollment Analysis

District-wide: Overall projection is that enrollment will continue to decline, but Valley Academy may help mitigate

Transition to Kindergarten:

- State Budget Cuts: State reduced enrollment cap from 59 to 43.

Elementary:

- Graduating class sizes are larger than our project kindergarten classes
- Birth rates declining but rate of decline is slowing, increasing in 2029-30
- Capture rates?

Middle Schools:

- Impact of charter and private school offerings, decreasing enrollment

High Schools:

- Charter and private school students entering or returning to the district
- Running Start & Accelerated Pathways

ALE & Valley Academy:

- Increasing demand for alternative education learning, increasing enrollment

General Fund

General Fund

2025-26 Year-End Projections

With Budget Capacity

Description	2025-26 Budget	Year-End Projection	Variance
Beginning Fund Balance	13,621,700	13,205,747	(415,953)
Revenues	133,299,414	128,059,394	(5,240,020)
Expenditures	135,268,776	129,092,748	(6,176,028)
Sources (Transfers In)	150,000	500,000	350,000
Uses (Transfers Out)	650,000	2,350,000	1,700,000
Ending Fund Balance	11,152,338	10,322,393	(829,945)

Change in Fund Balance	(2,469,362)	(2,883,354)	(413,992)
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Without Budget Capacity

Description	2025-26 Budget	Year-End Projection	Variance
Beginning Fund Balance	13,621,700	13,205,747	(415,953)
Revenues	128,578,107	128,059,394	(518,713)
Expenditures	130,547,469	129,092,748	(1,454,721)
Sources (Transfers In)	150,000	500,000	350,000
Uses (Transfers Out)	650,000	2,350,000	1,700,000
Ending Fund Balance	11,152,338	10,322,393	(829,945)

Change in Fund Balance	(2,469,362)	(2,883,354)	(413,992)
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Change in Fund Balance - \$400K Negative Variance

- K3 Compliance/State Apportionment - \$1.2M
- Net Transfers - (\$1.35M)
- Beginning Fund Balance/HVAC - (\$415K)
- Local Effort Assistance - (\$340K)
- Investment Earnings - (\$250K)
- Misc (\$26K)
- **Net Transfers will flip positive next year with the completion of the skills center project, increasing fund balance**

General Fund

2026-27 Preliminary Budget & Forecast w/ Capacity

	2025-26 Year-End	2026-27 Budget	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	13,205,747	10,322,393	11,668,051	10,535,713	10,372,319
Revenues	128,059,394	138,540,164	135,476,464	135,847,835	140,517,478
Expenditures	129,092,748	138,444,506	136,358,802	135,761,229	139,773,007
Sources (Transfers In)	500,000	2,370,000	330,000	330,000	370,000
Uses (Transfers Out)	2,350,000	1,120,000	580,000	580,000	380,000
Ending Fund Balance	10,322,393	11,668,051	10,535,713	10,372,319	11,106,790
Change in Fund Balance	(2,883,354)	1,345,658	(1,132,338)	(163,394)	734,471
Minimum Fund Balance	7,745,565	8,306,670	8,181,528	8,145,674	8,386,380
Other Fund Balance	2,212,794	2,200,000	2,200,000	2,200,000	2,200,000
Unassigned Fund Balance	364,034	1,161,381	154,185	26,645	520,410
TK - Grade 12 Enrollment	6,427	6,205	6,025	5,821	5,669
Change / Year	-	(222)	(180)	(204)	(152)

General Fund

2026-27 Preliminary Budget & Forecast w/o Capacity

	2025-26 Year-End	2026-27 Budget	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Beginning Fund Balance	13,205,747	10,322,393	11,668,051	10,535,713	10,372,319
Revenues	128,059,394	132,540,164	129,476,464	129,847,835	134,517,478
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TK - Grade 12 Enrollment	6,427	6,205	6,025	5,821	5,669
Change / Year	-	(222)	(180)	(204)	(152)

2026-27 General Fund

Preliminary Budget & Forecast - Assumptions & Methodology

- Continued enrollment decline projected - Valley Academy enrollment may help mitigate
- Federal funding uncertainty - Impact on district programs for 2026-27 and beyond
- Local Effort Assistance - Annual Assessed Value, Enrollment Decline, and Legislative Changes
- State Legislature - Projecting another significant budget deficit
- Budget reductions - annual alignment of staffing to enrollment
- Inflationary factors
- Budget for 100% staffing
- K-3 Class Size Compliance
- Budget Capacity

2026-27 Budget Timeline

- June 10: Preliminary Budget Presentation - Capital Projects, Debt Service, ASB, Transportation Vehicle Funds
- June 23: Preliminary Budget Presentation - General Fund
- July 10: Budget due to ESD
- August 11: Public hearing at regular meeting
- August 25: Budget adoption at regular meeting
- August 31: Budget due to OSPI

Thank you!