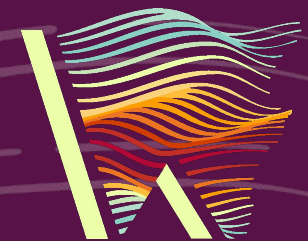


2026-27 Budget Presentation

August 11, 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
\$138.3M
87.4%



Capital Projects
\$12.2M
7.7%



Debt Service
\$5.8M
3.7%



**Associated
Student Body**
\$1.5M
0.9%



Transportation
\$500K
0.3%

Capital Projects Fund

Capital Projects

Purpose & Background



Purpose

The Capital Projects Fund accounts for financial resources used for the acquisition or construction of major capital facilities.

- Acquisition of land or existing facilities and construction of buildings.
- Purchase of equipment, energy audits, and technology system implementation.
- Remodeling, roof replacement, carpets, and service system upgrades.



Revenues & Other Financing Sources

Generally financed through the sale of bonds, state matching revenues, and special levies.

Also includes proceeds from the sale or lease of surplus real property and investment earnings.

Capital Projects

2026-27 Budget & Forecast

	2025-26 Year-End Projection	2026-27 Budget	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Revenues					
Local Support Nontax	157,631	25,500	17,500	17,500	17,500
State, Special Purpose	6,989,657	12,173,343	0	0	0
General Fund Transfers	2,600,000	0	500,000	500,000	500,000
Total Revenues/Sources	9,747,288	12,198,843	517,500	517,500	517,500
Appropriations (Expenditures)					
Sites	560,000	0	0	0	0
Buildings	6,789,657	12,173,343	250,000	250,000	250,000
Energy	111,331	0	0	0	0
Total Expenditures	7,460,988	12,173,343	250,000	250,000	250,000
Other Financing Uses	344,000	1,900,000	250,000	250,000	250,000
Over / (Under)	1,942,300	(1,874,500)	17,500	17,500	17,500
Beginning Fund Balance	272,012	2,208,512	334,012	351,512	369,012
Ending Fund Balance	2,214,312	334,012	351,512	369,012	386,512

Debt Service Fund

Debt Service

Purpose & Background



Purpose

- Pay the principal and interest on bonds issued to finance school construction and renovation
- Payments are made every June (interest) and December (interest and principal)

Background & Milestones

2021-22 School Year

District fully paid off the 2010 Unlimited Tax General Obligation (UTGO) bond.

March 2024

2024 bond refinanced, saving taxpayers **\$6.6 million** over the bond term through 2033.

Current Status

One outstanding bond remaining: the 2014 UTGO bond.

2033 Projection

District will fully pay off its 2014 bond in 2033.

Debt Service

2026-27 Budget & Forecast

	2025-26 Year-End Projection	2026-27 Budget	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Revenues					
Local Taxes	\$5,580,136	\$5,713,214	\$6,024,000	\$6,156,000	\$6,292,000
Local Support Nontax	85,000	180,000	180,000	180,000	180,000
Total Revenues/Sources	5,665,136	5,893,214	6,204,000	6,336,000	6,472,000

Appropriations (Expenditures)

Bond Principal	3,585,000	3,890,000	4,220,000	4,565,000	4,925,000
Bond Interest	2,046,625	1,859,750	1,657,000	1,437,375	1,200,125
Bond Transfer Fees	0	100,000	100,000	100,000	100,000
Total Expenditures/Uses	5,631,625	5,849,750	5,977,000	6,102,375	6,225,125

Over / (Under)	33,511	43,464	227,000	233,625	246,875
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Beginning Fund Balance	3,520,487	3,553,998	3,597,462	3,824,462	4,058,087
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Ending Fund Balance	3,553,998	3,597,462	3,824,462	4,058,087	4,304,962
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Associated Student Body Fund

Associated Student Body

Purpose & Background

Purpose

Designated for activities or events that are:

- **Cultural, social, recreational, or athletic (CARS)**
- **Optional**
- **Non-credit**
- **Extra-curricular**

Financing

The fund is financed from establishing and collecting:

- **Fees**
- **Fines**
- **Donations**

Restrictions

Funds are legally restricted.

Cannot be used for other district purposes.

Associated Student Body

2026-27 Budget & Forecast

Revenues	2025-26 Projection	2026-27 Budget	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
General Student Body	\$ 123,636	\$ 219,857	\$ 219,857	\$ 219,857	\$ 219,857
Athletics	290,925	395,688	395,688	395,688	395,688
Classes	12,275	2,500	2,500	2,500	2,500
Clubs	481,757	900,930	900,930	900,930	900,930
Private Moneys	56,106	33,350	33,350	33,350	33,350
Total Revenues/Sources	964,700	1,552,325	1,552,325	1,552,325	1,552,325

Appropriations (Expenditures)

General Student Body	79,340	169,875	169,875	169,875	169,875
Athletics	314,767	445,322	445,322	445,322	445,322
Classes	2,872	3,000	3,000	3,000	3,000
Clubs	489,509	805,687	805,687	805,687	805,687
Private Moneys	45,525	46,021	46,021	46,021	46,021
Total Expenditures	932,013	1,469,905	1,469,905	1,469,905	1,469,905

Other Financing Uses	0	0	0	0	0
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Over / (Under)	32,686	82,420	82,420	82,420	82,420
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Beginning Fund Balance	990,208	1,022,894	1,105,314	1,187,734	1,270,154
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Ending Fund Balance	1,022,894	1,105,314	1,187,734	1,270,154	1,352,574
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Transportation Vehicle Fund

Transportation Vehicle Fund

Purpose & Background



Purpose

The Transportation Vehicle Fund is provided for the purchase and major repair of pupil transportation equipment. This is a capital projects fund due to the high cost and long-term use of these assets.

Revenues & Other Financing Sources

**Bus Depreciation
Reimbursement**

Levies & Debt

**Investment
Interest Income**

Transfers

Surplus Sales

Expenditures

Expenditures are recorded when buses are **delivered** to the district, not when the district places an order.

Transportation Vehicle Fund

School Bus Funding Changes



2026 Legislative Session Impact

State Legislators **reduced** school bus depreciation **funding by \$21.1M**

Depreciation Reimbursement Analysis

25-26 Budget

\$378,876

Original baseline

Revised Projections

\$391,236

Updated projections

Legislative Change

\$354,096

Post-session funding

Net Funding Change

\$ (37,139)

Revised vs. Legislative Change

Transportation Vehicle Fund

2025-26 Year-End Projections



Revenues & Sources

- Investment interest - less than expected
- Depreciation reimbursement - less than expected due to legislative changes
- Sources/Transfers In - cash flow management, surplus sale



Expenditures

- Buses came in less than quoted prices



Other Financing Uses

- Cash flow management, return to general fund



Transportation Vehicle Fund

2026-27 Budget & Forecast

	2025-26 Year-End Projection	2026-27 Budget	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Revenues/Sources					
Investment Interest	\$ 6,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Depreciation Reimbursement	350,022	371,679	335,092	368,667	393,291
Transfers In (Sources)	156,575	150,000	0	0	0
Total Revenues/Sources	512,597	551,679	365,092	398,667	423,291
Appropriations (Expenditures)					
Bus Purchases	580,495	458,875	252,785	264,174	276,133
Total Expenditures	580,495	458,875	252,785	264,174	276,133
Transfers Out (Uses)	150,000	150,000	0	0	0
Over / (Under)	(217,898)	(57,196)	112,307	134,493	147,158
Beginning Fund Balance	505,936	288,038	230,842	343,149	477,642
Ending Fund Balance	288,038	230,842	343,149	477,642	624,800

Transportation Vehicle Fund

2026-27 Budget & Forecast

Depreciation Reimbursement Uncertainty

- 25-26: loss of **\$37,000** due to legislative changes
- Updated depreciation schedule received in July
- Forecast: \$300K to \$360K reduction in depreciation revenue over four years

Cash Flow Strategy

- Transfers from General Fund?
- Build up reserves?
- Finding a balance?

Vehicle Acquisition Projections

- Purchase **two buses** next year, **one bus** per year after (Type D)
- Monitor Special Education needs (Type A)

Enrollment

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	525	484	466	468
Tenth	569	587	564	530	488	471
Eleventh	484	481	485	474	446	405
Twelfth	471	506	486	499	483	454
Total TK-12	6,536	6,427	6,190	6,010	5,806	5,654

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 over 880 FTE over the next five years (excluding summer school)

TK-12 Change/Year	-	(109)	(238)	(180)	(204)	(152)	(882)
Total Change / Year	-	(166)	(238)	(180)	(204)	(152)	

2026-27 Enrollment Analysis

District-wide: Overall projection is that enrollment will continue to decline, but Valley Academy & High Schools 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 & Westside High School:

- Increasing demand for alternative education learning, increasing enrollment

General Fund

General Fund

2026-27 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	10,210,164	11,276,145	10,942,563	11,668,045
Revenues	128,705,910	137,480,482	135,775,219	136,236,711	140,817,031
Expenditures	129,451,493	138,314,501	135,858,801	135,261,229	139,773,006
Sources (Transfers In)	500,000	2,050,000	250,000	250,000	250,000
Uses (Transfers Out)	2,750,000	150,000	500,000	500,000	500,000
Ending Fund Balance	10,210,164	11,276,145	10,942,563	11,668,045	12,462,070
Change in Fund Balance	(2,995,583)	1,065,981	(333,582)	725,482	794,025
Minimum Fund Balance	7,767,090	8,298,870	8,151,528	8,115,674	8,386,380
Other Fund Balance	2,212,794	2,700,000	2,700,000	2,700,000	2,700,000
Unassigned Fund Balance	230,280	277,275	91,035	852,371	1,375,690
TK - Grade 12 Enrollment	6,427	6,190	6,010	5,806	5,654
Change / Year	-	(238)	(180)	(204)	(152)

General Fund

2026-27 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	10,210,164	11,276,145	10,942,563	11,668,045
Revenues	128,705,910	131,480,482	129,775,219	130,236,711	134,817,031
Expenditures	129,451,493	132,314,501	129,858,801	129,261,229	133,773,006
Sources (Transfers In)	500,000	2,050,000	250,000	250,000	250,000
Uses (Transfers Out)	2,750,000	150,000	500,000	500,000	500,000
Ending Fund Balance	10,210,164	11,276,145	10,942,563	11,668,045	12,462,070
Change in Fund Balance	(2,995,583)	1,065,981	(333,582)	725,482	794,025
Minimum Fund Balance	7,767,090	7,938,870	7,791,528	7,755,674	8,026,380
Other Fund Balance	2,212,794	2,700,000	2,700,000	2,700,000	2,700,000
Unassigned Fund Balance	230,280	637,275	451,035	1,212,371	1,735,690
TK - Grade 12 Enrollment	6,427	6,190	6,010	5,806	5,654
Change / Year	-	(238)	(180)	(204)	(152)

2026-27 General Fund

Budget & Forecast - Assumptions & Methodology

1. Continued enrollment decline projected - Valley Academy & High Schools may help mitigate
2. Federal funding uncertainty - Impact on district programs for 2026-27 and beyond
3. State legislature - Projecting another significant budget deficit
4. Local Effort Assistance
 - a. Annual Assessed Value, Enrollment Decline, and Legislative Changes
 - b. Exhausted by 2028-29 if trends hold
5. Budget reductions - annual alignment of staffing to enrollment
6. Inflationary factors
7. Budget for 100% staffing
8. K-3 Class Size Compliance
9. Budget Capacity - \$6M

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!