

Mukilteo School District No. 6
Quarterly Financial Report
For the Quarter Ended February 28, 2022
May 2, 2022

General Fund

This quarterly financial report updates estimates of revenue and expenditures, and the resulting effect on ending fund balances, based on the actual financial performance of the first six months of the fiscal year.

Expenditures

Contracted salaries are based on year-to-date plus encumbrances and estimated increases if still bargaining.

Personnel costs such as timesheets, substitutes, extra time, and collective bargaining increases have been considered. Historical data and averages are used to estimate the costs for these categories of expenditures. Direct input from managers will be used to refine these projections. With COVID-19, substitute costs have increased from our normal averages.

It is assumed that departments will spend discretionary budgets at the same rate as a prior three-year average, unless information is received from managers that this year will be different. It is also assumed that grants will be fully expended; any unexpended grant authority will carry over to the next year and can only be used for the allowable purposes under the grant.

Revenue

Mukilteo School District will receive \$5.3M in enrollment stabilization. Also included in the revenue projections is \$1.5M in safety net funds.

Using the current projection model for estimating the ending enrollment from the actual enrollment counts of September - April, enrollment is estimated to be <638> Full-Time Equivalents (FTE) below budgeted enrollment.

Annual average FTE for the last 5 years:

Estimated 2021-22	14,931.97
Actual 2020-21	15,141.30*
Actual 2019-20	15,629.58**
Actual 2018-19	15,674.57
Actual 2017-18	15,413.77

*Enrollment reporting for school year 2020-21 was changed due to the COVID-19 pandemic.

**Pandemic began, enrollment was based on our March enrollment.

Summary of Fund Balance:

Summary of Projections

Beginning Fund Balance	\$36,955,091
Revenue	\$292,211,859
Expenditures	<u>(\$299,713,886)</u>
Estimated Ending Fund Balance	\$29,453,063

Projected Ending Fund Balance

<u>GASB*** Categories</u>	<u>Amount</u>	<u>% of Revenue</u>
Restricted by law	\$2,235,411	0.76%
Nonspendable	\$142,673	0.05%
Min Fund Balance Policy (3%)	\$8,766,356	3.00%
Assigned	\$16,211,398	5.55%
Unassigned	\$2,097,225	0.72%
Total	\$29,453,063	10.08%

***Government Accounting Standards Board (GASB)

Assigned for Other Purposes:

- School Employees Benefits Board (SEBB) costs
- School and grant carryover
- Curriculum adoptions
- Salary increases beyond State allocation
- Regionalization reduction****

Future items to consider:

- Long-range impact current transportation funding model
- Funding model for Nutrition Services
- Enrollment stabilization
- COVID-19 future impacts
- Collective bargaining agreements
- Unfunded mandates

Continued reduction in Regionalization estimated impact each reduction is <\$2.5M>.

Fiscal Year	Regionalization Factor
2018/19	1.24
2019/20	1.24
2020/21	1.22
2021/22	1.20
2022/23	1.18

****Regionalization is additional funding provided by the Legislature to compensate for higher cost of living and in particular median home values higher than the statewide median.