



## FY23 Proposed Budget

### FY22 Projected End-of-Year Review

The Greenway Trust is projected to end the current fiscal year (FY22) on very strong financial footing. A number of factors account for this positive difference and are briefly highlighted below.

Greenway Trust expenses are projected to be significantly down in the current fiscal year. This was a result of an intentional hiring delay to accommodate a more inclusive hiring process, a significant reduction in meals and meeting expenses reflecting the decision not to host an in-person annual dinner and to host our annual fundraising breakfast outdoors, as well as delays in implementing large scale stewardship projects (that will be implemented in the new fiscal year).

Revenue was also down in FY22 as a direct result of the delayed stewardship projects mentioned above which are funded by grants and contracts that are paid upon completion of work. While total revenue is projected to be under budget, unrestricted fundraising has outperformed budgeted expectations by nearly 17% demonstrating a return to pre-pandemic levels of giving. Moreover, the fundraising team secured more than \$700,000 in gifts and grants to be spent in future years. These included gifts supporting the Jim Ellis Land Conservation Fund, a new \$210,000 bequest, a \$200,000+ EPA grant for education, and a \$100,000 board gift for our education program.

The fundraising team and program managers continue to successfully raise significant funding for the organization and their programs and effectively manage spending. The cumulative impact is a strong fiscal year and financial position for the organization ending FY22 with a projected net operating income of \$51,452 (versus a budgeted operating deficit of \$213,424).

	<i><b>FY21 Actual</b></i>	<i><b>FY22 Budgeted</b></i>	<i><b>FY22 Projected</b></i>
<i><b>Operating Revenues</b></i>	\$3,305,114	\$4,107,547	\$3,440,525
<i><b>Operating Expenses</b></i>	\$2,957,026	\$4,320,971	\$3,389,073
<i><b>Operating Net Income</b></i>	\$348,087	-\$213,424	\$51,452

**FY23 Budget Overview**

In FY23, a larger Greenway staff will hit the ground running. The NHA team will be finalizing the management plan and initiating its implementation; we will continue to expand conservation, partnership and stewardship efforts in Kittitas; the education program will reemerge from a forced pandemic hiatus offering our traditional in-class and infield programs and expanding internship offerings; and the stewardship program will launch and/or complete multiple signature projects including Preston Mill Park development, instream restoration of Issaquah Creek, Great American Outdoors Act funded USFS projects and many more (totaling \$4.2 million in project expenses).

**FY23 Operating Budget Summary**

We are proposing a balanced FY23 Operating Budget with \$6,341,665 in Revenues and \$6,341,665 in Expenses. The budget represents a second year of significant investment in the organization’s future as we transition from NHA planning to NHA coordination, we continue to grow capacity in Kittitas County, and we implement major stewardship projects that have been years in the making. Both expenses and revenue represent a significant step-up in activity driven principally by a major infusion of stewardship project income and spending as well as increased optimism about philanthropic giving.

In the attached budget sheets, the overall FY23 budget is broken out into budgets for Management and Administration, Fundraising, Conservation & Partnerships, Communications, Stewardship, and Education. We have also added a simple capital budget to document capital investments planned for FY23.

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<i><b>Operating Revenues</b></i>	\$3,305,114	\$3,440,525	\$6,341,665
<i><b>Operating Expenses</b></i>	\$2,957,026	\$3,389,072	\$6,341,665
<i><b>Operating Net Income</b></i>	\$348,087	\$51,452	\$0

**Operating Budget Revenue Highlights:**

- **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 \$40,617.
- **Unrestricted Fundraising:** General unrestricted fundraising is projected to grow in FY23 to \$905,000. This represents a return to the pre-pandemic trajectory of giving and consistent year-over-year performance from the fundraising team.
- **Ellis Fund:** We are budgeting a release of \$75,000 of the Ellis Fund to support the organization’s land conservation efforts. These funds have been raised in partnership with the Trust for Public Land as part of a \$5 million land conservation campaign.

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- **Thomsen Bequest:** We are proposing to allocate \$240,000 of the Thomsen bequest/Fellowship for the Future Fund to continue support for our National Heritage Area efforts and to fund the first year of one of two additional positions in Kittitas County.
- **Middle Fork Snoqualmie Campaign:** We will continue to spend down the Middle Fork funding previously raised on recreation projects throughout the Middle Fork.
- **Kittitas Funding:** Last spring an anonymous donor pledged \$250,000 over two years to grow the Greenway Trust's Kittitas program with a specific focus on the Teanaway. The second year of this pledge will be released in FY23.
- **Stewardship Program:** Revenue from stewardship program projects is projected to be very strong in FY23. Several major projects that have been in development for years are expected to be started and/or completed in the fiscal year including the Preston Mill Park development, Issaquah Creek in-stream installation, multiple USFS Great American Outdoors Act funded recreational improvements and ongoing work with Washington State Department of Natural Resources. Additionally, the consistent grant and fee-for-service funding remains strong.
- **Education Program:** We are very excited to project strong revenue for the education program in FY23. This includes the release of a portion of a board member pledge which will be matched during the year and the continued growth of agency grants (EPA and King County) as well as continued gifts from Boeing and the Russell Family Foundation.

### Operating Budget Expense Highlights:

- **Bottom-Up Budget:** The budget process again started with our traditional bottom-up conversations and construction. We worked with individual program managers to identify projects, program needs, income sources and expected expenses for the fiscal year.
- **Employee Expenses (Staff Growth):** The budget includes \$2.7 million in employee expenses of which \$679,395 are in project-funded seasonal employees. The remainder accounts for 23.5 regular FTEs. This represents an increase of 7.5 staff since the start of FY22 and is a significant step-up in our headcount. New positions include an NHA manager, education coordinator, operations/development coordinator, two restoration coordinators, two Kittitas coordinators and a volunteer coordinator. This change is driven by growth in mission-driven organizational programming (stewardship, education, Kittitas, land conservation and NHA) matched by dedicated short, mid- and long-term program funding (Ellis Fund, NPS NHA, Kittitas gift, bequests, board education gift, Carter, and countless stewardship and education grants and awards).
- **Employee Expenses (Compensation Pool):** In FY23, we have included a significant increase to the employee compensation pool which includes a substantial cost of living increase as well as promotion and merit increases. While a larger than normal pool in the new fiscal year, we believe this it is necessary to remain at least modestly

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competitive in the current challenging labor market, keep pace with COLA adjustments at partner organizations, and retain our staff.

- **Outside Services:** Outside services are budgeted to significantly increase in FY23 (\$2,685,440). This principally reflects several major projects the stewardship team will be starting and/or completing in the fiscal year including the Preston Mill Park redevelopment, Great American Outdoors Act recreation projects on USFS lands, the Issaquah Creek instream restoration project at Lake Sammamish State Park and many others. There are modest increases for other program areas reflecting modest growth in program and/or rising costs.
- **Office Expenses:** Office expenses also are budgeted to climb modestly representing the additional technology needs of a growing staff and as we continue to modernize our technology.
- **Contributions to Partners:** The Greenway Trust is again including a line item for contributions to partners. This continues to include education program funds already raised that will be provided to partners to support our internship programs, intern stipends, honorariums and the like. The executive director will manage discretionary spending of \$15,000 to support long-standing partners like the WWRC and emerging DEI partnerships such as ECOSS, Refuge Outdoors, etc. An additional stewardship fund (within the stewardship program) will support new on-the-ground partnerships.

### **Additions and Releases of Net Assets**

The proposed FY23 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 FY22 with \$4,187,779 in net assets and are budgeting to end FY23 with \$3,499,512 in net assets. This reflects a spend down of the Middle Fork campaign funds, Fellowship for the Future Fund, Ellis Fund, and other restricted grants and gifts. Note that we have not projected new funding for the Middle Fork campaign, Fellowship for the Future Fund, or the Ellis Fund, however, we continue to focus our efforts on these funding sources and expect them to grow in FY23.

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	<i>End FY22 projected</i>	<i>Additions</i>	<i>Releases</i>	<i>End FY23 projected</i>
<b>Unrestricted Net Assets</b>	<b>\$3,062,210</b>	<b>\$123,300</b>	<b>-\$460,617</b>	<b>\$2,724,893</b>
<i>Operating Assets</i>	\$966,975			\$966,975
<i>General Reserve</i>	\$773,962	\$18,300	-\$40,617	\$751,645
<i>TPL Jim Ellis Fund</i>	\$253,252		-\$75,000	\$178,252
<i>Fellowship for the Future Fund</i>	\$933,021		-\$105,000	\$828,021
<i>NHA &amp; Kittitas (FFF)</i>	\$135,00	\$105,000	-\$240,000	
<b>Restricted Net Assets</b>	<b>\$1,125,569</b>		<b>-\$350,950</b>	<b>\$774,619</b>
<i>Education/Other</i>	\$80,000		-\$26,000	54000
<i>Snoqualmie</i>	\$34,651			\$34,651
<i>Middle Fork Campaign</i>	\$886,206		-\$261,509	\$624,697
<i>Kittitas</i>	\$20,000			\$20,000
<i>Other Restricted Funds</i>	\$104,712		-\$63,441	\$41,271
<b>Total Net Assets</b>	<b>\$4,187,779</b>	<b>\$123,300</b>	<b>-\$811,567</b>	<b>\$3,499,512</b>

**Capital Budget**

Staff are requesting a capital budget of \$45,000 in FY23. This includes the expected cost of one new truck for the Greenway Trust’s vehicle fleet which would be depreciated over a seven-year period (per the organization’s fleet replacement plan). The truck would replace an aging vehicle based out of the Lake Sammamish field base.