



# FY22 Proposed Budget

## **Budget Overview**

The Greenway Trust is projected to end the current fiscal year (FY21) on very strong financial footing as our reserves have recovered from the initial pandemic downturn, and we expect a net operating surplus thanks to much better than budgeted financial performance and the anticipated forgiveness of our PPP loan. Donors continued to generously support the Greenway Trust despite what for many have been hard economic times, agencies increased funding to our stewardship program, donor funding expanded for our Kittitas work, Carter Subaru returned to their regular annual giving amounts, and so much more. Mike Woodsum and Mackenzie Dolstad have expertly stewarded these donors, partners and funders.

Moreover, program managers have carefully controlled spending where possible, focusing on priorities to good effect. And finally, we are expecting full forgiveness of our \$344,600 PPP loan. The cumulative impact is a strong financial position for the organization ending FY21 with a projected net operating income of \$217,487 (versus a budgeted operating deficit of \$300,464).

In FY22 we expect to emerge from the pandemic firing on all cylinders, and ready to lean into the priorities of our Strategic Plan. The NHA team will be hard at work drafting a management plan; we propose to significantly expand conservation, partnership and stewardship efforts in Upper Yakima; and the stewardship program is likely to have its single largest year in the program's history (more than \$2.6 million) as several signature projects are likely to ramp up, including instream restoration of Issaquah Creek, multiple US Forest Service recreation projects, and possibly development of the Preston Mill Park.

## **Operating Budget Summary**

We are proposing an FY22 Operating Budget of \$4,107,548 in Revenues and \$4,320,970 in Expenses, for a net operating loss of \$213,423. The budget represents an investment in the organization's future as we transition from NHA planning to NHA coordination, and we begin to grow capacity in Kittitas County. The FY22 budget carries over the surplus from FY21 to bridge the gap to full economic recovery and pre-pandemic giving. Both expenses and revenue represent a significant step-up driven principally by a major infusion of stewardship project income and spending, with cautious optimism about the pace of recovery for philanthropic giving as we emerge from the COVID pandemic.

We have added a simple capital budget to more clearly document capital investments planned for FY22 along with the planned depreciation schedules.

	<i><b>FY20 Actual</b></i>	<i><b>FY21 Projected</b></i>	<i><b>FY22 Proposed</b></i>
<i><b>Operating Revenues</b></i>	\$2,832,558	\$3,425,618	\$4,107,548
<i><b>Operating Expenses</b></i>	\$2,829,579	\$3,208,131	\$4,320,970
<i><b>Operating Net Income</b></i>	\$2,979	\$217,487	<b>\$213,423</b>

**Operating Budget Revenue Highlights:**

- **Unrestricted Fundraising:** General unrestricted fundraising remains conservatively budgeted in FY22. The fundraising team anticipates a mix of gifts and grants totaling \$750,000, which is \$100,000 lower than pre-pandemic levels.
- **Upper Yakima Funding:** This spring, an anonymous donor pledged \$250,000 over two years to grow the Greenway Trust’s Upper Yakima program. \$125,000 will be released in FY22 with the remaining \$125,000 planned for release in FY23.
- **Stewardship Program:** Revenue from stewardship program projects is projected to be very strong in FY22. Several major projects will be started in FY22 including the Preston Mill Park development, Issaquah Creek in-stream installation, and multiple USFS Great American Outdoors Act funded recreational improvements. Additionally, the consistent grant and fee-for-service funding remains strong.
- **Thomsen Bequest:** We are proposing to allocate \$140,000 of the Thomsen bequest/Fellowship for the Future Fund to continue support for our NHA planning efforts (\$50,000) and to fund the first year of one of two additional positions in Kittitas County (\$90,000).
- **General Reserve Fund Disbursement:** We have included a disbursement of 5% of the account value (averaged over three years on March 31) per financial and investment policy guidance. That amount this year is \$37,000.

**Operating Budget Expense Highlights:**

- **Bottom-Up Budget:** The budget process returned to our traditional bottom-up conversations and construction (rather different than last year’s top-down/bare-bones approach). We worked with individual program managers to identify projects, program needs, income sources and expected expenses for the fiscal year.
- **Employee expenses:** The budget includes over \$2.1 million in employee expenses. \$529,000 are in project-funded seasonal employees. The remainder accounts for 20.5 FTEs by the end of FY22, representing the addition of 2.5 staff since the start of FY21. Two of these new staff will be based in Upper Yakima (a Teanaway Community Forest Coordinator and an Upper Yakima Coordinator). One of the new positions is fully funded for two years by a private donation pledged this month. The other will initially be

funded by the Thomsen bequest. The stewardship team’s nearly 7 FTE remain funded by project-specific revenue, primarily agency funded work.

- **Office Expenses:** Office expenses generally track on par with previous years with notable exceptions in technology. The pandemic presented numerous challenges as we shifted to more remote work that highlighted our lack of adequate investment in technology. This budget begins to address that.
- **Contributions to Partners:** This captures funding provided to partners for various reasons. Approximately two-thirds of the amount this year are education program funds already raised that will be provided to partners to support our two internship programs, intern stipends, honorariums and the like. An additional \$14,000 is budgeted for discretionary support to long-standing partners like the WWRC and emerging DEI partnerships such as ECOSS, Refuge Outdoors, etc.

**Additions and Releases of Net Assets**

The proposed FY22 budget includes several additions and releases from our Unrestricted and Restricted Net Assets to support general and specific programs of the Greenway Trust. We are projecting to end FY21 with \$3,678,413 in net assets and are budgeting to end FY22 with \$2,777,838 in net assets. This reflects a continued spend down of the Middle Fork campaign funds, Fellowship for the Future Fund, and newly pledged Upper Yakima funding.

	<i>End FY21 projected</i>	<i>Additions</i>	<i>Releases</i>	<i>End FY22 projected</i>
<b><i>Unrestricted Net Assets</i></b>				
<b><i>Operating Assets</i></b>	\$663,613		(\$213,423)	\$450,190
<b><i>General Reserve</i></b>	\$834,684	\$10,000	(\$37,000)	\$807,684
<b><i>Fellowship for the Future Funds</i></b>	\$715,153	\$3,400	(\$140,000)	\$578,553
<b><i>NHA Specific (FFF)</i></b>		\$50,000	(\$50,000)	
<b><i>Upper Yakima (FFF)</i></b>		\$90,000	(\$90,000)	
<b><i>Restricted Net Assets</i></b>				
<b><i>Urban Communities</i></b>	\$34,500		(\$34,500)	
<b><i>Snoqualmie</i></b>	\$34,651			\$34,651
<b><i>Middle Fork Campaign</i></b>	\$1,115,812		(\$334,052)	\$781,760
<b><i>Upper Yakima</i></b>	\$250,000		(\$125,000)	\$125,000
<b><i>Other Restricted Funds</i></b>	\$30,000		(\$30,000)	
<b><i>Total Net Assets</i></b>	\$3,678,413	\$153,400	(\$1,053,975)	\$2,777,838

**Capital Budget**

Staff are requesting a capital budget of \$110,000 in FY22. This budget includes two new fleet trucks with an expected cost of \$80,000 depreciated over a seven-year period (per the

organization's fleet replacement plan). One truck would replace an aging truck based out of the Lake Sammamish field base and the second would be purchased to support growing stewardship in Kittitas County and would be based out of Cle Elum.

The remaining \$30,000 would cover improvements at the Seattle office and the Lake Sammamish field base and nursery. These improvements would include the purchase of new furniture at the Seattle office, heating, lighting, painting and other structural improvements at the field base, and upgrades to the nursery at Lake Sammamish. These costs would be depreciated over the four and five year leases of the respective Issaquah and Seattle facilities.