



FY 19-20 Annual Financial Report

Finance Department January 13, 2021

AGENDA

- Overall Comments and Observations
- September 1, 2019 – August 31, 2020 (FY 2020)
Budget vs. Actual (unaudited) financial statements for the following funds:
 - ❖ General Fund
 - ❖ Sub-Fund – Basic Education and Local (New)
 - ❖ Capital Projects Fund
 - ❖ Debt Service Fund
 - ❖ Associated Student Body (ASB) Fund

Overall Comments and Observations

- Board Policy 6030 requires an Annual Financial Report to the Board
- As a district, we operate within a fiscal year rather than a calendar year. Our fiscal year runs from September 1 through August 31.
- Business and Finance Office reports monthly financial statements to the Audit & Finance Committee
- The District's required Annual Financial Report (F196) is filed on time with OSPI, conforms to district review procedures, and the Superintendent certifies
- Sub-fund reporting is now required per state law breaking out revenues and expenditures between Basic Education and Local funding

General Fund

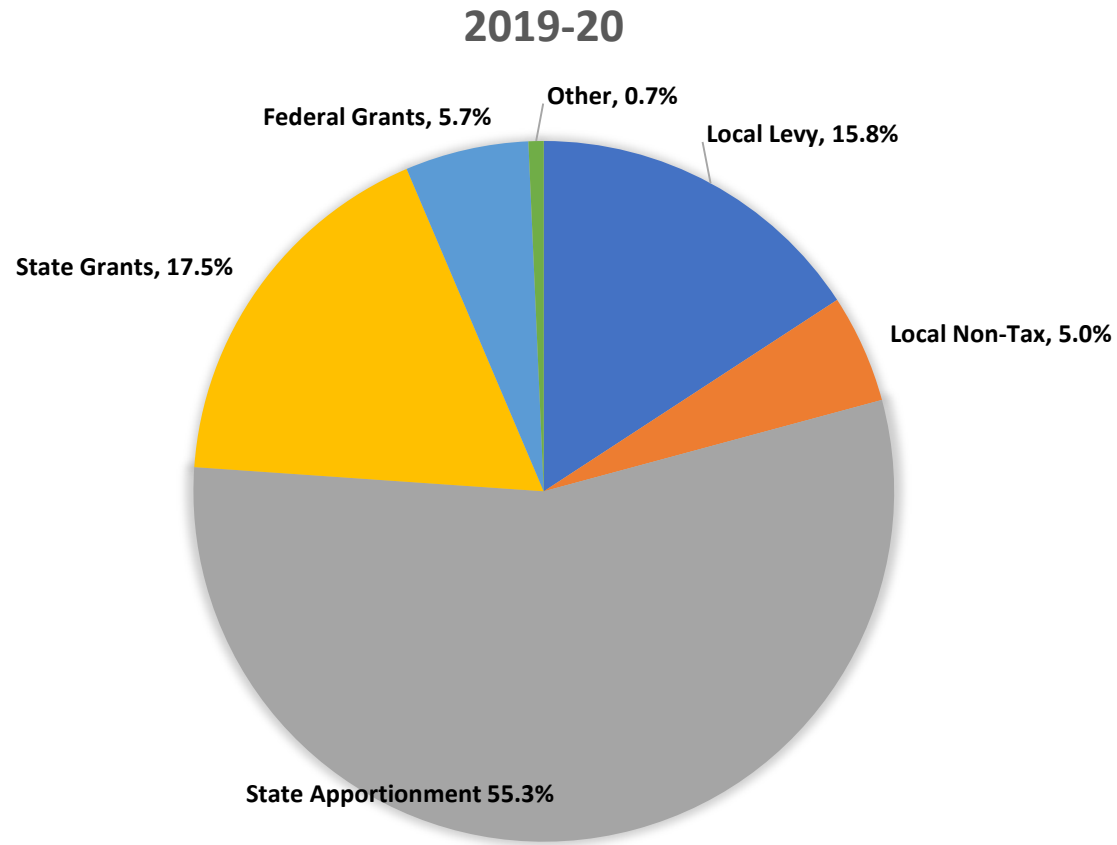
General Fund FY 2019-2020 Budget vs Actual

	2019-2020 Adopted Budget (9/1-8/31)	YTD Actual FY Ending 08/31/2020	Variance – more than/(less than) budget
Beginning Fund Balance	\$116,074,648	\$152,731,266	\$36,656,618
Revenues	\$948,160,480	\$941,232,215	\$(6,928,266)
Other Financing Sources/(Uses)	\$25,580,499	\$21,703,995	\$(3,867,504)
Total Beg FB, Rev & Other Financing Sources	\$1,089,815,627	\$1,115,667,476	\$(25,851,849)
Less: Total Expenditures	\$1,044,890,979	\$966,875,780	\$(78,015,199)
Ending Fund Balance	\$44,924,648	\$148,791,695	\$103,867,047

General Fund Revenues
FY 2019-2020 as Compared to FY 2018-2019

	2019-2020 (9/1-8/31)	% to Total FY 19-20	2018-2019 (9/1-8/31)	% to Total FY 18-19
Local Levy	\$148,421,070	15.8%	\$179,782,912	19.2%
Local Non-Tax	\$46,719,761	5.0%	\$28,977,296	3.1%
State Apportionment	\$520,549,817	55.3%	\$493,071,159	52.8%
State Grants	\$165,033,267	17.5%	\$158,585,002	17.0%
Federal Grants	\$53,526,477	5.7%	\$44,611,430	4.8%
Other	<u>\$6,981,823</u>	.7%	<u>\$28,971,679</u>	3.1%
Total General Fund Revenues	\$941,232,215		\$933,999,478	

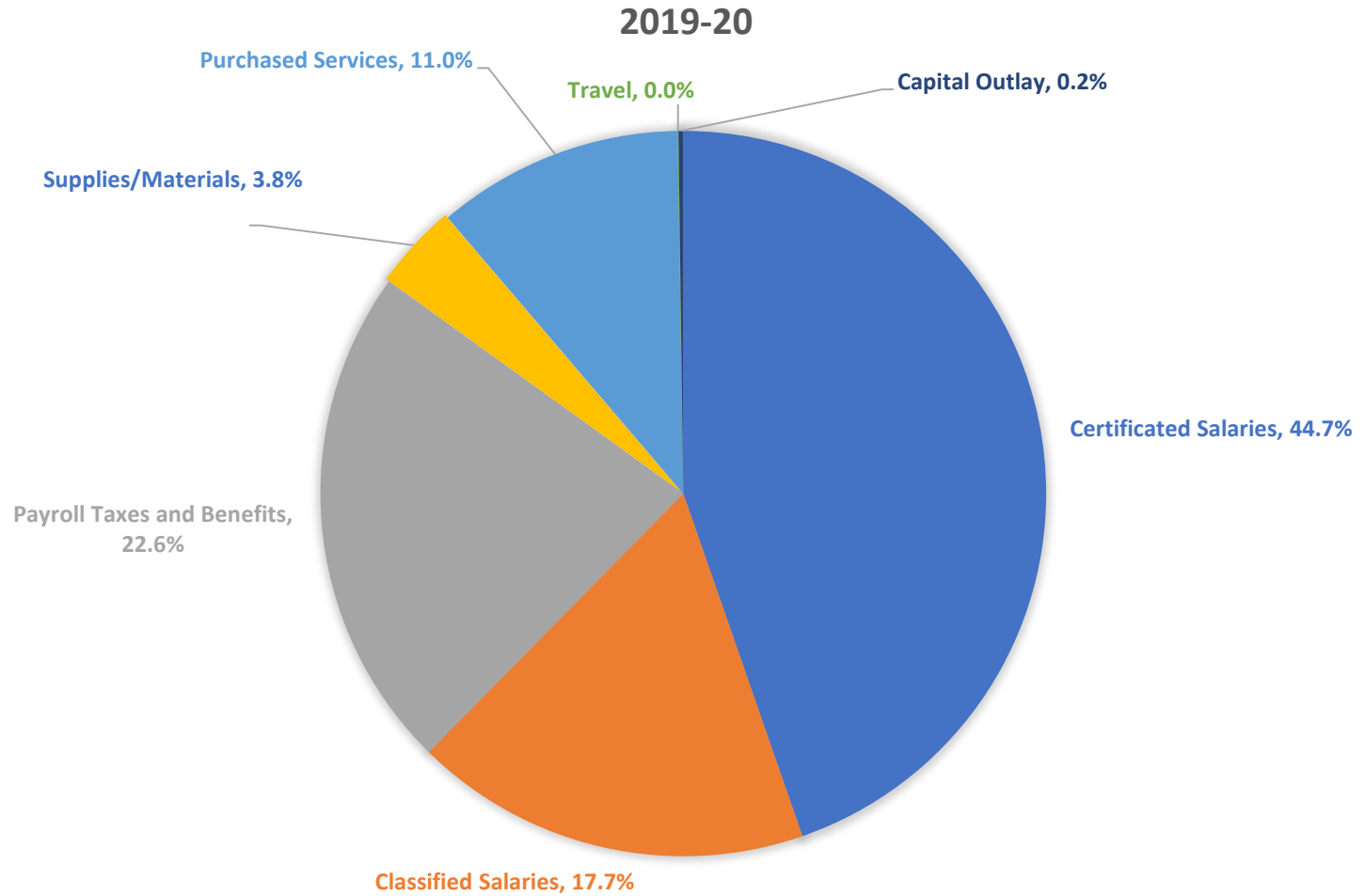
General Fund Revenues



General Fund Expenditures
FY 2019-2020 as Compared to FY 2018-2019

	2019-2020 (9/1-8/31)	% to Total FY19-20	2018-2019 (9/1-8/31)	% to Total FY18-19
Certificated Salaries	\$432,086,145	44.7%	\$405,262,355	44.4%
Classified Salaries	\$170,856,257	17.7%	\$164,262,537	18.0%
Payroll Taxes and Benefits	\$218,288,204	22.6%	\$204,606,372	22.4%
Total Personnel Expenditures	\$821,230,606	84.9%	\$774,131,264	84.7%
Supplies/Materials	\$36,941,323	3.8%	\$29,715,843	3.3%
Purchased Services	\$106,222,308	11.0%	\$105,481,130	11.5%
Travel	\$414,282	0%	\$908,692	.1%
Capital Outlay	\$2,067,261	.2%	\$3,450,892	.4%
Total MSOC Expenditures	\$145,645,174	15.1%	\$139,556,557	15.3%
Total General Fund Expenditures	\$966,875,780		\$913,687,821	

General Fund Expenditures By Object



**General Fund Ending Fund Balance
FY 2019-2020 as Compared to FY 2018-2019**

	2019-2020 (9/1-8/31)	2018-2019 (9/1-8/31)	Increase/ (Decrease) 19-20 to 18-19
Non-Spendable Inventory	\$1,526,685	\$1,249,708	\$276,977
Restricted Carryforward of Grants	\$16,247,619	\$9,164,297	\$7,083,322
Committed to Economic Stabilization	\$38,700,000	\$27,600,000	\$11,100,000
Assigned Fund Balance (Detail on next slide)	\$70,487,174	\$107,460,868	\$(36,973,694)
Unassigned Fund Balance	\$21,830,217	\$7,256,393	\$14,573,824
Total Ending Fund Balance	\$148,791,695	\$152,731,266	\$(3,939,571)

General Fund Assigned Fund Balance

	2019-20 (9/1-8/31)
Assigned Fund Balance	
School Carryforward	\$8,202,310
Central Carryforward	\$2,930,575
Carryforward Advances	\$1,820,798
2018-19 Underspend to Balance 2020-21 Budget	\$30,000,000
2019-20 Underspend to Balance 2020-21 Budget	\$20,400,000
Central Office Restoration	\$1,376,543
HS/MS Science Adoption 2020-21 to 2027-28 Budgets	\$854,445
Legal Settlements/Outside Counsel	\$4,902,503
Total Assigned Fund Balance	\$70,487,174

Fund Balance Descriptions

School Carryforward – consists of balances in self help accounts, small local grants, and WSS discretionary allocations.

Central Carryforward – consists of balances in KNHC Radio Station, clock hours used for professional development and major equipment items purchased but not physically received by August 31st.

Carryforward Advances – Specific requests from schools to carryforward self help balances at the beginning of the school year.

General Fund

Sub-Fund

Sub-Fund Reporting Requirements

- Due to the passage of E2SSB 6362, March 2018 and EHB 2242, June 2017, all school districts in the state are required to deposit and report local revenues and corresponding expenditures into a sub-fund effective with the 2019-2020 school year as a part of the year-end financial statement reporting.
- The following slides depict the sub-fund reporting requirement between two categories – Basic Education (BEA) and Local.
- Definitions provided by the state categorized revenues and expenditures into the correct subfund.

General Fund – Sub Fund FY 2019-2020 Basic Ed and Local

	Basic Education	Local	Total
Beginning Fund Balance	\$101,304,473	\$51,426,793	\$152,731,266
Revenues	\$736,846,998	\$204,385,217	\$941,232,215
Other Financing Sources/(Uses)	\$0	\$21,703,995	\$21,703,995
Total Beg FB, Rev & Other Financing Sources	\$838,151,471	\$277,516,005	\$1,115,667,476
Less: Total Expenditures	\$741,441,235	\$225,434,545	\$966,875,780
Ending Fund Balance	\$96,710,235	\$52,081,460	\$148,791,695

**General Fund – Sub Fund
FY 2019-2020 Basic Ed and Local - Revenues**

Revenue Categories	Basic Education	Local	Total
Local	\$2,428,959	\$192,711,871	\$195,140,830
State	\$685,570,337	\$12,747	\$685,583,084
Federal	\$48,568,107	\$4,958,370	\$53,526,477
Other	<u>\$279,595</u>	<u>\$6,702,229</u>	<u>\$6,981,823</u>
Total Revenue	\$736,846,998	\$204,385,217	\$941,232,215

General Fund – Sub Fund FY 2019-2020 Basic Ed and Local - Revenues

- Revenues are defined by the State as to whether the source of funds is Basic Education or Local
- Primarily the local revenue category are recorded under Subfund local, with the exception of food service revenue which is defined by the state as Basic Education
- Under State and Federal revenue categories – Preschool funding is defined as local and is recorded in the local category.
- “Other” consists of donations and grants from private foundations. A small amount of nutrition services and transportation revenue in this category is defined by the state as Basic Education.

General Fund – Sub Fund
FY 2019-2020 Basic Ed and Local - Expenditures

Expenditure Categories	Basic Education	Local	Total
Regular Instruction	\$414,082,890	\$43,737,974	\$457,820,864
Special Education	\$107,432,263	\$78,043,079	\$185,475,342
Vocational Education	\$14,592,652	\$219,810	\$14,812,462
Skills Center	\$1,444,347	\$2,109	\$1,446,456
Compensatory Programs	\$50,798,822	\$23,573,720	\$74,372,542
Other Instructional Program	\$3,172,759	\$39,649,633	\$42,822,392
Community Services	\$113,263	\$2,220,069	\$2,333,332
Support Services	\$148,109,849	\$37,615,280	\$185,725,129
Capital Outlay	<u>\$1,694,390</u>	<u>\$372,871</u>	<u>\$2,067,261</u>
Total Expenditures	\$741,441,235	\$225,434,545	\$966,875,780

General Fund – Sub Fund FY 2019-2020 Basic Ed and Local - Expenditures

Basic ed expenditures are driven related to funding by State Apportionment, state grants and federal grants.

Local expenditures consist of the following:

- Regular Instruction/Support Services: Capital projects eligible transfers expenditures, Strategic plan, professional development activities above state funding level, Substitute costs above allocation, Athletics/Extracurricular activities, self help funds, expenditures related to COVID, departments/activities unique to the district (e.g., lease and building administration)
- Special Education: Funding above state allocation – includes substitutes, professional development, special ed assistants, stipends
- Vocational Education: Extra-curricular activities and self help accounts
- Skills center: Self help accounts
- Compensatory Programs: Bilingual expenditures above state allocation and federal Headstart funding
- Other Instructional: City Levy expenditures and self help accounts
- Community Services: This category ties to “Other” revenue and consists of our radio and TV stations, and childcare. The Basic Ed portion of community services is tied to a federal grant we receive in relation to the radio station. Both the revenue and expenditures of this grant are considered Basic Education

Capital Projects Fund

Capital Projects Fund FY2020 Budget vs Actual

	2019-2020 Adopted Budget	YTD Actual 08/31/2020	Variance-more than/(less than) budget
Beginning Fund Balance	\$40,416,843	\$28,047,552	\$(12,369,291)
Revenues	\$289,695,856	\$274,223,293	\$(15,472,563)
Other Financing Sources/ (Uses – Transfers to Debt Svc/General Fund)	\$31,599,976	\$(24,330,888)	\$(55,930,864)
Total Beg FB, Rev & Other Financing Sources	\$361,712,675	\$277,939,957	\$(83,772,718)
Expenditures:			
Building	\$293,680,240	\$158,972,460	\$(134,707,780)
Equipment	\$9,336,747	\$2,049,302	\$(7,287,445)
Instructional Technology	\$45,332,833	\$10,005,568	\$(35,327,265)
Total Expenditures	\$348,349,820	\$171,027,330	\$(177,322,490)
Ending Fund Balance	\$13,362,855	\$106,912,627	\$93,549,772

Debt Service Fund

Debt Service Fund FY2020 Budget vs Actual

	2019-2020 Adopted Budget	YTD Actual 08/31/20	Variance-more than/(less than) budget
Beginning Fund Balance	\$1,344,053	\$1,365,071	\$21,018
Revenues	\$28,905	\$26,801	\$(2,104)
Other Financing Sources	\$2,819,525	\$2,737,829	\$(81,696)
Total Beg FB, Rev & Other Financing Sources	\$4,192,483	\$4,129,701	\$(62,782)
Expenditures:			
Principal	\$2,055,000	\$2,255,000	\$200,000
Interest	\$774,525	\$482,410	\$(292,115)
Total Expenditures	\$2,829,525	\$2,737,410	\$(92,115)
Ending Fund Balance	\$1,362,958	\$1,392,291	\$29,333

Associated Student Body Fund (ASB)

ASB Fund FY2020 Budget vs Actual

	2019-2020 Adopted Budget	YTD Actual 08/31/20	Variance-more than/(less than) budget
Beginning Fund Balance	\$3,697,921	\$3,486,007	\$(387,509)
Revenues	\$6,200,000	\$3,227,912	\$(2,972,088)
Total Beginning FB and Revenue	\$9,897,921	\$6,713,919	\$(3,184,002)
Expenditures:			
Student Activities	\$6,400,000	\$3,279,842	\$(3,120,158)
Total Expenditures	\$6,400,000	\$3,279,842	\$(3,120,158)
Ending Fund Balance	\$3,497,921	\$3,434,077	\$(63,844)

A photograph of four diverse young children smiling and posing together in what appears to be a classroom. The image is overlaid with a semi-transparent blue filter. The children are of various ethnicities and are dressed in casual clothing. One child in the foreground wears a red shirt with a "#WIVES" graphic. Another child in the foreground wears a grey shirt with a yellow and red design. The background shows classroom shelves and an American flag.

Thank you!

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