

# Annual Comprehensive Financial Report

For the fiscal year ended  
August 31, 2021



Photo Features North Middle School

PO Box 2098  
Everett, WA 98213  
[www.everettsd.org](http://www.everettsd.org)



# Annual Comprehensive Financial Report

For the fiscal year ended  
August 31, 2021

Prepared by the Finance and  
Business Services Department

Jeffrey D. Moore  
Chief Financial Officer

Andrea Tress  
Accounting Director

PO Box 2098  
Everett, WA 98213  
[www.everettsd.org](http://www.everettsd.org)



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**MEMBERS OF THE BOARD OF EDUCATION  
AND ADMINISTRATION STAFF  
FOR THE YEAR ENDED AUGUST 31, 2021**

**SCHOOL BOARD**

**TERM EXPIRES**

Caroline Mason, President .....	2021
Pam LeSesne, Vice President .....	2023
Andrew Nicholls, Legislative Representative .....	2025
Dr. Traci Mitchell, Parliamentarian .....	2021
April Berg .....	2025

**ADMINISTRATIVE STAFF**

Dr. Ian B. Saltzman, Superintendent  
 Dr. Peter Scott, Deputy Superintendent  
 Dr. Shelley Boten, Chief Academics Officer  
 Dr. Jeanne Willard, Regional Superintendent – Extended Learning Options  
 Dr. Sally Lancaster, Regional Superintendent – Teaching & Learning (Region 1)  
 Larry Fleckenstein, Regional Superintendent – Teaching & Learning (Region 2)  
 Jeffrey Moore, Chief Financial Officer  
 Mike Gunn, Chief Strategist – Facilities and Operations  
 Dr. Chad Golden, Executive Director of Human Resources  
 Kelley Clevenger, Executive Director of Special Services  
 Brian Beckley, Chief Information Officer  
 Sarah Mack, General Counsel  
 Dr. Catherine Matthews, Director of Assessment and Research  
 Kathy Reeves, Director of Communications  
 Joi Odom Grant, Director of Equity and Access

**PRINCIPALS**

**ELEMENTARY SCHOOLS**

Bruce Rhodes .....	Cedar Wood
Blythe Young .....	Emerson
Monique Beane .....	Forest View
Kathleen Stilwell .....	Garfield
Jacob Ellsworth .....	Hawthorne
Darren Larama .....	Jackson
Elizabeth Kelley .....	Jefferson
Cindy Foster .....	Lowell
Jessica Corneille .....	Madison
Brenda Fuglevand .....	Mill Creek
Dr. Tyler Ream .....	Monroe
Marti Shefeland .....	Penny Creek
Aleta Smoot .....	Silver Firs
Theresa Campbell .....	Silver Lake
Celia O'Connor-Weaver .....	Tambark Creek
Tina (Farias) Wood .....	View Ridge
Tony Wentworth .....	Whittier
Dr. Betty Cobbs .....	Woodside

**MIDDLE SCHOOLS**

Dr. Wilnic Gideon .....	Eisenhower
Michele Waddel .....	Evergreen
Matthew Bennett .....	Gateway
Dr. Laura Wellington .....	Heatherwood
Heather Paddock .....	North

**SENIOR HIGH SCHOOLS**

Michael Takayoshi .....	Cascade
Amanda Overly .....	Everett
Lance Balla .....	Henry M. Jackson
Kelly Shepherd .....	Sequoia



3900 Broadway, Everett, WA 98201  
www.everettsd.org

### Board of Directors

Pam LeSesne  
*President*

Dr. Traci Mitchell  
*Vice President*

Andrew Nicholls  
*Legislative Representative*

Caroline Mason  
*Parliamentarian*

April Berg

### Administration

Dr. Ian B. Saltzman  
*Superintendent*

Dr. Peter Scott  
*Deputy Superintendent*

Dr. Shelley Boten  
*Chief Academic Officer*

Larry Fleckenstein  
*Regional Superintendent*

Dr. Chad Golden  
*Executive Director of Human Resources*

Mike Gunn  
*Chief Strategist*

Dr. Sally Lancaster  
*Regional Superintendent*

Sarah Mack  
*General Counsel*

Jeff Moore  
*Chief Financial Officer*

Kathy Reeves  
*Director of Communications*

Dr. Jeanne Willard  
*Regional Superintendent*

March 30, 2022

To the Board Members and Citizens of Everett Public Schools:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of Everett Public Schools for the fiscal year ended August 31, 2021.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the district's administration. We believe that the data presented herein is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All pertinent information necessary to enable the reader to gain the maximum understanding of the district's financial affairs has been included.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This introductory letter to the Board is designed to complement the MD&A and should be read in conjunction with it. The district's MD&A can be found immediately following the report of the independent auditors.

The ACFR is presented in three sections as described below:

The **introductory section** includes this transmittal letter, an organization chart, and copies of certificates of excellence and achievement on prior year reports. This section is intended to provide a summary of financial transactions, an overview of the school district, and a summary of other significant facts and trends related to the school district.

The **financial section** includes the MD&A, government-wide and fund financial statements, fiduciary fund financial statements, notes to the financial statements, required supplemental information (RSI), supplemental information other than MD&A, as well as the independent auditor's report on the financial statements.

The **statistical section** includes selected financial and demographic information, presented on a multi-year basis, where possible. This section is intended to provide additional financial and non-financial information relevant to the school district. This section is unaudited.

Considerable effort has been made over the years to ensure that proper accounting procedures have been developed to allow for the preparation of a ACFR in accordance with generally accepted accounting principles.

District management is responsible for establishing, evaluating, and maintaining an internal control structure designed to ensure that district assets are adequately protected and to provide a reasonable basis for asserting that the financial statements are fairly presented in conformity with generally accepted accounting principles. Internal controls are designed on a cost benefit basis to provide reasonable assurance that these objectives are met. The concept of reasonable assurance and cost benefit recognizes the cost of a control should not exceed the benefits derived and the evaluation of controls requires estimates and judgments by management. We believe the district's internal controls provide reasonable assurance of accurate recording of financial transactions.

Washington State law requires an annual audit of the financial records and transactions of Everett Public Schools be performed by the Washington State Office of the State Auditor. The scope of the audit concentrates on four areas: (1) internal controls; (2) financial statements; (3) federal program compliance (as a recipient of federal and state financial assistance, the district is required to undergo a single audit in conformity with the Single Audit Act Amendment of 1996 and US Office of Management and Budget A-133, Audits of State, Local Governments, and Non-Profit Organizations, and with Title 2 US Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)), and; (4) compliance with applicable state and local regulations. The district's internal controls are reviewed and tested to determine the adequacy of the internal control structure, including the portion related to federal financial assistance programs. The audit for the fiscal year ended August 31, 2021, is complete and the *Independent Auditor's Report* is included in the Financial Section of this report. Audit results indicate an unmodified opinion.

The level of detail and reporting illustrated in the ACFR promotes an understanding of the scope and character of the financial needs and accomplishments of the district to the Board, our taxpayers, and interested citizens.

## **SCHOOL DISTRICT PROFILE AND SERVICES**

This report includes all funds of the district. It includes all activities considered by the State of Washington to be part of the public school system. Everett Public Schools is an independent school district, incorporated as a municipal corporation under Washington State law. The elected five-member (six-year terms) school board is the official policy-making body that gives general policy guidance to the appointed administrative staff. The administrative staff is responsible for the daily operation of the district.

The district operates eighteen elementary schools (grades K-5), five middle schools (grades 6-8), four high schools (grades 9-12), and several special programs at multiple sites. In response to the COVID 19 pandemic, the district

opened Everett Virtual Academy, a K-8 remote learning program for the 2021-22 school year with nearly 700 students participating. The district provides the full range of school programs and services for our 19,670 full time equivalency (FTE) students. This includes basic education, vocational education, pupil transportation, food services, special education for students with special needs, and numerous programs for remedial and enriched education.

## **ECONOMIC CONDITION AND OUTLOOK**

Everett Public Schools is located in Snohomish County in northwest Washington State. The school district boundaries encompass 39 square miles and include most of the cities of Everett and Mill Creek, as well as portions of unincorporated Snohomish County with an estimated population of more than 149,000 individuals residing within its boundaries. The district is the second largest school district in Snohomish County and the fourteenth largest district in the state. Everett is the largest city in the county and serves as its economic and cultural center, as well as the home of the county seat.

The Everett/Mill Creek/Snohomish County economy continues to diversify with major industries including aircraft production, high-tech electronic and electrical equipment manufacturing, pharmaceutical, health care, transportation, and a variety of other industrial and commercial businesses. The expanding economic base also includes increased commercial port activity and the U.S. Navy's homeport in Everett. The total population of Snohomish County was estimated to be 837,800 in 2021 and is forecasted to increase to approximately 900,000 residents by 2025.

Snohomish County unemployment has declined from 6.7% in 2020 to 3.8% in 2021. However, labor shortages have impacted the nation. The District has been able to maintain staffing levels to ensure schools have not been significantly impacted, as well as manage any supply chain delays with limited impact to schools.

Growth in Snohomish County's manufacturing sector has been anchored by the aerospace industry's product and parts manufacturing subsector. Boeing currently assembles the majority of its "wide-bodied" jet airplanes (747, 767, KC-46A, and the 777) at its Everett plant, which is the largest building in the world by volume (472 million cubic feet). The company also operates 1.3 million-square-foot building to support the new 777x composite-wing line, a LEED Silver facility. The company successfully completed the first test flight of this next generation plane on January 25, 2020. The severe impact of the pandemic on the airline industry impacted Everett's aerospace industry sector with plane order cancelations and delayed deliveries. As we emerge from the pandemic, Boeing also is celebrating new orders including a \$20 billion order for up to 50 of the new 777-8F by Qatar Airways. Boeing continues to emphasize their long-term commitment to the Puget Sound region but recognizes the need to adapt to lower commercial air flight and acknowledges that recovery will take three to four years.

Naval Station Everett is the homeport for over 6,100 military and civilian personnel. In June 2021, the Navy announced Everett as the future home port for the first ships of a new generation of guided missile frigates. In addition to the current fleet, the USS John Paul Jones and its crew of over 330 arrived in August 2021, USS John S. McCain arrived in October 2021 adding another 300 sailors, and the USS McCampbell will arrive in 2022.

The City of Everett continues to make progress with the private development of 225 acres of property along the Snohomish River. Shelter Holdings has begun development of the final phase, the 70-acre commercial district located between the two residential projects. The first phase is under construction which includes a grocery store, over 300 apartments and studios, and 835 parking stalls. Future construction is planned to include a movie theater, 230,000 square feet of retail space, and 120,000 square feet of office space.

The international toy maker Funko has relocated its corporate headquarters in downtown Everett drawing fans from all over the world. The company is a powerhouse in the collectibles industry, distributing millions of bobbleheads, action figures, and vinyl figurines. Funko celebrated the fifth anniversary of their downtown headquarters in August, and they've already expanded to several more buildings nearby. The toymaker reached a milestone in 2021 reporting more than \$1 billion in sales which expected to increase another 20% to 25% for 2022.

The Port of Everett is a major deep-water port on Puget Sound. Its operations include nine deep-water piers, two shipping terminals, dry storage, and the largest pleasure boat marina on the west coast with over 2,300 boats.

The Port is also making significant progress on the Waterfront Place development. The project includes five (5) districts: Fisherman's Harbor, the Millwright District, the Esplanade District, Wharf's Edge, and the Craftsman District. The development plan calls for up to 155,000 square feet of Marine sales and services, 512,800 square feet of retail/commercial, six restaurants, two hotels, and 660 residential units. The shoreline is entirely accessible to the public with parks and trails in what is termed "The Esplanade." So far, \$150 million has been invested in the Waterfront Place project, which includes the 142-room Hotel Indigo, the new 266-unit Waterfront Place Apartments, and a coming "restaurant row," destination wine walk and public gathering spaces. Recently the Port selected a Dallas firm to build the next piece of commercial, retail, and residential space at Waterfront Place Central, a mixed-use development between 10th and 13th streets. The Millwright District is a 10-acre site within Waterfront Place, a 65-acre public-private development with shops, restaurants, and the Waterfront Place Apartments.

The Port's Riverside Business Park has been completed bringing up to 800 new jobs to Everett. The site is home to Northwest Aerospace Technologies and a new FedEx Freight facility. Panattoni Development Company has developed an additional 9.7 acres and leased the vast majority of the 204,498 square-foot building to Amazon fulfillment center. This is an expansion to the Amazon footprint in Snohomish County above the 92,000 square foot "last-mile efforts" facility opened in 2017.

The City of Mill Creek, including its adjacent areas, is primarily a residential community and is one of the fastest growing areas of the district. Incorporated in 1983, Mill Creek has had several annexations adding numerous residential subdivisions to the original development.

Mill Creek Town Center is a multi-level, mixed-use center on a 23-acre site adjacent to the existing business district. The Town Center incorporates retail stores and boutiques, restaurants, and offices as well as residential and entertainment amenities. The outdoor mall has a park like setting among nature trails and creeks in the surrounding golf course community.

A second mixed-use urban village is located in the eastern portion of Mill Creek. The 52-acre East Gateway Urban Village includes 889,000 square feet of retail, office, and multi-family dwelling units. In addition, a new Mill Creek shopping center known as Shops at the Farm has been fully leased to tenants by Vintage Housing. This 82,000-square-foot commercial center will host the first Cashier-less Amazon Go grocery store, five restaurants, a fitness studio, a medical clinic, a dentist, an art studio, and a 76-room La Quinta Lodges Boutique Hotel. The successful economic development efforts have created a diversification of business and industry. Diversification, combined with the noted major municipal projects, has made the area less susceptible to the ups and downs of the aerospace industry. Examples of innovation and diversification include:

- TerraPower is developing new carbon-free energy systems (and cancer treatments) in their Everett lab.
- Ocean Gate makes state-of-the-art submarines that are designed to explore the deepest parts of our oceans. The small sub completed its first expedition this summer to the RMS Titanic, one of the world's most infamous shipwrecks. The company recently announced that for \$250,000 you can purchase a round-trip ticket to the bottom of the Atlantic Ocean.
- Helion Energy just announced it will be building a lab in Southwest Everett. Helion believes it can radically transform the fusion energy industry and expects to have 200 employees within two years.
- Zap Energy says its product will be "a seriously cheap, compact, scalable fusion reactor with potentially the shortest path to commercially viable fusion and orders of magnitude less capital than traditional approaches." Zap is ramping up to have 80 employees split between its research labs near Boeing.
- Soundview Innovation Campus has secured a 40-acre campus in Southwest Everett, and it hopes to bring together innovators in Cleantech, Aerospace, and Life Sciences that allow them to develop solutions that will feed the green economy.
- Infarm is a German start-up expanding around the globe producing herbs and greens hydroponically and close to grocery stores thus saving much of the transportation cost and environmental impact. Their hub in Everett is now fully operational and is one of the largest vertical farming centers in the region.
- magniX, a company that builds electric motors to power aircraft, made Everett its new headquarters, consolidating its Redmond headquarters and a research facility in Australia under one roof, near Paine Field.

Snohomish County should continue to be an attractive center for business growth in the years ahead due to the availability of land, office and manufacturing space, access to various modes of transportation, strong education systems, recreational opportunities, and the physical beauty of the Pacific Northwest.

As proven after the recent Great Recession, we are confident the local economy will recover from the COVID-19 pandemic more rapidly than other areas of our country. Our history of strong fiscal management and strong local support has us well poised as we move into the future.

## **MAJOR INITIATIVES**

*Strategic Plan* -- At Everett Public Schools, the Board of Directors has a long-standing tradition towards strategic planning, with the deepest commitment of providing leadership to guide the district's goals and accomplishment of its initiatives. In 2021, a refreshed strategic plan was developed as a comprehensive effort to guide Everett Public Schools for the next five years and aims at bringing everyone together to meet the needs of all students. The plan is focused on six priority outcomes for 2021-2026:

- Ensure 3<sup>rd</sup> grade literacy
- Increase science achievement
- Increase math achievement
- Reduce gaps in achievement among student groups
- Ensure students are prepared to succeed in college and career
- Strengthen student wellness, engagement, and safety

*Dual Language Spanish Immersion Program* -- In September 2021, Emerson Elementary School implemented a Dual Language Spanish Immersion Program where families with children entering kindergarten have the option to choose this strand in our school for their children. The program gives elementary students an opportunity to complete the Everett Public Schools curriculum in a nontraditional and exciting way, by immersing them in the Spanish language and culture from kindergarten through 12th grade. Students in the program become proficient in both Spanish and English, while learning the same curriculum content as their peers outside the program.

*Everett Career Link - Summer Programs* -- Everett Career Link is a partnership between Everett Public Schools, Snohomish STEM, the City of Everett, and regional employers designed to offer students the opportunity to "learn before they earn" by showing what it is like to work in a specific job environment, and provides high school credit to students.

*Transitional Kindergarten* -- Transitional Kindergarten is for children who are not currently in an early learning program and are scheduled to begin kindergarten in the next school year. This program provides foundational academic, social, and self-help skills to jumpstart qualifying students toward success in school.

*Family Resource Center* -- The district opened its first "Family Resource Center" in Hawthorne Elementary, with staff to help the district's homeless

families find resources. The purpose of the Family Resource Center is to help families navigate the county's social service programs, which are spread across the school district, county agencies, and dozens of nonprofits. The center is a place for agencies to meet with families. It also has workstations and printers. Parents can print housing paperwork. Students can fill out job applications. The center also has basic necessities to send home with people, like food and clothes.

*Foundation Support* -- The Everett Public Schools Foundation, established in 1985, provided over \$300,000 of financial support to the district during the 2020-21 school year. This tremendous support from our community included investments in teacher and classroom grants, combined tuition assistance for summer school and college in the high school tuition, higher education scholarships, school supplies from their "stuff the bus" event, and funding for other district events and programs such as High School and Beyond events.

*Local Levy Support* -- In an election held February 2022, the voters of the district continued to show their support by approving a four-year Educational Programs and Operations Levy. The replacement levy will continue to support district programs through the 2026 calendar year and constitutes approximately 15 percent of General Fund revenue.

*Capital Levy* -- In the February 2022 special election, the voters supported a six-year, \$325.5 million replacement capital levy. These funds are for acquiring, constructing, and installing capital improvements for safety, security, renewal, and upgrade projects for capacity, and educational programs including technology.

## **BUDGETARY CONTROL**

The Board of Directors adopts annual budgets for all governmental funds, establishing the level of budgetary control at the fund level. The district maintains an encumbrance accounting system. Open encumbrances are liquidated and reestablished at the beginning of the next fiscal year. The district actively engages the community and staff under several forums, including the strategic planning process and the Fiscal Advisory Council. Additional information on accounting systems and budgetary controls are included in the Notes to the Financial Statements (Notes 1-8).

## **LONG-TERM FINANCIAL PLANNING**

The district conducts long-term financial planning in both the General and Capital Projects Funds. The General Fund planning model is projected out for a period of four years and is updated twice annually, including the fall update based upon actual enrollment and staffing, as well as a spring update based upon legislative outcomes. Enrollment is perhaps the single most important factor directly affecting levels of funding the district receives at the state and federal level. Enrollment projections are carefully prepared and continue to show an increasing trend.

Historical and projected head-count enrollments for the district are shown below:

<u>Historical</u>		<u>Projected</u>	
2016	19,731	2022	19,814
2017	19,891	2023	20,094
2018	20,079	2024	20,195
2019	20,170	2025	20,251
2020	19,539	2026	20,213
2021	19,633	2027	20,249

The district has a strategic plan that is paramount to the district’s long-term planning. Its coordinated vision encompasses many areas across the district’s instructional programs and operations. The plan drives its goals and identifies actions to achieve prioritized objectives. The district’s long-standing commitment to reviewing and updating the strategic plan is evidenced in how it plans for and aligns its financial resources.

The district evaluates the conditions of its facilities and uses enrollment projections and demographic studies to help make decisions related to school properties. Every six years, the district prepares a Study and Survey report which includes survey of the district’s educational facilities, building conditions, safety evaluations, and information about current and long-range needs. An Asset Preservation Program report is maintained for edible new facilities, replacement facility, or modernized facilities constructed after 1993 that received state financing assistance. The following seven schools are currently under this requirement: HM Jackson High School, Evergreen and Gateway Middle Schools, Hawthorne, Jefferson, Monroe, and View Ridge Elementary Schools. A database is used to maintain information pertaining to the asset preservation program in order to remain eligible for future construction assistance financing from the state.

In addition, the Capital Projects Fund maintains a long-term projection of facility needs based upon a 48-year building modernization cycle divided into twelve phases. Under this model of planning and management of funding mechanisms, the majority of all the district’s properties will undergo a major modernization within an average of 45 to 48 years of its original construction, or last major modernization. The modernizations at North Middle School and Woodside Elementary completed the numerous projects that were included in the 2016 Capital Bond. Based on the next phase of the updated 48-year modernization cycle, buildings to be modernized or replaced are Jackson Elementary, Madison Elementary, Cascade High School science building and the Everett High School cafeteria and classrooms. These latest projects were included in the February 2022 Capital Levy. In addition, the levy included 90 million dedicated to instructional technology over the 6 years.

**CERTIFICATES OF EXCELLENCE AND ACHIEVEMENT**

The Association of School Business Officials (ASBO) awarded the district its Certificate of Excellence in Financial Reporting for the year ended August 31, 2020. The district has received the award each year since 1987.

The Government Finance Officers Association (GFOA) awarded the district its Certificate of Achievement for Excellence in Financial Reporting for the year ended August 31, 2020. This certificate of achievement is the highest form of

recognition in governmental accounting and financial reporting. This is the fifteenth consecutive year the district has received this award from GFOA.

We believe our 2021 report conforms to the principles and standards of the Certificate of Excellence and Certificate of Achievement program requirements. The report will be submitted to both ASBO and GFOA for their review.

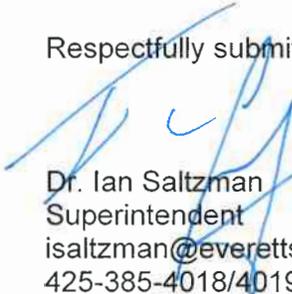
#### **ACKNOWLEDGMENTS**

The publishing of this annual financial report is made possible through the continued interest and support of the Board of Directors. We respectfully acknowledge the sincere and responsible financial stewardship evidenced by the Board.

The dedicated expertise of the Finance and Business Services department's accounting and finance staff in preparation of this report is commendable. We recognize the additional knowledge and effort necessary to publish an ACFR.

In closing, we wish to thank the Washington State Auditor's Office for the timely and professional completion of their independent financial audit.

Respectfully submitted,



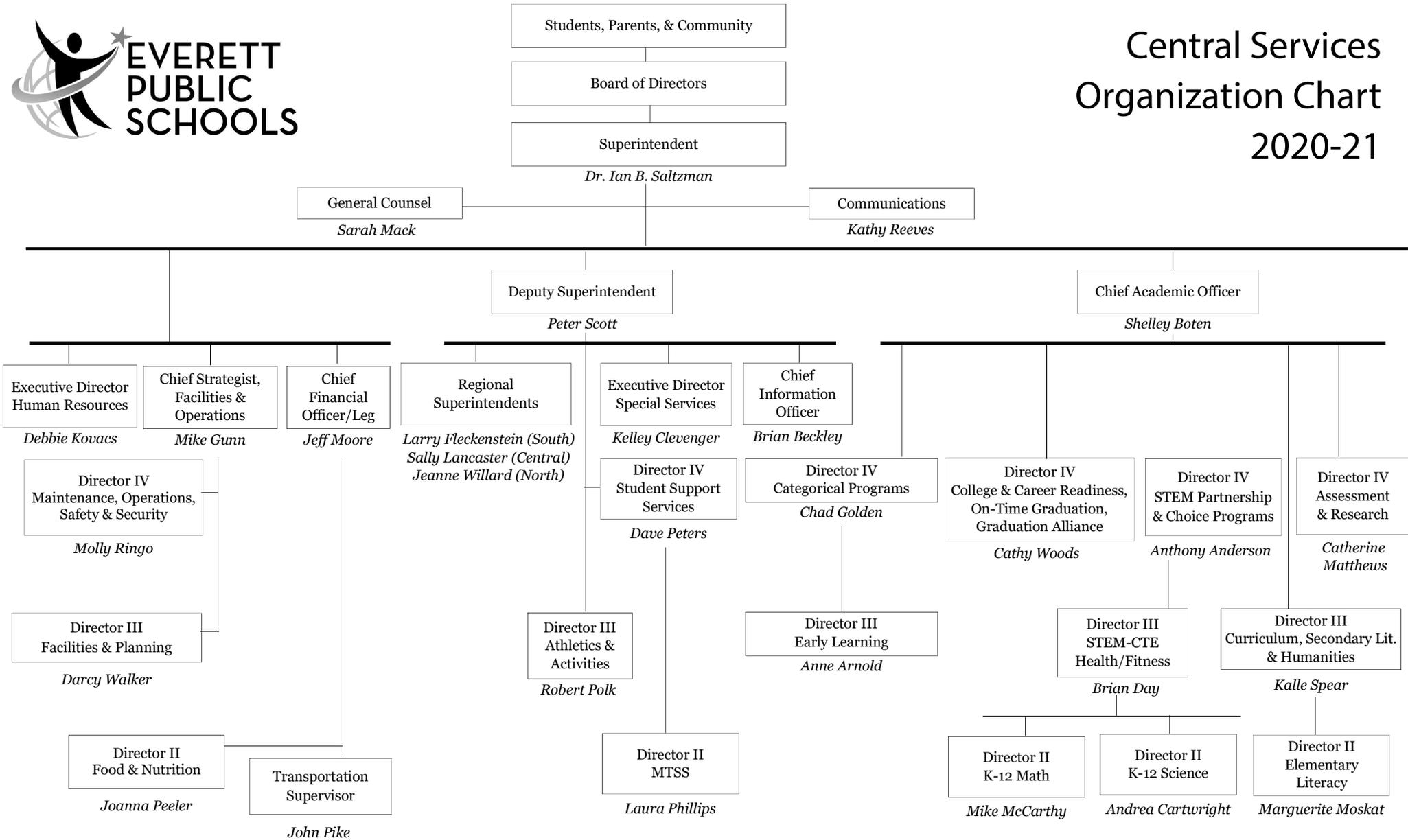
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Superintendent  
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Jeffrey Moore  
Chief Financial Officer  
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425-385-4150



# Central Services Organization Chart 2020-21





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

## **Everett Public Schools**

**for its Comprehensive Annual Financial Report  
for the Fiscal Year Ended August 31, 2020.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Everett Public Schools  
Washington**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

August 31, 2020

*Christopher P. Morill*

Executive Director/CEO

# **SECTION II FINANCIAL**

**Independent Auditor's Report**

**Management Discussion and Analysis**

**Government-Wide Financial Statements**

**Governmental Fund Financial Statements**

**Fiduciary Fund Financial Statements**

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**Supplementary Information**





**Office of the Washington State Auditor  
Pat McCarthy**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

Superintendent and Board of Directors  
Everett Public Schools  
Everett, Washington

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Everett Public Schools, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant

accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Everett Public Schools, as of August 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Matters of Emphasis**

As discussed in Note 14 to the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the District is unknown. Management's plans in response to this matter are also described in Note 14. Our opinion is not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The Schedules – Supplementary Information are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The Introduction and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements of the District. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we will also issue our report dated March 30, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the District's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

March 30, 2022

**EVERETT PUBLIC SCHOOLS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

The discussion and analysis of the Everett Public Schools' (Everett School District No. 2) financial performance provides an overview of the district's financial activities for the fiscal year ended August 31, 2021. The intent of this discussion and analysis is to look at the district's financial performance as a whole. Readers should also consider the transmittal letter, financial statements, and notes to the basic financial statements to enhance their understanding of the district's financial performance.

***FINANCIAL HIGHLIGHTS***

- ❑ As of August 31, 2021, district net position from governmental activities was \$357.2 million.
- ❑ During the year, the district had revenues for all governmental activities that were \$62.8 million higher than the \$323.9 million in expenses.
- ❑ The district's governmental funds reported combined ending fund balances of \$104.8 million for the fiscal year.
- ❑ The General Fund's revenues and other financing sources exceeded expenditures by \$2.0 million for the fiscal year.
- ❑ The General Fund's ending fund balance of \$39.2 million was above the board policy target of a minimum five percent of annual expenditures for total general fund balance.
- ❑ The district's total long-term bond debt outstanding was \$133.3 million as of August 31, 2021.
- ❑ The average student enrollment decreased by approximately 669 full time equivalent (FTE) students compared to the previous year.

***USING THIS ANNUAL FINANCIAL REPORT***

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Everett Public Schools as a financial whole, while also providing an increasingly detailed look at specific financial activities.

The "Statement of Net Position" and the "Statement of Activities" provide information about the activities of the district as a whole and present a longer-term view of the district's finances. These statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statement section shows the district's operations in more detail than the "government-wide" statements by providing information about the district's most significant funds, including its governmental funds, and fiduciary funds.

***REPORTING THE DISTRICT AS A WHOLE***

**The Statement of Net Position and the Statement of Activities**

The analysis of the district as a whole in the *government-wide financial statement* section identifies how the district did financially as well as whether the financial position has improved or diminished. The "Statement of Net Position" and the "Statement of Activities" include all assets, deferred outflows/inflows of resources, liabilities, revenues, and expenses of the district's governmental funds, using the accrual basis of accounting similar to the accounting method used by most private sector companies. All current year revenues and expenses are included regardless of when the cash was received or paid.

These two statements report the district's net position as well as any associated change in net position. One measure of the district's financial health is the difference between assets and

deferred outflows of resources, and liabilities and deferred inflows of resources, which defines the net position. In addition, there are other measures which include non-financial factors such as changes in the district's student enrollment, property tax base, and condition of facilities.

## ***REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS***

### **Fund Financial Statements**

*Governmental Funds* -- The district's activities and services are reported in governmental funds. These statements provide a detailed short-term view of the most significant funds and not the district as a whole. They focus on the flow of money into and out of those funds and the balance available at the end of the year for future spending. The accounting method utilized is "modified accrual" which measures cash and all other financial assets that can easily be converted to cash. The governmental fund information presented allows the reader to determine whether there are more or fewer financial resources that can be used in the near future to finance district programs. The relationship (or differences) between governmental activities (Schedule 1 - Statement of Net Position and Schedule 2 - Statement of Activities) and governmental funds are shown in a reconciliation on Schedule 3A and Schedule 4A of the fund financial statements. Descriptions of the data listed in the columns of Schedule 3A and Schedule 4A are listed in the Notes to the Financial Statements, Note 2.

*Fiduciary Funds* -- These funds consist of private purpose trust funds which the district must use for the benefit of individuals, private organizations, scholarships, and other specific private purposes. The district is responsible for ensuring the assets reported in these funds are used for their intended purpose. Fiduciary fund activities are excluded from the district's financial statements as a whole because the district is not able to use these assets to finance its operations.

## ***THE DISTRICT AS A WHOLE***

This analysis focuses on the net position per Table 1 and the changes in net position per Table 2 from the district's governmental activities. The narrative will show that the district's financial position improved over the period, primarily due to an increase in governmental fund assets and an increase in net investment in capital assets (as shown in Table 1). Furthermore, revenues outpacing expenses (as shown in Table 2) contribute to a stronger financial position.

As displayed in Table 1, the district's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$357.2 million at the end of the 2020-21 fiscal year. The ratio of liabilities and deferred inflows of resources to assets and deferred outflows of resources is 54 percent.

The value of the district's net investment in capital assets (i.e., land, buildings, and equipment) was \$354.5 million. The net investment in capital assets is the historical cost of capital assets, net of accumulated depreciation, plus capital-related deferred outflows of resources, less capital-related borrowing (bonded debt incurred to acquire the capital assets) and deferred inflows of resources related to capital assets. This value represents the largest portion of net position. The substantial investment in capital assets represents the district's track record of building and modernizing schools in accordance with its long-term mission of providing quality education in state-of-the-art and updated facilities. These assets are not available for future spending and the debt associated with these assets, if any, will be paid from levied property taxes.

Total liabilities of \$287.3 million have decreased as compared to the prior year by approximately \$135.6 million. The decrease in liabilities is primarily due to a reduction in pension liabilities and fewer bonds outstanding.

Restricted net position total of \$96.9 million are resources subject to external restrictions on how they may be used. They consist of funds that have constraints imposed by law through enabling legislation (Capital, Transportation Vehicle, and ASB Funds), externally imposed debt covenants (Debt Service Fund), externally imposed regulations, and external contractual impositions of grantors and regulations of other governments upon state and federal grant funds (Carryover Restricted Revenues for Education and Operations).

The unrestricted portion of net position is any portion not already classified as either net investment in capital assets or restricted. The unrestricted portion represents resources that may be considered available to finance normal district government activities without external constraints imposed by law through constitutional provisions or enabling legislation, laws and regulations of other governments, or constraints established by debt covenants. It is possible for a negative unrestricted net position to exist where liabilities, deferred inflows of resources, net investment in capital assets, and other restricted portions exceed assets and deferred inflows of resources.

**Table 1 - Net Position**

	<b>2020-2021</b>	<b>2019-2020</b>
Current and Other Assets	\$ 157,012,149	\$ 179,973,184
Net Pension Assets	77,704,340	-
Capital Assets	494,663,633	495,675,830
<b>Total Assets</b>	<b>729,380,122</b>	<b>675,649,014</b>
Deferred Outflow - Pensions	33,060,745	36,451,722
Deferred Outflow - OPEB	16,118,245	18,120,266
Deferred Loss on Refunding	670,756	2,274,114
<b>Total Deferred Outflows of Resources</b>	<b>49,849,746</b>	<b>56,846,102</b>
Long-Term Liabilities	278,226,831	414,234,736
Other Liabilities	9,026,891	8,617,358
<b>Total Liabilities</b>	<b>287,253,722</b>	<b>422,852,094</b>
Deferred Inflow - Pensions	119,822,987	5,522,327
Deferred Inflow - OPEB	14,973,208	9,785,861
<b>Total Deferred Inflows of Resources</b>	<b>\$ 134,796,195</b>	<b>\$ 15,308,188</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 354,521,682	\$ 318,856,478
Restricted	96,888,028	100,343,372
Unrestricted	(94,229,759)	(124,865,016)
<b>TOTAL NET POSITION</b>	<b>\$ 357,179,951</b>	<b>\$ 294,334,834</b>

### **Governmental Activities**

As Table 2 shows, revenues exceeded expenses for the 2020-21 year resulting in a \$62.8 million increase in net position. Compared to the prior year, total revenues decreased by \$31.3 million, while overall expenses decreased by \$35.6 million. Program revenues decreased, including charges for services (decrease of 3.7 million) and capital grants and contributions (decrease of \$3.2 million), offset by an increase in operating grants and contributions (increase of \$3.3 million). Similarly, general revenues decreased, including property taxes (decrease of \$21.7 million), unallocated revenue (decrease of \$4.8 million), and interest and investments (decrease of \$1.3 million). Decreases in charges for services are due to lower food service revenues and ASB revenues. Decreases in capital grants and contributions are from a decrease in state school construction assistance funds. Increases in operating grants and contributions are due to new federal stimulus grants, as well as compensatory education and other instructional program increases, offset by decreased state special education due to lower enrollment. Decreases in

unallocated revenue is from a decrease in local debt service tax revenues and a decrease in basic education state apportionment funds due to lower annual average enrollment.

The overall decrease in program expenses is most evident in regular instruction (\$23.6 million decrease), special education (\$5.7 million decrease), vocational education (\$1.4 million decrease), community services (\$2.0 million decrease), support service (\$5.7 million decrease), and interest payment on long term debt (\$1.8 million decrease). These decreases are partially offset by the new federal stimulus program (\$6.1 million increase).

**Table 2 - Changes in Net Position**

	Governmental Activities	
	2020-2021	2019-2020
<b>Program Revenues</b>		
Charges for Services	\$1,341,897	\$5,017,370
Operating Grants and Contributions	88,680,575	85,342,784
Capital Grants and Contributions	9,291,817	12,467,566
<b>General Revenues</b>		
Property Taxes	92,979,090	114,712,284
Unallocated Revenue	194,278,653	199,047,762
Interest and Investments	127,344	1,379,612
<b>TOTAL REVENUES</b>	<b>\$386,699,376</b>	<b>\$417,967,378</b>
<b>Program Expenses</b>		
Regular Instruction	\$184,713,842	\$208,296,394
Special Education	42,179,487	47,912,188
Vocational Education	13,661,705	15,066,381
Compensatory Education	17,179,913	18,133,537
Other Instructional Programs	2,445,248	2,351,560
Federal Stimulus	6,124,249	
Community Services	2,601,527	4,638,307
Support Services	48,604,291	54,271,001
Extracurricular Activities	553,626	1,194,264
Interest Payment on Long Term Debt	5,858,584	7,622,067
<b>TOTAL EXPENSES</b>	<b>\$323,922,472</b>	<b>\$359,485,699</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>\$62,776,904</b>	<b>\$58,481,679</b>
<b>NET POSITION BEGINNING (9/1)</b>	<b>294,334,834</b>	<b>235,853,155</b>
<b>Cumulative Effect - Change in Accounting Principle</b>	<b>68,213</b>	
<b>ADJUSTED NET POSITION BEGINNING</b>	<b>294,403,047</b>	<b>235,853,155</b>
<b>NET POSITION ENDING (8/31)</b>	<b>\$357,179,951</b>	<b>\$294,334,834</b>

The district's largest programs include regular instruction, special education, vocational

education, compensatory education, and support services. Table 3 represents the total costs of these areas as well as associated financial impacts demonstrated by their net cost. A positive net cost of services indicates the district must fund these costs with unallocated revenues such as property taxes, state apportionment, or investment earnings, or by use of fund balance from dollars received in a prior year. A negative net cost of services indicates that revenues shown in that program exceed expenses of the program for the period. The net cost of services shown below does not take into consideration indirect costs (such as maintenance, insurance, and support services).

**Table 3 - Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2020-21	2019-20	2020-21	2019-20
Regular Instruction	\$184,713,842	\$208,296,394	\$175,443,345	\$195,829,063
Special Education	42,179,487	47,912,188	2,953,761	3,753,252
Vocational Education	13,661,705	15,066,381	13,557,464	14,772,756
Compensatory Education	17,179,913	18,133,537	(3,019,197)	(943,215)
Other Instructional Programs	2,445,248	2,351,560	150,605	97,606
Federal Stimulus	6,124,249		(1,352,989)	
Community Services	2,601,527	4,638,307	(25,843)	983,371
Support Services	48,604,291	54,271,001	30,864,584	34,637,300
Extracurricular Activities	553,626	1,194,264	177,869	(94,221)
Interest Payment on Long-Term Debt	5,858,584	7,622,067	5,858,584	7,622,067
<b>TOTALS</b>	<b>\$323,922,472</b>	<b>\$359,485,699</b>	<b>\$224,608,183</b>	<b>\$256,657,979</b>

***THE DISTRICT'S FUNDS***

Information about the district's major funds begins with Financial Statements Schedule 3 and Schedule 4, which are prepared using the modified accrual basis of accounting. All governmental funds had total revenues of \$396.6 million while expenditures totaled \$410.2 million. Expenditures were \$13.6 million more than revenues for the year.

The General Fund shows an increase in fund balance of \$2.0 million, ending the year with a total fund balance of \$39.2 million, which is 11.9 percent of total expenditures and above the board policy target of 5 percent. The unassigned fund balance was \$30.9 million, or 9.4 percent of total expenditures. Total expenditures increased and were approximately \$2.0 million less than revenues. The increased fund balance is primarily due to expenditure savings associated with remote learning, including lower transportation and substitute costs.

The ASB Fund shows a decrease in fund balance of \$0.2 million. A minor decrease or increase in the ASB fund balance is expected given the fluctuations from year to year in student group activities and student fund raising efforts to support them. For example, specific clubs, such as band and choral, tend to raise significant funds over a two to three-year period to support a major national or international cultural trip.

The Debt Service Fund shows a decrease of \$11.9 million. This decrease is on schedule with bond principal and interest payments and aligns with multi-year projections that track cash flow from debt service payments and property tax collections. The debt principal and interest payment due dates are timed to keep tax rates stable and meet the demands of the debt repayment schedule. This results in a fluctuation of fund balance across years, depending on the debt schedule and tax collections.

The Capital Projects Fund had a decrease in fund balance of \$3.4 million reflecting the spending related to the issuance of the 2016 bonds. Another major funding source for the capital projects

fund includes building repair and technology levy proceeds. This source of income aligns with project spending for upgraded technology and other small capital asset preservation projects.

Fund balance increased by \$0.2 million in the Transportation Vehicle Fund. Revenues consist of the state’s depreciation allocation designated for purchasing buses and a small amount of investment interest. Although the district contracts with an outside vendor to provide buses and pupil transportation, the district also maintains a small fleet of its own buses. Replacement buses are purchased as the fleet ages and as accumulated funds allow. The district purchased four buses during the 2020-21 fiscal year.

Table 4 shows the increase or decrease over prior years by major revenue source and by program expenditures. It is notable that local revenues make up 27 percent of total revenues, while the state funds approximately 66 percent of total revenues. Federal revenues and revenues from other entities comprise the remaining seven percent.

The total revenue decrease of \$18.4 million is primarily due to a decrease of \$16.0 million in state revenues, a decrease of \$13.7 million in local revenues, and an increase in federal funds of \$11.4 million. The decrease in state revenues is due to apportionment funding that was impacted by lower enrollment and less state construction assistance funding. Local revenues were mainly impacted by lower tax revenues for debt service, partially offset by increased tax revenues for educational programs and operations. Federal revenues increased primarily due to Elementary and Secondary School Emergency Relief (ESSER) funds.

Program expenditures have declined overall due to a decrease in capital outlay, debt service, support services, and community services expenditures. These were partially offset by an increase in regular instruction and federal stimulus (ESSER) expenditures. The \$23.0 million decrease in capital outlay expenditures is driven by a decrease in capital bond proceeds spending. Support services expenditure decreases are due to lower transportation, custodial, and other costs that are impacted by remote learning. Community services expenditure decreases are primarily due to a change in classification of food service costs during remote learning, from community services to support services. The overall increase in instructional programs reflects the district’s continued priority of allocating resources to those areas.

**Table 4 - Governmental Funds**

<b>Revenue Source</b>	<b>2020-2021 Amount</b>	<b>Percent of Total</b>	<b>2019-2020 Amount</b>	<b>Amount Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
Local Taxes & Non-Tax	\$107,207,583	27.03%	\$120,908,079	(\$13,700,496)	-11.33%
State Revenues	260,656,336	65.73%	276,668,432	(16,012,096)	-5.79%
Federal Revenues	26,014,239	6.56%	14,539,892	11,474,347	78.92%
Other Entities	2,687,615	0.68%	2,830,858	(143,243)	-5.06%
<b>TOTAL</b>	<b>\$396,565,773</b>	<b>100.00%</b>	<b>\$414,947,261</b>	<b>(\$18,381,488)</b>	<b>-4.43%</b>
<b>Expenditures</b>					
Regular Instruction	\$185,573,079	45.24%	\$182,862,262	\$2,710,817	1.48%
Special Education	47,960,911	11.69%	48,416,407	(455,496)	-0.94%
Vocational Education	15,461,711	3.77%	15,194,606	267,105	1.76%
Compensatory Education	19,461,270	4.74%	18,349,061	1,112,209	6.06%
Other Instructional Programs	2,627,791	0.64%	2,377,603	250,188	10.52%
Federal Stimulus	6,679,666	1.63%		6,679,666	100.00%
Community Services	2,896,444	0.71%	4,625,645	(1,729,201)	-37.38%
Support Services	48,423,047	11.81%	51,864,358	(3,441,311)	-6.64%
Student Activities	553,626	0.13%	1,194,264	(640,638)	-53.64%
Capital Outlay	25,968,527	6.33%	48,982,928	(23,014,401)	-46.98%
Debt Service	54,565,162	13.30%	60,460,421	(5,895,259)	-9.75%
<b>TOTAL</b>	<b>\$410,171,234</b>	<b>100.00%</b>	<b>\$434,327,555</b>	<b>(\$24,156,321)</b>	<b>-5.56%</b>

Table 5 presents a condensed view of the district’s General Fund on its own. Major revenue sources and expenditure functions are compared to the prior year to illustrate changes in General Fund operations.

As summarized by the information in Table 5, state funds comprise 76.5 percent of the district’s General Fund revenue, making it the largest source of revenue for the district’s operating funds. Local revenues consist mostly of educational program and operations tax levies, representing approximately 14.7 percent of total General Fund revenues. Federal revenues and revenues from other entities make up the remainder. General Fund revenues have increased by less than one percent.

Local taxes increased in alignment with the four-year educational programs and operations levies approved by voters in 2018. On February 8, 2022, the voters supported a \$272.5 million 4-year educational programs and operations levy to replace the current levy expiring at the end of 2022. Local non-tax revenues declined in areas such as meal purchases because federal funds allowed free meals for all students, and facility rentals due to COVID-19 pandemic-related building closures. State revenues decreased because enrollment declined, and transportation ridership was down due to remote learning. Federal revenues increased because of ESSER reimbursements for COVID-19 expenditures.

General Fund total expenditures increased by 1.6 percent as compared to 2019-20. The majority is from instructional expenditures, a \$10.1 million increase over the prior year. Instructional expenditures increased due to added staff, general cost increases, and acceleration of one-to-one student device roll-out in support of remote learning. In contrast, remote learning reduced costs in the areas of maintenance/operations, pupil transportation, and nutrition services. Washington State law requires school districts to account for nutrition services operations (school breakfast and lunch programs) in the General Fund. During the fiscal year, Food and Nutrition Services had \$7.9 million in revenues, an increase over the prior year due to higher federal reimbursement rates. The direct expenditures of \$6.9 million decreased from the prior year, creating a surplus for 2020-21 in this program, which is carried forward to the following year.

Revenues and expenditures by major functions of the district and changes over the preceding year are presented as follows:

**Table 5 - General Fund**

Revenue Source	2020-21 Amount	Percent of Total	2019-20 Amount	Increase (Decrease)	Percent Increase (Decrease)
Local Taxes & Non-Tax	\$48,354,197	14.7%	\$44,154,116	\$4,200,081	9.51%
State Revenues	251,400,929	76.5%	264,209,219	(12,808,290)	-4.85%
Federal Revenues	25,977,829	7.9%	14,539,892	11,437,937	78.7%
Other Entities	2,687,615	0.8%	2,830,505	(142,890)	-5.0%
<b>TOTAL</b>	<b>\$328,420,570</b>	<b>100.0%</b>	<b>\$325,733,732</b>	<b>\$2,686,838</b>	<b>0.8%</b>
<b>Expenditures/Functions</b>					
Instruction	\$280,709,122	85.2%	\$270,592,748	\$10,116,374	3.7%
Maintenance/Operations	20,377,129	6.2%	20,754,251	(377,122)	-1.8%
Pupil Transportation	7,016,237	2.1%	12,390,376	(5,374,139)	-43.4%
Administration	8,600,229	2.6%	7,784,389	815,839	10.5%
Nutrition Services	6,904,553	2.1%	7,529,189	(624,636)	-8.3%
Information Systems/Other Services	5,854,228	1.8%	5,321,419	532,810	10.0%
<b>TOTAL</b>	<b>\$329,461,498</b>	<b>100.0%</b>	<b>\$324,372,372</b>	<b>\$5,089,126</b>	<b>1.6%</b>

## General Fund Budgeting Highlights

The district’s budget is prepared in accordance with State of Washington law. The district actively engages its community and staff in evaluating priorities through the strategic plan process and the Fiscal Advisory Council. The most significant budgeted fund is the General Fund. Appropriations defined in the budget limit total expenditures and may only be increased if the Board of Directors adopts a revised or supplemental budget following a defined process that includes a public hearing.

Required Supplementary Information, Schedule A-1, compares general fund original and final budget amounts with actual amounts for revenues and expenditures. The two budget columns are identical, which indicates there were no general fund budget amendments to the official budget for the fiscal year. Current budget practice consolidates most revenue contingencies in Local Non-Tax. Actual local non-tax revenues generally fall between \$3 million and \$6 million below budget and still be within expectations; however, there were greater variances in recent years because free student meals were provided during COVID-19. Variances in State general purpose and State special purpose higher in 2020-21 due to lower enrollment.

Most expenditure contingencies shown on Schedule A-1 are contained within regular instruction, facilitating the ability to respond to increased enrollment or unforeseen major program revenues. In addition, lower than expected enrollment impacted expenditure variances in regular instruction, special education, vocational education, and compensatory education programs. New federal pandemic-related funding explains the federal stimulus variance. Community services variance is due to a decrease in rentals of district facilities during COVID-19. Similarly, remote learning and labor shortages impacted support services expenditures, including custodial, pupil transportation, and nutrition services.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The district has invested \$726.2 million in historical costs for its capital assets such as land, buildings, and equipment. These capital assets (except for land and construction in progress which are not depreciated) have a net accumulated depreciation of \$231.5 million making the capital asset net value \$494.7 million as of August 31, 2021.

**Table 6 - Capital Assets At Year-End  
(In Millions)**

	<b>Historical Costs</b>	<b>Accumulated Depreciation</b>	<b>NET</b>
Land	\$ 42.8	\$ -	\$ 42.8
Building and Improvements	666.8	(223.9)	442.9
Equipment	16.1	(7.6)	8.5
Construction in Progress	0.5	-	0.5
<b>TOTALS</b>	<b>\$ 726.2</b>	<b>\$ (231.5)</b>	<b>\$ 494.7</b>

Long-term planning in finances, staffing, technology, and facilities are intentionally and systematically driven by student enrollment, learning measures, and strategic priorities. The district evaluates its facilities and reviews its capital needs annually. A detailed Capital Facilities Plan is completed every two years. Additionally, the district has a 40- to 50-year modernization cycle divided into eight phases to help guide decisions on future building modernizations and

replacements. Considerations for appropriate tax rates due to school bonds and levies are also evaluated.

On February 8, 2022, the voters supported a \$325.5 million 6-year capital levy to replace the expiring capital levy. The new levy sets aside \$90 million for technology and associated instructional supports, with the remainder for construction and installation of capital improvements for safety, security, building, renewal and upgrade projects for capacity and educational programs.

The ending fund balance in the Capital Projects Fund of \$43.0 million, combined with future capital levy proceeds will continue existing capital programs and relieve some of the enrollment pressure students, staff and parents currently experience. These funds help keep our facilities in a well-maintained condition. More detailed information about capital assets can be found in Note 6 to the financial statements (Changes in Capital Assets).

## Debt

Everett Public Schools has benefited from strong support of our local voters over the past 30 years. Voters approved capital bonds of \$38 million in 1986, \$96.5 million in 1990, \$68.5 million in 1996, \$74 million in 2002, \$198.9 million in 2006, and \$149.7 million in 2016. The outstanding debt as authorized by our voters is summarized below in Table 7. The table also shows debt service activity for the outstanding bonds during the period.

**Table 7 - Outstanding Debt, at Year-End  
(In Millions)**

Bond	Balance 8/31/2020	Balance 8/31/2021	Increase (Decrease)
October 6, 2009 QSCB	17.4	17.4	-
October 30, 2013 (Refunding)	8.9	-	(8.9)
April 28, 2014 (Refunding)	38.7	23.6	(15.1)
December 6, 2016	33.4	31.2	(2.2)
September 26, 2018	20.2	20.2	-
June 5, 2019 (Refunding)	18.0	18.0	-
June 5, 2019	45.0	22.9	(22.1)
<b>TOTALS</b>	<b>181.6</b>	<b>133.3</b>	<b>(48.3)</b>

On November 4, 2016, Moody's Investors Service upgraded the district's Global Scale Rating of AA2 to Aa1 as part of the process for issuing new bonds in December 2016. Standard and Poor's also affirmed their AA+/Stable long-term rating and AA/Stable underlying school issuer credit rating (ICR) of the district. Everett School District's very high bond ratings place it among the 8 highest-rated districts in the state by Moody's Investors Service (among 142 rated districts) and the 6 highest-rated districts by S&P Global Ratings (among 39 rated districts).

Rule 15c2-12, promulgated by the Securities and Exchange Commission, imposes certain requirements upon underwriters of publicly offered securities. One of those requirements for issuers is the filing of notices of certain material events. One of the material events is a rating change with respect to a bond issue. If a bond issue is insured by a policy of municipal bond insurance or enhanced by the Washington State School District Credit Enhancement Program, a change in the rating of the bond insurer or Washington State will change the district's bond rating even though the underlying credit rating on the district has not changed.

The following bond insurers and their associated ratings are listed alongside the district's

Unlimited Tax General Obligation Bonds' outstanding balances:

<u>Year</u>	<u>Final Maturity</u>	<u>Balance Outstanding as of the Date of this Report</u>	<u>Insurer</u>	<u>Rating</u>
2009C	12/01/2023	\$ 17,445,000	Washington State	Aa1
2014	12/01/2021	\$ 23,550,000	Washington State	Aa1
2016	12/01/2036	\$ 33,180,000	Washington State	Aa1
2018	12/01/2037	\$ 20,220,000	Washington State	Aa1
2019	12/01/2022	\$ 17,985,000	Washington State	Aa1
2019	12/01/2032	\$ 22,935,000	Washington State	Aa1

The district participates in the Washington State School District Guarantee Program for its bond issues from 2009 through 2019. Now that the insurance companies' ratings have fallen below the district's own underlying ratings and the credit-enhanced ratings provided by participating in the Washington State School District Guarantee Program, the district's underlying ratings and the state's ratings will prevail on those insured bonds, despite insurance company downgrades. The bond issues from 2009, 2014, 2016, 2018, and 2019 do not carry separate municipal bond insurance, but instead benefit from the Washington State guarantee.

More detailed information about long-term liabilities can be found in Note 8 to the financial statements (Changes in Long-Term Liabilities).

***ECONOMIC FACTORS FOR THE FUTURE***

Everett Public Schools is located in Snohomish County, in northwestern Washington State. It encompasses most of the cities of Everett and Mill Creek, as well as portions of the unincorporated County.

The Everett/Snohomish County economy has a healthy financial history and continues to diversify with major industries including aircraft production, electronics and electrical equipment manufacturing, health care, transportation, and a variety of other industrial and commercial businesses, as well as several urban development projects. Economic development efforts have been successful over the past decade in creating a diversification of business and industry that is broader than our historical dependency on the aerospace industry. The county should continue to be an attractive center for growth in the years ahead due to the availability of land, office and manufacturing space.

Approximately 15 percent of the district's General Fund revenues are provided by local educational programs and operations levies. Capital levies have become more common place in Washington driving significant funding to both instructional technology and building improvements. As previously noted, Everett voters continue to support our schools as demonstrated through approval of both levies on February 8, 2022.

The district is eligible to receive over \$35 million of economic assistance under the Elementary and Secondary School Relief (ESSER) fund. ESSER I and ESSER II have been fully received covering direct COVID-19 costs over the past 2 years. A two-year expenditure plan was developed in June of 2021 for the largest allocation under ESSER III of which over 80 percent is focused on learning recovery and social emotional supports.

Snohomish County unemployment has declined from 6.7% in 2020 to 3.8% in 2021. as another strong indicator of economic recovery. While staffing shortages still exist, the district has been able to offer full in-person instruction, transport all students to and from school, and offer full breakfast and lunch services under the "free meals for all" federal program.

Snohomish County population growth rates are among the highest in the state. This has led to increases in assessed value, housing starts and commercial development. While the initial impact of Coronavirus Disease (Covid-19) epidemic had broad impacts to the local and state economy; however, we are now experiencing a rapid recovery. Since March 2020, each state economic revenue forecast has continued to improve, including the most recent which indicates a state surplus of \$8.65 billion. Additionally, the 2021 assessed value increase of 5.83 percent is estimated to grow to 10.1 percent for 2022. Major economic drivers such as the port and river front projects, commercial air at Paine Field and new distribution centers established by Amazon and Federal Express continue to support economic growth in the future.

### ***CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT***

This financial report is designed to provide our community, creditors, investors, and other interested parties with a general overview of the district's finances and to show the district's accountability for the financial resources it receives. If there are questions about this report or additional financial information is needed, contact the district's Department of Finance and Business Services at 3900 Broadway, Everett, Washington 98201.



## **Government-Wide Financial Statements**

The Government-Wide Financial Statements consist of the Statement of Net Position and the Statement of Activities.

These statements report all financial and capital resources of the primary government as a whole and its component unit (Everett School Employee Benefit Trust), except for the fiduciary funds of the primary government and component units that are fiduciary in nature.

The Statement of Net Position offers information on 1) assets and deferred outflows of resources, 2) liabilities and deferred inflows of resources, and 3) the difference between the (i.e. net position), presented in net position format. [Equation: (Assets + deferred outflows of resources) – (Liabilities + deferred inflows of resources) = Net Position]

The Statement of Activities presents governmental activities by function, at the level of detail required in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances.

**EVERETT PUBLIC SCHOOLS**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2021**

	<b>PRIMARY GOVERNMENT Governmental Activities</b>
<b>ASSETS</b>	
Cash, Cash Equivalents & Investments	96,684,316
Due from Other Governmental Units	7,044,106
Accounts Receivable, Net	119,793
Property Taxes Receivable	44,761,889
Inventory	6,356,963
Prepaid Items	1,855,421
Investment in Joint Venture	189,661
Net Pension Asset	77,704,340
Capital Assets, Non-depreciable:	
Land	42,772,881
Construction in Progress	463,108
Capital Assets, Net of Accumulated Depreciation:	
Building & Improvements	442,886,248
Equipment	8,541,396
	<b>729,380,122</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pensions	33,060,745
Deferred Outflows Related to OPEB	16,118,245
Deferred Loss on Refunding	670,756
	<b>49,849,746</b>
<b>LIABILITIES</b>	
Accounts Payable	4,413,335
Accrued Salaries	1,406,300
Payroll Deductions & Taxes Payable	822,448
Due to Other Governmental Units	2,021,457
Deposits	16,877
Unearned Revenue	346,474
Long-Term Liabilities:	
Due Within One Year	35,446,519
Due in More than One Year	242,780,312
	<b>287,253,722</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows Related to Pensions	119,822,987
Deferred Inflows Related to OPEB	14,973,208
	<b>134,796,195</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	354,521,682
Restricted for:	
Capital Projects	42,938,047
Net Pension Assets	14,025,685
Transportation Vehicles	165,730
Debt Service	35,816,081
ASB Extra-curricular Activities	1,131,034
Carryover Restricted Revenues for Education and Operations	2,811,451
Unrestricted	(94,229,759)
	<b>357,179,951</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EVERETT PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

PROGRAM/ACTIVITY	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICE	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
<b>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES:</b>					
Regular Instruction	184,713,842	191,680	47,861	9,030,956	(175,443,345)
Special Education	42,179,487		39,225,726		(2,953,761)
Vocational Education	13,661,705	10,498	93,743		(13,557,464)
Compensatory Education	17,179,913		20,199,110		3,019,197
Other Instruction Programs	2,445,248	538,920	1,755,723		(150,605)
Federal Stimulus	6,124,249		7,440,828	36,410	1,352,989
Community Services	2,601,527	128,249	2,499,121		25,843
Support Services	48,604,291	96,793	17,418,463	224,451	(30,864,584)
Extracurricular Activities (ASB)	553,626	375,757			(177,869)
Interest Payment on Long-Term Debt	5,858,584				(5,858,584)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>323,922,472</b>	<b>1,341,897</b>	<b>88,680,575</b>	<b>9,291,817</b>	<b>(224,608,183)</b>
<b>GENERAL REVENUES:</b>					
Taxes:					
Property Taxes, Levies for Maintenance/Operations					48,913,233
Property Taxes, Levies for Debt Service					31,148,128
Property Taxes, Levies for Capital Projects					12,917,729
Unallocated State Apportionment & Others Not Restricted to Specific Activities					194,278,653
Interest and Investment Earnings					127,344
<b>TOTAL GENERAL REVENUES</b>					<b>287,385,087</b>
Change in Net Position					62,776,904
<b>NET POSITION - Beginning</b>					<b>294,334,834</b>
<b>Cumulative Effect of Change in Accounting Principle</b>					<b>68,213</b>
<b>ADJUSTED NET POSITION - Beginning</b>					<b>294,403,047</b>
<b>NET POSITION - Ending</b>					<b>357,179,951</b>



## **Governmental Fund Financial Statements**

The Governmental Fund Financial Statements consist of the following major governmental funds:

- General Fund
- Special Revenue Fund (Associated Student Body)
- Debt Service Fund
- Capital Projects Fund
- Transportation Vehicle Fund

**EVERETT PUBLIC SCHOOLS  
FUND BALANCE SHEETS  
GOVERNMENTAL FUNDS  
AUGUST 31, 2021**

	GENERAL FUND	SPECIAL REVENUE (ASB) FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>						
Cash & Cash Equivalents	\$35,917,311	\$1,300,338	\$20,668,047	\$38,632,890	\$165,730	96,684,316
Due from Other Funds	405,006	6,434		84,784		496,224
Due from Other Governmental Units	6,008,282			1,035,824		7,044,106
Accounts Receivable	103,255	4,782		11,756		119,793
Property Taxes Receivable	23,415,871		15,148,034	6,197,984		44,761,889
Inventory	1,913,802			4,443,161		6,356,963
Prepaid Items	1,844,420	11,001				1,855,421
<b>TOTAL ASSETS</b>	<b>\$69,607,947</b>	<b>\$1,322,555</b>	<b>\$35,816,081</b>	<b>\$50,406,399</b>	<b>\$165,730</b>	<b>\$157,318,712</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$3,284,234	\$115,253		\$1,013,848		\$4,413,335
Accrued Salaries	1,406,300					1,406,300
Payroll Deductions & Taxes Payable	822,448					822,448
Due to Other Governmental Units	2,021,457					2,021,457
Due to Other Funds	91,218	727		404,279		496,224
Deposits	16,877					16,877
Unearned Revenue	278,503	64,540		3,431		346,474
<b>TOTAL LIABILITIES</b>	<b>7,921,037</b>	<b>180,520</b>		<b>1,421,558</b>		<b>9,523,115</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	40,257					40,257
Unavailable Revenue - Property Taxes	22,470,557		14,549,348	5,948,274		42,968,179
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>22,510,814</b>		<b>14,549,348</b>	<b>5,948,274</b>		<b>43,008,436</b>
<b>FUND BALANCES</b>						
Nonspendable Inventories and Prepaid Items	3,758,222	11,001		4,443,161		8,212,384
Restricted for Associated Student Body Fund Purposes		1,131,034				1,131,034
Restricted for Debt Service Fund Purposes			21,266,733			21,266,733
Restricted for Transportation Vehicle Fund Purposes					165,730	165,730
Restricted for Carryover of Restricted Revenues	2,811,451					2,811,451
Restricted for Bond Proceeds				1,614,602		1,614,602
Restricted for Impact Fee Proceeds				5,265,042		5,265,042
Restricted for Mitigation Fee Proceeds				447,707		447,707
Committed Levy Proceeds				6,374,402		6,374,402
Committed Fund Balance	352,000			75,165		427,165
Assigned to Other Purposes	1,373,381					1,373,381
Assigned to Fund Purposes				24,816,488		24,816,488
Unassigned Fund Balance	30,881,042					30,881,042
<b>TOTAL FUND BALANCES</b>	<b>39,176,096</b>	<b>1,142,035</b>	<b>21,266,733</b>	<b>43,036,567</b>	<b>165,730</b>	<b>104,787,161</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$69,607,947</b>	<b>\$1,322,555</b>	<b>\$35,816,081</b>	<b>\$50,406,399</b>	<b>\$165,730</b>	<b>\$157,318,712</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EVERETT PUBLIC SCHOOLS  
RECONCILIATION  
BALANCE SHEET/STATEMENT OF NET POSITION  
AUGUST 31, 2021**

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS, LIABILITIES*	RECLASSIFICATIONS AND ELIMINATIONS*	STATEMENT OF NET POSITION TOTALS
<b>ASSETS</b>				
Cash & Cash Equivalents	96,684,316			\$96,684,316
Due From Other Funds	496,224		(496,224)	-
Due From Other Governmental Units	7,044,106			7,044,106
Accounts Receivable	119,793			119,793
Property Taxes Receivable	44,761,889			44,761,889
Inventory	6,356,963			6,356,963
Prepaid Items	1,855,421			1,855,421
Investment in Joint Venture		189,661		189,661
Capital Assets, Net		494,663,633		494,663,633
Net Pension Assets		77,704,340		77,704,340
<b>TOTAL ASSETS</b>	<b>157,318,712</b>	<b>572,557,634</b>	<b>(496,224)</b>	<b>729,380,122</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Changes - Investment, Experience, Assumptions, Proportion, & Contributions		33,060,745		33,060,745
OPEB Changes - Assumptions, and Contributions		16,118,245		16,118,245
Deferred Loss on Refunding		670,756		670,756
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>		<b>49,849,746</b>		<b>49,849,746</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>157,318,712</b>	<b>622,407,380</b>	<b>(496,224)</b>	<b>\$779,229,868</b>
<b>LIABILITIES</b>				
Accounts Payable	4,413,335			\$4,413,335
Accrued Salaries	1,406,300			1,406,300
Payroll Deductions & Taxes Payable	822,448			822,448
Due to Other Governmental Units	2,021,457			2,021,457
Due to Other Funds	496,224		(496,224)	-
Deposits	16,877			16,877
Unearned Revenue	346,474			346,474
Long-Term Liabilities - Pension		17,982,730		17,982,730
Long-Term Liabilities - OPEB		110,178,005		110,178,005
Long-Term Liabilities - Other		150,066,096		150,066,096
<b>TOTAL LIABILITIES</b>	<b>9,523,115</b>	<b>278,226,831</b>	<b>(496,224)</b>	<b>287,253,722</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Changes - Experience, and Proportions		119,822,987		119,822,987
OPEB Changes - Experience, and Assumptions		14,973,208		14,973,208
Unavailable Revenue	40,257	(40,257)		-
Unavailable Revenue - Property Taxes	42,968,179	(42,968,179)		-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>43,008,436</b>	<b>91,787,759</b>		<b>134,796,195</b>
<b>FUND BALANCES/NET POSITION</b>				
Fund Balances/Position	104,787,161	252,392,790		357,179,951
<b>TOTAL FUND BALANCES/NET POSITION</b>	<b>104,787,161</b>	<b>252,392,790</b>		<b>357,179,951</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION</b>	<b>157,318,712</b>	<b>622,407,380</b>	<b>(496,224)</b>	<b>\$779,229,868</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

\*See Note 2A.

**EVERETT PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

	GENERAL FUND	SPECIAL REVENUE (ASB) FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TRANSPORTATION VEHICLE FUND	TOTALS GOVERNMENTAL FUNDS
<b>REVENUES</b>						
Local	\$48,354,197	\$375,756	\$42,701,276	\$15,776,127	\$227	\$107,207,583
State	251,400,929			9,117,282	138,125	260,656,336
Federal	25,977,829			36,410		26,014,239
Other Entities	2,687,615					2,687,615
<b>TOTAL REVENUES</b>	<b><u>328,420,570</u></b>	<b><u>375,756</u></b>	<b><u>42,701,276</u></b>	<b><u>24,929,819</u></b>	<b><u>138,352</u></b>	<b><u>396,565,773</u></b>
<b>EXPENDITURES</b>						
Current:						
Regular Instruction	185,573,079					185,573,079
Special Education	47,960,911					47,960,911
Vocational Education	15,461,711					15,461,711
Compensatory Education	19,461,270					19,461,270
Other Instruction Programs	2,627,791					2,627,791
Federal Stimulus	6,679,666					6,679,666
Community Services	2,896,444					2,896,444
Support Services	48,423,047					48,423,047
Student Activities		553,626				553,626
Capital Outlay:						
Sites				470,009		470,009
Buildings				13,999,850		13,999,850
Equipment	377,579			5,888,021	289,150	6,554,750
Instructional Technology				4,937,819		4,937,819
Sales and Lease				6,099		6,099
Debt Service:						
Bond Principal			48,265,000			48,265,000
Bond Interest and Other Charges			6,300,162			6,300,162
<b>TOTAL EXPENDITURES</b>	<b><u>329,461,498</u></b>	<b><u>553,626</u></b>	<b><u>54,565,162</u></b>	<b><u>25,301,798</u></b>	<b><u>289,150</u></b>	<b><u>410,171,234</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b><u>(1,040,928)</u></b>	<b><u>(177,870)</u></b>	<b><u>(11,863,886)</u></b>	<b><u>(371,979)</u></b>	<b><u>(150,798)</u></b>	<b><u>(13,605,461)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Sale of Surplus Equipment	4,400					4,400
Transfers	3,050,000			(3,050,000)		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>3,054,400</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(3,050,000)</u></b>	<b><u>-</u></b>	<b><u>4,400</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b><u>2,013,472</u></b>	<b><u>(177,870)</u></b>	<b><u>(11,863,886)</u></b>	<b><u>(3,421,979)</u></b>	<b><u>(150,798)</u></b>	<b><u>(13,601,061)</u></b>
<b>FUND BALANCE -- September 1, 2020</b>	<b><u>37,094,411</u></b>	<b><u>1,319,905</u></b>	<b><u>33,130,619</u></b>	<b><u>46,458,546</u></b>	<b><u>316,528</u></b>	<b><u>118,320,009</u></b>
Cumulative Effect of Change in Accounting Principle	68,213					68,213
<b>FUND BALANCE -- August 31, 2021</b>	<b><u>\$39,176,096</u></b>	<b><u>\$1,142,035</u></b>	<b><u>\$21,266,733</u></b>	<b><u>\$43,036,567</u></b>	<b><u>\$165,730</u></b>	<b><u>\$104,787,161</u></b>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EVERETT PUBLIC SCHOOLS  
RECONCILIATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

	<b>TOTAL GOVERNMENTAL FUNDS</b>	<b>LONG-TERM REVENUE, EXPENSES*</b>	<b>CAPITAL RELATED ITEMS*</b>	<b>LONG-TERM DEBT TRANSACTIONS*</b>	<b>STATEMENT OF ACTIVITIES TOTAL</b>
<b>REVENUES &amp; OTHER SOURCES</b>					
<b>Revenues:</b>					
Local	107,207,583	(9,856,938)			97,350,645
State	260,656,336				260,656,336
Federal	26,014,239				26,014,239
Other Entities	2,687,615	19,218			2,706,833
<b>Other Sources:</b>					
Bond and Refunding Bond Issuance Premium	-			-	
Sale of Surplus Equipment	4,400		(33,077)		(28,677)
<b>TOTAL REVENUES &amp; OTHER SOURCES</b>	<b><u>396,570,173</u></b>	<b><u>(9,837,720)</u></b>	<b><u>(33,077)</u></b>	<b><u>-</u></b>	<b><u>386,699,376</u></b>
<b>EXPENDITURES &amp; OTHER USES</b>					
<b>Current:</b>					
Regular Instruction	185,573,079	(24,339,709)	23,480,472		184,713,842
Special Education	47,960,911	(5,782,978)	1,554		42,179,487
Vocational Education	15,461,711	(2,033,864)	233,858		13,661,705
Compensatory Education	19,461,270	(2,286,130)	4,773		17,179,913
Other Instruction Programs	2,627,791	(194,502)	11,959		2,445,248
Federal Stimulus	6,679,666	(555,417)			6,124,249
Community Services	2,896,444	(299,020)	4,103		2,601,527
Support Services	48,423,047	(3,029,686)	3,210,930		48,604,291
Student Activities	553,626				553,626
<b>Capital Outlay:</b>					
Sites	470,009		(470,009)		
Buildings	13,999,850		(13,999,850)		
Equipment	6,554,750		(6,554,750)		
Instructional Technology	4,937,819		(4,937,819)		
Sales and Lease	6,099		(6,099)		
<b>Debt Service:</b>					
Bond Principal	48,265,000			(48,265,000)	
Bond Interest and Other Charges	6,300,162			(441,578)	5,858,584
<b>TOTAL EXPENDITURES</b>	<b><u>410,171,234</u></b>	<b><u>(38,521,306)</u></b>	<b><u>979,122</u></b>	<b><u>(48,706,578)</u></b>	<b><u>323,922,472</u></b>
<b>NET CHANGE FOR THE YEAR</b>	<b><u>(\$13,601,061)</u></b>	<b><u>\$28,683,586</u></b>	<b><u>(1,012,199)</u></b>	<b><u>\$48,706,578</u></b>	<b><u>\$62,776,904</u></b>

The Notes to the Basic Financial Statements are an integral part of this statement.

\*See Note 2B.



## **Fiduciary Funds Financial Statements**

The Fiduciary Funds Financial Statements provide information on Private Purpose Trusts. The Fiduciary Funds Financial Statements focus on net position and changes in net position.

Private Purpose Trusts report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

**EVERETT PUBLIC SCHOOLS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**AUGUST 31, 2021**

	<b>PRIVATE PURPOSE TRUST</b>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$106,247
Investments at Fair Value	49,613
<b>TOTAL ASSETS</b>	<b>155,860</b>
<b>LIABILITIES</b>	
Accounts Payable	-
<b>TOTAL LIABILITIES</b>	<b>-</b>
<b>NET POSITION</b>	
Restricted For:	
Individuals, Organizations and Other Governments	155,860
<b>TOTAL NET POSITION</b>	<b>\$155,860</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

**EVERETT PUBLIC SCHOOLS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

	<b>PRIVATE PURPOSE TRUST</b>
<b>ADDITIONS</b>	
Gifts and Bequests	\$6,977
Investment Earnings:	
Net Increase in Fair Value of Investments	5,336
Interest and Dividends	314
Less Investment Expenses	(386)
Net Investment Income	5,264
<b>TOTAL ADDITIONS</b>	<b>12,241</b>
<b>DEDUCTIONS</b>	
Scholarships	19,192
<b>TOTAL DEDUCTIONS</b>	<b>19,192</b>
<b>CHANGE IN NET POSITION</b>	<b>(6,951)</b>
<b>NET POSITION -- September 1, 2020</b>	<b>231,024</b>
Cumulative Effect of Change in Accounting Principle	(68,213)
<b>NET POSITION -- August 31, 2021</b>	<b>\$155,860</b>

The Notes to the Basic Financial Statements are an integral part of this statement.



## **Notes to the Financial Statements**

The Notes to the Financial Statements are an integral part of the basic financial statements. The Notes focus on the primary government, especially its governmental activities and major funds.

Note 1	Summary of Significant Accounting Policies
Note 2	Reconciliation of Government-Wide and Fund Financial Statements
Note 3	Stewardship, Compliance and Accountability
Note 4	Cash and Investments
Note 5	Interfund Transfers and Other Government Transactions
Note 6	Changes in Capital Assets
Note 7	Pensions and Other Post Employment Benefits (OPEB)
Note 8	Long-Term Liabilities
Note 9	Fund Equity (Governmental Funds)
Note 10	Risk Management
Note 11	Tax Abatements
Note 12	Summary of Significant Contingencies
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**EVERETT PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

*NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accompanying financial statements of Everett Public Schools (the district) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles nationally. The following is a summary of the district's significant accounting policies:

**A. REPORTING ENTITY**

*Primary Government* -- Everett Public Schools is a municipal corporation organized pursuant to Title 28A of the Revised Code of Washington (RCW), for the purpose of providing public school services to students in grades K-12. Oversight responsibility for the district's operations is vested with the independently elected board of directors. Management of the district is appointed by and is accountable to the board of directors. Fiscal responsibility, including budget authority and the power to set fees, levy property taxes, and issue debt consistent with provisions of state statutes, also rests with the board of directors.

The Everett Public Schools financial statements include all funds and organizations for which the district is financially accountable, organizations that are controlled by or dependent on the district's board of directors or administrative staff, and other organizations for which the nature and significance of their relationship with the district are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete. Control by or dependence on Everett Public Schools was determined on the basis of budget adoption, taxing authority, outstanding debt secured by the general obligation of the district, obligation of the district to finance any deficits that may occur, receipt of significant subsidies from the district, and consideration of other significant operational and financial relationships with the district.

*Related Organizations* -- The Everett Public Schools Foundation is a community based, separate legal entity organized under IRS provision as a 501(c)(3) non-profit organization. The Foundation is governed by a board of directors of approximately twenty-five members comprised of a diverse balance of community members as well as district employees. The Foundation's activities are supported by private donations. Their mission is to develop and provide community support to strengthen achievement in the Everett Public Schools.

The district recognizes various parent/teacher associations, organizations and other groups (PTAs, boosters), which are separate legal entities, and whose members are involved according to their own private capacities. These groups have been organized for the purpose of increasing the opportunities for parents and community members to be involved in the educational activities of the children in the community.

The board of directors and officers for the above listed groups (Foundation and various parent or community associations) are not appointed by the Everett Public Schools. Everett Public Schools is not financially responsible for the Foundation, or the parent/teacher associations, organizations, and other community groups. Contributions from the above noted related parties, while an important and viable source of support for the district, are not a material source as related to the district's overall financial position. Contributions received from these groups have been recorded as revenue in the district's financial statements, but the financial information for said groups themselves are not presented in the district's financial statements.

The district has no component units, or related organizations for which the district is considered to be financially accountable, and no entities for which the nature and significance of their relationship with the primary government are such that exclusion would cause the district's basic financial statements to be misleading or incomplete.

**B. PRESENTATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The district's basic financial statements consist of:

1. *Government-Wide Financial Statements* -- Government-wide financial statements display governmental activities of the district as a whole, without displaying individual funds or fund types. They include only the primary government. Fiduciary funds and activities are not included. The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. The government-wide financial statements consist of the following:

a. *Statement of Net Position* -- The statement of net position reports all financial and capital resources in a format of assets plus deferred outflows of resources less liabilities less deferred inflows of resources equal net position. Land is reported at historical cost. Other depreciable capital assets, such as buildings, building improvements, vehicles and equipment, are reported at historical cost, net of accumulated depreciation.

b. *Statement of Activities* -- The statement of activities demonstrates the operations of the district presented as direct expenses of specific programs or functions and the degree to which the direct expenses are offset or net against program revenues. A net expense represents the level of support required from the government's general revenues. Revenues are divided between program revenues and general revenues. All revenues not specifically associated with a program are defined as general revenues on the statement of activities. Revenues are recognized when they are earned and measurable on a full accrual basis. The statement of activities shows the change in net position for the year depending on over-all expenses and revenues. The expenses and revenues are reported as follows:

*Expenses* -- Expenses are reported by function/program. Direct expenses are those that are clearly identifiable with a specific program or function. Depreciation expenses are allocated as direct expenses if they can be specifically identified with a program or function.

*Revenues* -- Revenues, measured on a full accrual basis, are divided into program revenues and general revenues. Program revenues are derived directly from the program itself or from parties outside the district's taxpayers, as a whole. Program specific revenues consist of two major categories: 1) charges for services to individuals or groups who purchase, use, or directly benefit from goods, services, or privileges provided by a program or function; and 2) grants and contributions arising from mandatory and voluntary non-exchange transactions with federal, state governments, organizations, or individuals that are restricted to meeting the operational or capital requirements of a particular program or function. General revenues are divided into property taxes, interest and investment earnings, general apportionment from the state of Washington and other unallocated revenues that are not required to be reported as program revenues, or are not specifically identifiable with a specific program or function.

Fiduciary funds are not presented in the government-wide financial statements. They are presented separately in Schedules 5 and 6 of the fund financial statements.

2. *Fund Financial Statements* -- The accounts of the district are organized on the basis of funds in the fund financial statements, each of which is considered a separate accounting entity. The

operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred inflows, liabilities, fund equity, revenues, and expenditures.

Resources are accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund financial statements consist of the Fund Balance Sheet, Reconciliation of Balance Sheet/Statement of Net Position, Statement of Revenues, Expenditures and Changes in Fund Balance, and Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities, Fiduciary Fund - Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position.

The various funds are grouped into two classifications: Governmental and Fiduciary.

***Governmental Funds*** -- The reporting of governmental funds focuses primarily on sources, uses, and balances of current financial resources and has a budgetary orientation. Governmental funds use the modified accrual basis of accounting. The district reports the following major governmental funds:

*General Fund*

This fund is the district's primary operating fund. It accounts for all financial resources of the district, except those required to be accounted for in another fund. In keeping with the principle of as few funds as necessary, food services, maintenance, information systems, printing, and transportation activities are included in the fund. Major sources of revenue include local taxes, state apportionment funds, and grants from state and federal sources.

*Special Revenue Fund (Associated Student Body Fund)*

This fund is used to account for the extracurricular fees collected from a variety of fundraising events for students. These funds are legally restricted for specific purposes defined in WA State RCW. The district is prohibited from using these funds for its general or curricular operations. The Associated Student Body Fund (ASB Fund) is the only fund of this type. Disbursements require the joint approval of the appropriate ASB representatives (including students' signatures) and the district's board of directors. This fund is accounted for as a special revenue fund because the financial resources legally belong to the district.

*Debt Service Fund*

This fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related expenditures. Fund revenues are derived primarily from local property taxes.

*Capital Projects Fund*

This fund is used to account for financial resources to be used for the acquisition and construction of capital assets. This fund must be used when projects are financed wholly or in part by bond issues, intergovernmental resources, major private donations, or insurance recoveries. Another major revenue source includes tax revenues from the building and technology levy. Expenditures in this fund may also be for energy, technology and other major improvements to existing facilities and for the purchase of initial equipment for newly constructed buildings.

*Transportation Vehicle Fund*

This fund is a capital projects fund specifically used to account for the capital outlay involved with purchase, major repair, rebuilding, and debt service expenditures related to pupil transportation equipment (buses) used to transport students to and from school. The primary source of revenue in this fund is a state allotment provided as a reimbursement for pupil transportation equipment and restricted specifically for that purpose.

**Fiduciary Funds** -- Fiduciary funds include pension and other employee benefit trust funds, private-purpose trust funds, and custodial funds, and are used to account for assets that are held by the District in a fiduciary capacity. Fiduciary fund reporting focuses on net position and changes in net position. These funds include private-purpose trust funds.

The fiduciary funds consist of trust funds receiving donations from private individuals and foundations for scholarships.

**Major and Non-Major Funds** -- All governmental funds are considered “major funds.”

C. *MEASUREMENT FOCUS AND BASIS OF ACCOUNTING*

The government-wide statements and fiduciary fund financial statements, measure and report all assets (both financial and capital), deferred inflows/outflows of resources, liabilities (including long-term liabilities such as long-term debt), revenues, expenses, gains, and losses using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and over-all financial position. Revenues are recorded when earned and expenses are recorded on a consumption basis, and/or when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This means only current assets and current liabilities are included on the balance sheets. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days (for property taxes within 30 days) of the end of the current fiscal period. Expenditures generally are recorded when assets are consumed and/or as liability is incurred just as under accrual accounting. However, debt service expenditures, for non-matured principal and interest on long-term debt as well as expenditures related to pensions, compensated absences, claims and judgments, are recorded only when payment is due.

Revenues derived from property taxes collected within 30 days of year-end and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Property taxes receivable are measurable but not available and are, therefore, recorded as deferred inflows of resources – unavailable revenue rather than accrued. Categorical program claims, including grant revenues from cost reimbursement grants, and inter-district billings are measurable and available and are, therefore, accrued.

*Eliminations and Reclassifications* -- In the process of consolidating internal activities for the government-wide statement of net position and statement of activities, the interfund receivables and payables between the governmental funds, except those, if any, with fiduciary funds, were eliminated. The district’s primary type of interfund activity consists of a ‘reimbursement of expenditure’ type transaction. This occurs when one fund (usually the General Fund as the operating fund) pays the initial outlay of expenditure belonging to or attributable to another fund, which are subsequently reimbursed by the other fund. The loaning fund treats the pay-back of funds as ‘reimbursements of expenditure’ while the benefiting fund accounts for the transaction as a direct expense. Accordingly, the direct expenses are included only once from government-wide

presentation. These expenses happen primarily between the General, ASB, and Capital Projects Funds involving payroll transactions.

*D. ASSETS, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, LIABILITIES AND NET POSITION OR EQUITY*

*1. Cash, Cash Equivalents and Investments*

The district's cash and cash equivalents are considered to be cash on hand, certificates of deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State of Washington statutes authorize the district to invest in 1) securities, certificates, notes, bonds, short-term securities, or other obligations of the United States, and 2) deposits in any state bank or trust company, national banking association, stock saving bank, mutual savings bank, savings and loan association, and any branch bank engaged in banking in the state in accordance with RCW 30.04.300, if the institution has been approved by the Public Deposit Protection Commission to hold public deposits, and has segregated eligible collateral having a value of not less than its maximum liability.

The Snohomish County Treasurer is the ex-officio treasurer for the district. In this capacity, the county treasurer receives deposits and transacts investments on the district's behalf. Temporary investments are stated at cost plus accrued interest, which approximates market value. Other investments of the district are reported at fair value.

*2. Receivables and Payables*

*Due from Other Funds and Due to Other Funds* -- Interfund receivables and payables and the associated expenditures and/or reimbursement of expenditures, are recorded in the respective funds in the governmental fund financial statements. The interfund balances represent short-term loans between the governmental funds, made for the purposes of streamlining the issuance of warrants for payroll and other occasional miscellaneous purchases of goods and services. The interfund balances are temporary and are cleared regularly by issuance of a warrant from one fund to the other. In the process of aggregating data for the statement of net position and the statement of activities, any interfund receivables and payables that may exist at fiscal year-end are eliminated in government-wide financial statements, except those (if any) with fiduciary funds, which are reclassified as a third party receivable.

*Due from Other Governmental Units/Due to Other Governmental Units* -- The 'due from' account represents receivables for grants from federal, state and local governmental entities. Grant revenues are recorded in the year in which the expenditures are incurred and/or applicable eligibility requirements imposed by the grantor have been met. A 'due to' account is recognized if a granting agency's compliance criteria require a refund of previously awarded revenues. Grants administered by the Office of the Superintendent of Public Instruction (OSPI) are recaptured through the state's apportionment process.

*Accounts Receivable* -- This account represents amounts due for services rendered by the district in the current year, under exchange type transactions, net of allowance for doubtful accounts. It also includes amounts due from non-governmental entity voluntary agreements to fund district events or other provisions in the administration of the district's educational programs. The district considers receivables collected within 60 days after year-end to have been available and recognizes them as revenues of the current year.

*Property Taxes Receivable* -- Property tax revenues are collected by the Snohomish County Treasurer as the result of special levies passed by voters in the district. In accordance with RCW 84.60.020, the tax assessment date is January 1 of the calendar year of collection. The tax lien date is January 1 of the year of collection and taxes receivable are recognized as of that date. Current year taxes are due in full as of April 30 and are considered delinquent after that date. However, without incurring penalty, the taxpayer may elect to pay one-half of the taxes due by April 30, with the remaining one-half of the taxes due October 31 and considered delinquent after that date. Typically, slightly more than half of the collections are made by the April 30 date. The October 31 collection is measurable but only those collected within 30 days of year-end are available in time to cover liabilities for the fiscal period ended August 31. Therefore, the balance of the fall property taxes is not accrued as revenue in the governmental fund financial statements. Instead, the balance of taxes (after September's accrual) due on October 31 are recorded as taxes receivable and deferred inflow of resources – unavailable revenue in the fund financial statements. In the government-wide financial statements, property tax revenue, net of estimated uncollectible, is accrued at year-end. Property is subject to foreclosure if property taxes are delinquent for three years.

*Unearned Revenue* -- Unearned revenues are funds associated with exchange-type transactions where a good or service is to be provided by the district in exchange for a charge or fee for that good or service, collected or paid in advance, for which the earnings process is not yet complete. The unearned revenues are tied to goods or services to be provided in the coming fiscal year. For example, facilities rentals paid in advance, and student project supply or extracurricular activity fees collected in advance of the class or activity; all represent funds the district would be obligated to refund if the facility was not made available, the student withdraws, or the program, service, activity, or good was otherwise not provided. Unearned revenues become revenues in the next fiscal year, allowing for an appropriate match to the new school year or fiscal year activities.

### 3. Inventory and Prepaid Items

*Inventory* -- With the exception of some of the food items purchased for use in the food services program, the district uses the periodic inventory method for the goods and supplies purchased for use in its programs. The district records expenditures throughout the year as the goods and supplies are purchased. Near year end, goods or supplies purchased primarily for consumption and use in the coming new school year are recognized as inventory of the current fiscal year, and expenditures during the year in which they are used. Physical inventory counts are conducted annually near fiscal year-end. In addition, the district operates a very limited service warehouse for the sole purpose of the food services program. The district uses the consumption method for its warehouse and food service program purchases. Under the consumption method, expenditures for food are recognized as the food is used. Food inventory is tracked using the perpetual method with an annual physical count taken near year-end to verify and adjust the inventory value. The inventories are valued at cost using the first-in-first-out (FIFO) method. Reported inventories are offset by a non-spendable fund balance equal to the reported inventory level to indicate a portion of the fund balance is not available for future expenditures.

The United States Department of Agriculture (USDA) commodity inventory, is included in the General Fund inventory total and consists of food donated by the USDA for use in the district's nutrition services program. The commodities are valued at the prices paid by the USDA for commodities.

*Prepaid Items* -- Prepaid items refer to payments made to vendors for services which will be consumed in a future fiscal period but for which payment has been made in the current fiscal period. Expenditures for these items are pro-rated or matched to the period during which the services will be consumed. The prepaid items asset account is used when the timing of the expenditure is relevant to the proper recognition of the expenditures. These amounts are recorded

as prepaid items in both the government-wide and fund financial statements. Reported prepaids are offset by a non-spendable fund balance in the fund financial statements, equal to the prepaid balance, to indicate a portion of the fund balance is not available for future appropriations.

#### 4. Capital Assets

Capital assets consist of land, buildings, improvements, vehicles, machinery and other equipment having an estimated useful life of more than one year. Capital assets of the district are reported in the government-wide financial statements in the Statement of Net Position. Land, buildings, and major improvements funded by the capital projects fund, are capitalized at cost with no minimum threshold. Equipment is capitalized when the unit cost of an individual item is \$5,000 or more. Assets are valued at actual historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but are charged to expenditures in the current period.

In governmental fund financial statements, there is no depreciation for capital assets. However, depreciation is charged to expense and allocated to various programs/functions in the government-wide statement of activities in compliance with GASB statement No. 34 (see Note 6). Capital assets are reflected at historical cost (or estimated historical cost where applicable) net of accumulated depreciation in the government-wide statement of net position. Land and construction work in progress (CIP) are not depreciated. All other capital assets are depreciated using the straight line method over the following ranges of estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & Building Improvements	20-50
Vehicles	8-13
Equipment	5-15

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures as incurred upon acquisition.

#### 5. Deferred Outflows/Inflows of Resources

*Deferred Outflows* -- Deferred outflows are a consumption of net position by the district that are applicable to a future reporting period. Deferred outflows have a debit balance and a positive effect on net position. In governmental fund financial statements, there are no deferred outflows of resources. In government-wide statements, deferred outflows of resources consist of amounts or changes in amounts associated with the net pension liability (actuarial factors that affect the district's pension liability such as changes in investment earnings, experience, assumptions, proportion and contributions), and OPEB liability (actuarial factors that affect the district's OPEB liability such as changes in experience, assumptions, demographic, or other input factors), and deferred loss on bond refunding resulting in a defeasance of debt. The deferred outflows are recognized on the statement of net position. Changes in the deferred amount associated with pensions and OPEB liabilities also affects the expenses on the statement of activities. Deferred loss on refunding is amortized as a component of interest expense on the statement of activities, over the life of the old debt or the life of the new debt, whichever is shorter.

*Deferred Inflows* -- Deferred inflows are an acquisition of net position by the district that are applicable to a future reporting period. Deferred inflows have a credit balance and a negative effect on net position. Deferred inflows of resources on the governmental fund financial statements consist of amounts collected before revenue recognition criteria have been met, and receivables, which under the modified accrual basis of accounting, are measurable but not yet

available (i.e. unavailable property tax revenues, unavailable revenues from federal, state, and local grants and unavailable revenues on long-term receivables). In government-wide financial statements, property taxes, and other receivables, less estimated uncollectible, are accrued as revenue, therefore, there are no deferred inflows of resource associated with property taxes and receivables balances in the government-wide financial statements. Deferred inflows of resources on the government-wide statement of net position consist of amounts or changes in amounts associated with the net pension (actuarial factors that affect the district's net pension liability such as changes in pension plan investments, and proportions), and OPEB liability (actuarial factors that affect the district's OPEB liability such as changes in experience, assumptions, demographic, or other input factors).

## 6. Long-Term Liabilities

Long-term liabilities are reported in the government-wide financial statements in the statement of net position and consist of bonds, net proportion of pension liability, other post-employment benefits other than pension (OPEB), and compensated absences.

*Long-Term Debt/Bonds* -- In government-wide financial statements bonds payable are reported net of the applicable bond premium or discount. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. The deferred amount on refunding is reported separately as a deferred outflow of resources (or inflow) on the statement of net position and is amortized over the life of the bonds using the straight-line method. Bond issuance costs, except any portion related to prepaid insurance costs, are expensed in the period incurred.

In the fund financial statements, bond premiums, discounts, and issuance costs are recognized in the period of issuance. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources while discounts or debt refundings are reported as other financing uses. Issuance costs, whether or not they are withheld from the actual debt proceeds received, are reported as debt service expenditures.

*Net Pension Liability* -- GASB Statement 68 requires the district to report a long-term liability on the government-wide statement of net position for the district's proportionate share of net pension liability for pension plans as administered by the Washington State Department of Retirement Systems. See Note 7, Pensions and Other Post-Employment Benefits for more details. In the fund financials, retirement expenditures are recognized when they are payable.

*Other Post-Employment Benefits (OPEB)* -- GASB Statement 75 requires the district to carry a long-term liability on the statement of net position for other post-employment benefits (other than pension). See Note 7, Pensions and Other Post-Employment Benefits for more details. In the fund financials, any inherent costs associated with other post-employment benefits are recognized as expenditures when they are payable.

*Compensated Absences* -- Government-wide financial statements include a long-term liability for compensated absences on the statement of net position. The compensated absences liability includes vacation and sick leave earned by employees when the leave is related to employee services already rendered and eventual payment to the employee is considered probable. Payment means salary-related compensation through paid time off, or some other means such as cash payments at termination or retirement. The sick and vacation liabilities reported by the district include all salary-related payments to employees (i.e. employer obligations for FICA, Medicare and Retirement).

*Sick Leave* -- Employees earn sick leave at a rate of 12 days per year and may accumulate such leave up to a maximum of one contract year. Under the provisions of RCW 28A.400.210, sick leave accumulated by district employees is reimbursed at death, retirement, or in certain

circumstances, upon separation, at the rate of one day for each four days of accrued leave, limited to 180 accrued days. This statute also provides for an annual buy-out of an amount up to the maximum annual accumulation of 12 days. For buy-out purposes, employees may accumulate such leave to a maximum of 192 days, including the annual accumulation, as of December 31 of each year. Sick leave expenditures are recorded in the governmental fund financial statements, when paid, except termination sick leave that is accrued upon death or retirement.

Vested sick leave for employees eligible for retirement is recorded as a long-term debt liability. Vested sick leave is computed using the vesting method.

*Vacation Leave* -- Employees earn vacation leave at various rates based on the number of years employed. A maximum of 30 days unused vacation leave is paid upon termination or retirement. Vacation pay is recorded as an expenditure at the time of payment, which occurs upon usage or upon employee separation. The amount accrued for vacation leave payable is reported under long-term liabilities in the government-wide financial statements, statement of net position.

#### 7. Net Position -- Government-Wide Financial Statement

*Net Investment in Capital Assets* -- This component of net position in the government-wide financial statements consists of capital assets, including any restricted capital assets, net of accumulated depreciation, plus capital-related deferred outflows of resources (such as deferred amount on bond refunding), and reduced by any capital-related deferred inflows of resources as well as any outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

*Restricted Net Position* -- This component of net position in the government-wide financial statements reports the assets where constraints are imposed by law through enabling legislation (Capital, Transportation Vehicle, and ASB Funds), externally imposed debt covenants (Debt Service Fund), externally imposed regulations of high level contributors and other government's legal requirements and for external contractual impositions of grantors/regulations of other governments upon state and federal grant funds (carry-over of restricted revenues for specific educational provisions/programs and operations). Therefore, the amounts in restricted net position are available for disbursement only for specific purposes.

*Unrestricted Net Position* -- This component of net position in the government-wide financial statements shows assets that may be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. It is possible that unrestricted net position may be a deficit or negative number. This can happen when there are significant balances of noncurrent operating liabilities such as net pension liabilities, other post-employment benefit (OPEB), or compensated absences liabilities carried on the statement of net position, that are funded on the 'pay-as-you-go' basis, appropriating resources each year as payments come due, rather than accumulating assets in advance.

*Flow Assumptions for Restricted or Unrestricted Net Position* -- When both restricted and unrestricted resources are available for a certain purpose, the assumption is in most cases restricted resources are used before the unrestricted resources. In some cases, a pro-rata approach is used, such as with certain federal restricted grant funds that contain a 'supplement-not-supplant' provision.

#### 8. Fund Equity -- Restrictions, Commitments, Assignments -- Governmental Funds

Governmental funds, fund financial statements display fund balance in five classifications depicting the relative strength of spending constraints under which resources may be used.

*Nonspendable Fund Balance*-- Amounts reported as nonspendable represent those portions of fund balance that cannot be spent either because they are not in spendable form (inventories and prepaid items), or are legally required to be maintained intact.

*Restricted Fund Balance* -- Amounts that are reported as restricted are those resources of the district that are constrained to specific purposes by their providers (such as grantors, bond holders, and higher levels of government) through legal restrictions such as constitutional provisions, enabling legislation, or other externally imposed laws and contractual obligations beyond the control of the board of directors.

*Committed Fund Balance* -- Amounts that are reported as committed are those resources of the district that have a limitation placed upon their usage by formal action (board resolution) of the district's board of directors. Commitments may only be changed when the resources are used for the intended purpose or the limitation is removed by a subsequent formal action (board resolution) of the board of directors. General Fund shows committed fund balance for authorized imprest accounts, per board resolution. Capital Projects Fund committed fund balance consists of two components, 'building repair and technology' tax levy proceeds (authority for such levy as per board resolution), the source of which dictates their representation as committed per the State Accounting Manual for School Districts in the State of Washington, and funds previously set-aside by board resolution for improvements to the Everett Memorial Baseball Stadium.

*Assigned Fund Balance* -- The superintendent, as designated by the board (board policy), is the individual responsible for authorizing or changing assignments of fund balance. In the General Fund, assigned resources are constrained through budget allocation decisions made by the superintendent for funds which are neither restricted nor committed. For the General Fund, assignments primarily include individual schools' carry-over of discretionary budget allotments, and privately donated funds for individual schools' special programs, field trips or other enrichment activities, which while not legally restricted, would be publicly sensitive if funds were not ear-marked for use as the donor intended. In the Capital Projects Fund, assigned resources are constrained at the superintendent's authorization, and are based on the nature of the legal classification of residual funds (neither restricted, or committed) in the Capital Fund in the State of Washington and as prescribed by the State Accounting Manual for School Districts in the State of Washington. Assignments are changed when the resources are used for the intended purpose, or, for General Fund, if the funds are not utilized as designed within the next current period, could be rescinded by the superintendent through the budget allocation process and through agreements with the original donors. For the Capital Fund, the 'Assigned-Capital Project Fund Purposes' cannot be changed, unless the funds are used for the intended purpose of the Capital Projects Fund, or if the Capital Projects fund were to be dissolved as a whole, through state legally-defined processes and at the direction of the board. Assignments reduce the amount of unassigned fund balance, but may not reduce that balance below zero. Authority for making additional or more specific assignments within any of the funds rests with the superintendent.

*Unassigned Fund Balances* -- In the General Fund, amounts that are reported as unassigned are those net spendable resources of the district that are not otherwise restricted, committed, or assigned and may be used for any purpose within the General Fund.

In other governmental funds, unassigned fund balance, if any, would represent a deficit ending spendable fund balance once all restrictions and commitments are considered. The district does not have any unassigned fund balance in funds other than the General Fund. A negative unassigned fund balance would mean that the legal restrictions and formal commitments of the district exceed its currently available resources. The district does not have negative unassigned fund balances in any of its governmental funds.

*Flow Assumptions for Restricted, Committed, Assigned or Unassigned Fund Balances* -- The order in which the district assumes restricted, committed, assigned, and unassigned amounts are spent when amounts in more than one classification are available for a particular purpose, depends on the program and the resource, but is applied consistently from year to year. In some cases, unrestricted resources are used first, or a pro-rata approach is used. In most cases, the restricted resources are used first before the unrestricted resources.

The district receives state funding for specific categorical education-related programs. Certain amounts that are received for these programs that are not used in the current fiscal year may be carried forward into the subsequent fiscal year, where they may be used only for the same purpose as they were originally received. When the district has such carryover, those funds are considered expended before any amounts received in the current year are expended.

Additionally, when expenditures are recorded for purposes for which a restriction or commitment of fund balance is available, those funds that are restricted or committed to that purpose are considered first before any unrestricted or unassigned amounts are expended.

*Minimum Fund Balance Policy* -- The district has established a board policy providing a goal for management of fund balance. The goal embodies what was previously an informal practice of maintaining a minimum total ending fund balance in the General Fund of five percent and a minimum unassigned fund balance of two-and-a-half percent. The authority for approval of the budget rests with the board, which may adopt an annual expenditure plan with an estimated total ending fund balance that departs from this minimum target when it determines this is appropriate for a particular fiscal year.

**E. ACCOUNTING CHANGES**

*Change in Accounting Principal*

During the year ended August 31, 2021, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements.

Restatement in accordance with GASB Statement No. 84, resulted in a reduction to Fiduciary Fund beginning net position of \$68,213 and an increase of \$68,213 to the Governmental Funds beginning fund balance and Government-wide net position as noted in the cumulative effect of change in accounting principle on the District's financial statements.

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE FUND BALANCE SHEET FOR GOVERNMENTAL FUNDS AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

1. *Investment in Joint Venture* -- The district's equity interest of \$189,661 in King County Director's Association (KCDA) purchasing cooperative is included in the statement of net position.

2. *Capital Assets, Net* -- When capital assets (land, buildings, equipment) used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in the governmental funds. However, the statement of net position includes those capital assets among the assets of the district.

Cost of Capital Assets	\$ 726,167,375
Less Accumulated Depreciation	<u>(231,503,742)</u>
Capital Assets, Net	<u>\$ 494,663,633</u>

3. Deferred Outflows of Resources – Pension Changes -- Changes in actuarial factors affecting the district's net pension liability such as changes in investment earnings, experience, assumptions, proportion and contributions results in a deferred outflow of resources for pension changes balance of \$33,060,745 which is added to the statement of net position.

4. Deferred Outflows of Resources – OPEB -- Changes in actuarial factors affecting the district's OPEB liability such as changes in experience, assumptions, demographic, or other input factors results in a deferred outflow of resources for pension changes balance of \$16,118,245 which is added to the statement of net position.

5. Deferred Outflows of Resources – Deferred Loss on Refunding -- The difference between the carrying amount of refunded debt and the cost of new debt to retire the old resulted in a loss on refunding. The governmental funds recognize the flow of resources as current other financing sources and uses of funds in the period where the refunding occurred. However, the deferred loss on refunding balance of \$670,756 is added to the statement of net position as a deferred outflow of resources.

6. Long-Term Liabilities -- Long-term liabilities applicable to the district's governmental activities are not due and payable in the current period and, therefore, are not reported as liabilities in the fund balance sheet. However, all liabilities, both current and long-term, are reported in the statement of net position. Accordingly, \$278,226,831 in long-term liabilities is added to the statement of net position. See Long-Term Debt Note 8 for a schedule comprising the total below.

Long-Term Liability - Pension	\$ 17,982,730
Long-Term Liability - OPEB	110,178,005
Long-Term Liability - Other	<u>150,066,096</u>
	<u>\$ 278,226,831</u>

7. Deferred Inflows of Resources – Pension Changes – Changes in actuarial factors affecting the district's net pension liability such as changes in experience and proportions results in a deferred inflow of resources for pension changes balance of \$119,822,987 which is added to the statement of net position as a deferred inflow of resources.

8. Deferred Inflows of Resources – OPEB Changes – Changes in actuarial factors affecting the district's OPEB liability such as changes in experience, assumptions, demographic, or other input factors results in a deferred inflow of resources for pension changes balance of \$14,973,208 which is added to the statement of net position.

9. Deferred Inflows of Resources – Unavailable Revenue-- Property tax levies not collected within 30 days, and other similar receivables that will not be collected for several months after year-end are not considered available. They are reported as deferred inflows of resources in governmental funds. However, unavailable revenue from property taxes (\$42,968,179) and unavailable revenue for other miscellaneous entitlements (\$40,257) are removed from the statement of net position.

10. Eliminations, Due from Other Funds and Due to Other Funds -- In the governmental fund financial statements, interfund payables and receivables and the associated expenditures and/or reimbursement of expenditures are recorded in the respective funds as a result of general operations. In the conversion of fund financial statements to government-wide financial statements, all the governmental funds are consolidated and presented as a total. Accordingly, interfund receivable/payable balances of \$496,224 were eliminated.

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE DISTRICT FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

1. Long-Term Revenues, Local -- Property tax levies not collected within 30 days of year-end, and other miscellaneous entitlements, less estimated uncollectible accounts that do not provide current financial resources, are reported as deferred inflows of resources in the governmental funds, but as revenues in the government-wide financial statements. Accordingly, \$9,856,938 in revenue is deducted from the statement of activities.

2. Long-Term Revenues, Other Entities -- The value of the district’s investment in joint venture (see also Note 12-Other Disclosures, KCDA) increased by \$19,218 from the prior year. The increase in the value of this asset results in an adjustment of general revenue in the statement of activities. The value of the investment in joint venture is not reported in the governmental funds.

3. Long-Term Expenses -- The net amount of \$38,521,306 represents the changes in the district’s pension, compensated absences, and other post-employment benefits (OPEB) liabilities. The pension liability change resulted in a decrease to expenses of \$45,677,929. The compensated absences liability decreased expenses by \$24,030, and the OPEB liability increased expenses by \$7,180,654. These long-term assets or liabilities are not reported in governmental funds. The net increase in liabilities results in an adjustment to the statement of activities as expenses to appropriate programs.

4. Capital Related Items, Other Sources -- When surplus capital assets are disposed of, the proceeds from the sale or the disposal is recognized as other financing sources in the governmental funds. However, in the government-wide financial statements, statement of activities, a net loss or gain on the sale or disposal of the assets is recognized. Accordingly, the book value of the assets are offset against the proceeds (if any) from the sale or disposal to calculate, a net gain or loss. Sale of surplus equipment is categorized as a general revenue, unallocated, on the statement of activities. The net gain from the sale of real property is considered a special item on the statement of activities.

Equipment Historical Cost	\$	1,257,367
Less Accumulated Depreciation		(1,224,290)
Book Value of Assets	\$	33,077
Proceeds from Sale of Equipment		4,400
Less Book Value of Equipment		(33,077)
Net loss from Surplus Equipment	\$	(28,677)

5. Capital Related Items, Expenses -- When capital assets (i.e. land, buildings, equipment) are purchased or constructed to be used in governmental activities, the cost of those assets are reported as capital outlay expenditures in the governmental funds. However, the statement of net position includes capital assets among the assets of the district as a whole. Thus, governmental fund financial statements report capital outlay as expenditures \$25,968,527, while government-wide financial statements report depreciation expense \$16,313,643 for capital assets which are allocated to various applicable programs. Expenditures for equipment costing less than \$5,000 that are reported as capital outlay expenditures in the governmental fund financial statements \$10,634,006 are not capitalized and therefore have been re-allocated as expenses to governmental

activities in the statement of activities as follows:

	<u>Non-Capitalized</u>	<u>Depreciation</u>	<u>Total</u>
Regular Instruction	\$ 8,905,832	\$ 14,574,640	\$ 23,480,472
Special Education		1,554	1,554
Vocational Education	101,691	132,167	233,858
Compensatory Education		4,773	4,773
Other Instructional Programs	4,304	7,655	11,959
Community Services		4,103	4,103
Support Services	<u>1,622,179</u>	<u>1,588,751</u>	<u>3,210,930</u>
Total	<u>\$ 10,634,006</u>	<u>\$ 16,313,643</u>	<u>\$ 26,947,649</u>

Reconciliation Summary:

Non-Capitalized, Building & Equipment Costs	\$ 10,634,006
Depreciation Expense	16,313,643
Capital Outlay (Sites, Buildings, Equipment)	<u>(25,968,527)</u>
Difference	<u>\$ 979,122</u>

6. Long-Term Debt Transactions, Bond Principal -- Repayment of bond principal in the amount of \$48,265,000 was reported as an expenditure in the governmental funds and, thus, has the effect of reducing fund balance. For the district as a whole, the principal payments reduce the liabilities in the statement of net position. (See Long-Term Debt Note 8.)

7. Long-Term Debt Transactions, Bond Interest & Other Charges -- In governmental fund financial statements, interest and transfer fee payments of \$6,300,162 on general obligation bonds were charged to expenditures. However, in the government-wide financial statements, interest expense is adjusted to reflect amortization of deferred amount on refunding (which has the effect of increasing interest expense), and amortization of bond premium (which has the effect of decreasing interest expense). Accordingly, a net adjustment of \$441,578 is made to decrease bond interest expense in the statement of activities. (See Long-Term Debt Note 8 for amortization schedules.)

Amortization of Deferred Amount on Refunding	\$1,603,358
Amortization of Bond Premium	<u>(2,044,936)</u>
Net Adjustment to Bond Interest & Other Charges	<u>(\$441,578)</u>

*NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*

*A. BUDGETARY INFORMATION*

*General Budgetary Policies* -- The Everett Public Schools budgets the funds in accordance with the Revised Code of Washington Chapter 28A.505 and Chapter 392-123 of the Washington Administrative Code (WAC). The board of directors adopts annual appropriation budgets at the fund level for all governmental type funds after a public hearing. Appropriations lapse at the end of the fiscal period.

*Budgetary Basis of Accounting* -- For budget and accounting purposes, revenues and expenditures are accounted for on a modified accrual basis as prescribed by law for all governmental funds. Fund balance is budgeted as available resources and, pursuant to law, cannot be negative.

*Budget Controls and Revisions* -- Each governmental fund's total expenditures cannot, by law, exceed its formal fund appropriation. The district's finance office reviews requests from management to modify specific accounts within the overall fund appropriation and implements those under the authority granted by approval from the chief financial officer. However, only the board has the authority to increase or decrease a given fund's annual budget. The board may adopt a revised or supplemental budget after a public hearing anytime during the fiscal year.

*Budget Amendments* – There were no budget amendments made during the 2020-2021 fiscal year. The original budget is the same as the final budget, total expenditures were within budget and there were no fund-level revisions necessary.

#### NOTE 4. CASH AND INVESTMENTS

##### A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The Snohomish County Treasurer is the *ex-officio* treasurer for the district. In this capacity, the Snohomish County Treasurer receives deposits and transacts investment activity on the district's behalf.

The district's cash and cash equivalents are covered primarily by federal depository insurance (FDIC) or by collateral held by the district's custodial banks in the district's name.

Statutes authorize the district to: (1) invest in securities, certificates, notes, bonds, short-term securities, or other obligations of the United States, in bankers' acceptances and commercial paper purchased on the secondary market, the Washington State Local Government Investment Pool, and county treasurer investment pools, and (2) make deposits in financial institutions in accordance with RCW 30.04.300, which have been designated as qualified public depositories by the Washington State Public Deposit Protection Commission (WSPDPC).

To qualify as public depositories in the State of Washington, financial institutions must provide collateral to the WSPDPC in an amount equal to, but not less than ten percent of all public deposits by municipalities up to the net worth of the qualified institution. WSPDPC guidelines basically provide that in the event of default of a qualified public depository, all other qualified public depositories will collectively assure that no loss of funds will be suffered by any public entity.

Investments are stated at fair value on the balance sheet. Changes in fair value are included as revenue in the financial statements. The fair value of securities was based on quoted market prices.

Investments in the State Investment Pool (Local Government Investment Pool – LGIP) as held by the County Treasurer on behalf of the district, have fair values that are the same as the value of the pool shares. The information was provided by the County Treasurer in their capacity as *ex-officio* treasurer for the district.

Government-wide cash, cash equivalents, and investments at year-end totaled \$96,684,316, which consisted of the following:

Description	Governmental Funds	Total Government Wide
Investment at Fair Value	\$95,808,277	\$95,808,277
Cash with County Treasurer, Net of Outstanding Warrants	397,096	397,096
Cash Bank Deposits Used as Imprest Revolving Funds	395,950	395,950
Cash	82,993	82,993
Total Cash, Cash Equivalents and Investments	<u>\$96,684,316</u>	<u>\$96,684,316</u>

Fiduciary Fund, cash, cash equivalents, and investments at year-end totaled \$155,860, and consisted of the following:

Investments at Fair Value	\$155,428
Cash with County Treasurer, Net of Outstanding Warrants	107
Cash	325
Total Cash, Cash Equivalents and Investments	<u>\$155,860</u>

The district's deposits are covered entirely by federal depository insurance (FDIC) or by collateral held in the multiple financial institution collateral pool administered by the WSPDPC. The majority of the district's investments during the year and at year-end were held by the district or the Snohomish County Treasurer. Certain scholarships in the fiduciary funds are managed by Everett Public School Foundation (EPSF) and held as investments in the EPSF.

The district's investments are measured and categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. These guidelines recognize a three-tiered fair value hierarchy as follows: Level 1: Quoted prices in active markets for identical assets. Level 2: Quoted market prices for similar assets, quoted prices for identical or similar assets in markets that are not active, or other than quoted prices that are not observable. Level 3: Unobservable inputs for an asset. Investments held by the district are considered Level 1 only and at August 31, 2021, are as follows:

<u>Investment Type</u>	<u>Cost</u>	<u>Level 1 - Fair Value</u>	<u>Investment Maturities (In Years)</u>			
			<u>Less Than 1 Year</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10 Years</u>
<i>Government-Wide</i>						
State Investment Pool (LGIP)	\$ 95,808,277	\$ 95,808,277	\$ 95,808,277			
Government-Wide Investments	95,808,277	95,808,277	95,808,277	-	-	-
<i>Fiduciary Funds</i>						
State Investment Pool (LGIP)	105,296	105,296	105,296			
	\$ 95,913,573	\$ 95,913,573	\$ 95,913,573	\$ -	\$ -	\$ -
<i>Other Fiduciary Fund Investments</i>						
EPSF - Equities	25,072	30,163				
EPSF - Fixed Income	19,206	19,451				
EPSF - Cash Equivalents	518	518				
Total Investments	<u>\$ 95,958,369</u>	<u>\$ 95,963,705</u>				

*Interest Rate Risk* – The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates. However, Snohomish County, as a means of limiting its exposure to raising interest rates, invests in securities that have a final maturity of no longer than five years. The district’s investments are primarily held with Snohomish County which invests almost 100 percent of the funds with the Washington State Treasurer’s Local Government Investment Pool (LGIP).

The Washington State Local Government Investment Pool (LGIP) is operated by the Washington State Treasurer and is managed in a manner generally consistent with SEC regulated Rule 2a-7 money market funds. Participation in the pool is voluntary and the pool is not rated by a nationally recognized statistical rating organization (NRSRO). Fair value of the district’s investment in the pool is measured using a net asset value (NAV) calculation based on the amortized cost of all securities held such that the securities will be valued at their acquisition cost, plus accrued income, amortized daily. The pool maintains a weighted average maturity (WAM) of 60 days or shorter. Accordingly, participants’ balances in the LGIP are not subject to interest rate risk since the weighted average maturity of the portfolio will not exceed 90 days.

*Credit Risk* – The basic risk for holders of debt securities is that the debtor will not be able to make scheduled payments (*credit risk*). Statutes authorize the district to: (1) invest in securities, certificates, notes, bonds, short-term securities, or other obligations of the United States, in bankers' acceptances and commercial paper purchased on the secondary market, the Washington State Local Government Investment Pool, and county treasurer investment pools. The district has no investment policy that further limits its investment choices. As of August 31, 2021, the district’s investment in the State Investment Pool was not rated by a nationally recognized statistical rating organization (NRSRO). Credit risk is limited because almost all the district’s investments are held in the LGIP.

*Concentration of Risk* -- The district places no limit on the amount the district may invest in any one investment facilitator. Most of the district’s investments are invested in the Washington State Treasurer’s Local Government Investment Pool and U.S. Government Obligations. In compliance with State of Washington statutes, pool policies authorize investments in US securities, US agency securities, and mortgaged-backed securities, municipal securities (rated at least “A” by two NRSROs), commercial paper (rated at least the equivalent of “A-1” by two NRSROs), certificates of deposits issued by qualified public depositories, repurchase agreements and the LGIP managed by the Washington State Treasurer’s Office.

The LGIP is a voluntary investment vehicle operated by the State Treasurer. Over 530 governments have participated in the pool since it was started in 1986 to provide safe, liquid, and competitive investment options for local governments pursuant to RCW 43.250. The LGIP lets local governments use the State Treasurer’s resources to safely invest their funds while enjoying the economies of scale available from a \$10-16 billion pooled fund investment portfolio. The LGIP’s investment objectives are, 1) safety of principal, 2) maintaining adequate liquidity to meet cash flows, and 3) providing a competitive interest rate relative to other comparable investment alternatives. LGIP offers 100 percent liquidity to its participants. The LGIP portfolio is managed in a manner generally consistent with SEC regulated Rule 2a-7 money market funds.

Oversight of the LGIP is provided by the LGIP Advisory Committee. The LGIP Advisory Committee was created in 1995 to advise the State Treasurer on the operation of the Pool. The committee is comprised of 12 appointed members; four are appointed by the State Treasurer and the other eight are appointed by state associations including the Washington Finance Officers Association (WFOA), and the Washington Municipal Treasurers Association (WMTA) among others. Each member serves a three-year term and is eligible for two total terms. The LGIP

Advisory Committee meets quarterly to advise the Treasurer on LGIP operational issues, budget, and oversight of the Statewide Custody Program.

*Custodial Risk* -- The district does not have a formal custodial policy that limits its exposure to custodial risk. All of the district's cash and cash equivalents are subject to custodial risk. However, the majority are covered by federal depository insurance (FDIC) or by collateral held by the district's custodial banks in the district's name.

Additionally, the majority of the district's investments are with Snohomish County which invests almost 100 percent of the funds with the Washington State Treasurer's Local Government Investment Pool (LGIP) and is managed in a manner generally consistent with SEC regulated Rule 2a-7 money market funds.

**NOTE 5. INTERFUND, TRANSFERS, AND OTHER GOVERNMENT TRANSACTIONS**

*Interfund Balances* -- (Amounts Due to Other Funds/Amounts Due from Other Funds) Interfund balances between the district's governmental funds are transactions that have occurred in one fund that are later reclassified to the appropriate fund. Payroll transactions are streamlined and paid wholly through the General Fund. The costs are then reclassified as an expenditure to the appropriate fund, and a reimbursement of expenditure to the General Fund. Interfund receivables/payables are liquidated monthly. As of August 31, 2021, short-term interfund receivables and payables in governmental funds resulting from general operating transactions (primarily salaries with a minor amount attributable to supplies or equipment) in governmental fund financial statements were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$405,006	\$91,218
Special Revenue Fund	6,434	727
Capital Projects Fund	84,784	404,279
Total	<u>\$496,224</u>	<u>\$496,224</u>

Interfund receivables and payables between governmental funds are eliminated in the government-wide financial statements. Interfund receivables and payables from the private-purpose trust fund have been reclassified as third party receivables/payables in the government-wide financial statements.

*Interfund Transfers* -- Planned transfers between funds are included in the budgeting process. In 2020-2021, transfers included \$3,050,000 from the Capital Projects Fund to the General Fund. The transfers are in connection with certain eligible equipment repairs, preventative maintenance, and technology related projects.

*Interfund Loans* -- There were no interfund loans made during the course of the 2020-2021 fiscal year.

Due from Other Governmental Units -- As of August 31, 2021, receivables from other governments consisted of the following related to apportionment, grants, and reimbursements for services owed:

<b>Due from Other Governmental Units</b>	<b>General Fund</b>	<b>Capital Projects Fund</b>
State of Washington		
Elementary and Secondary School Emergency Relief Fund	4,551,334	
Categorical education program grants	1,436,638	
Washington State matching funds and impact fees		856,814
School Districts	14,795	
Snohomish County - Student Support Advocate Program	3,717	
United States Government		
Education Rate		179,010
Department of Defense NJROTC program	1,798	
<b>Total</b>	<b>\$ 6,008,282</b>	<b>\$ 1,035,824</b>

**NOTE 6. CHANGES IN CAPITAL ASSETS**

Purchases of equipment with a unit cost of \$5,000 or more, are capitalized and depreciated in government-wide financial statements. Equipment costing less than \$5,000 is not included in capital asset cost values or depreciation totals in the district's government-wide financial statements. The district's capital assets are insured up to the cost of replacement, subject to a \$1,000 deductible per occurrence. Course of construction insurance is carried on projects under construction. There have been no significant reductions to insurance coverage. Changes in capital assets for the year are as follows:

	<b>Primary Government</b>			
	Beginning Balance	Additions	Deletions	Ending Balance
<b>Government Activities:</b>				
Non-depreciable Capital Assets				
Land	\$ 42,772,881	\$ 3,600	(\$3,600)	\$ 42,772,881
Construction in Progress	6,095,889	13,829,391	(19,462,172)	463,108
Total Non-Depreciable Capital Assets	48,868,770	13,832,991	(19,465,772)	43,235,989
Depreciable Capital Assets				
Building & Improvements	650,013,145	19,795,667	(2,984,326)	\$ 666,824,486
Equipment	16,211,153	1,153,114	(1,257,367)	16,106,900
Total Depreciable Capital Assets	666,224,298	20,948,781	(4,241,693)	682,931,386
Less Accumulated Depreciation				
Building & Improvements	(211,723,340)	(15,217,747)	3,002,849	(223,938,238)
Equipment	(7,693,898)	(1,095,896)	1,224,290	(7,565,504)
Total Accumulated Depreciation	(219,417,238)	(16,313,643)	4,227,139	(231,503,742)
Total Depreciable Capital Assets, Net of Depreciation	446,807,060	4,635,138	(14,554)	451,427,644
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<b>\$ 495,675,830</b>	<b>\$ 18,468,129</b>	<b>\$ (19,480,326)</b>	<b>\$ 494,663,633</b>

Depreciation expense was charged to governmental activities as follows:

Regular Instruction	\$ 14,574,640
Special Education	1,554
Vocational Instruction	132,167
Compensatory Education	4,773
Other Instruction Programs	7,655
Community Services	4,103
Support Services	1,588,751
Total:	<u>\$ 16,313,643</u>

Construction in Progress

Projects	Project Authority Dollars	Expenditures Accumulated August 31, 2021
Reader Boards	300,000	45,752
Water Bottle Filling Stations	150,000	36,410
Penny Creek Elementary Boiler	382,130	55,568
Evergreen Middle School Bleachers	225,000	15,367
Everett High School Boiler	508,996	201,250
Cedar Wood Elementary Antennae System	200,000	105,858
Everett Memorial Turf and Track	1,325,000	2,903
	<u>\$3,091,126</u>	<u>\$463,108</u>

**NOTE 7. PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**A. PENSIONS GENERAL INFORMATION**

The Washington State Department of Retirement Systems (DRS), a department within the primary government of the state of Washington, issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information for each plan. The DRS annual comprehensive financial report may be obtained by writing to: Washington State Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or online at <https://www.drs.wa.gov>.

The following table represents the aggregate pension amounts for all plans of the District for fiscal year 2021:

<b>Aggregate Pension Amounts - All Plans</b>	
Pension Liabilities	\$17,982,730
Pension Assets	77,704,340
Deferred outflows of resources	33,060,745
Deferred inflow of resources	119,822,987
Pension expense	(14,918,332)

**B. MEMBERSHIP PARTICIPATION**

Substantially all of the District's full-time and qualifying part-time employees participate in one of the following three contributory, multi-employer, cost-sharing statewide retirement systems managed by DRS: Teachers' Retirement System (TRS), Public Employees' Retirement System (PERS) and School Employees' Retirement System (SERS).

**C. MEMBERSHIP AND PLAN BENEFITS**

Certificated employees are members of TRS. Classified employees are members of PERS (if Plan 1) or SERS. Plan 1 under the TRS and PERS programs are defined benefit pension plans whose members joined the system on or before September 30, 1977. TRS 1 and PERS 1 are closed to new entrants.

Teachers Retirement System (TRS) Plan Information

TRS was established in 1938, and its retirement provisions are contained in RCW Chapters 41.34 and 41.32. TRS is a cost-sharing multi-employer retirement system comprised of three separate

plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. TRS eligibility for membership requires service as a certificated, public school employee working in an instructional, administrative or supervisory capacity.

TRS is comprised of three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

TRS Plan 1 provides retirement, disability and death benefits. TRS 1 members were vested after the completion of five years of eligible service. Retirement benefits are determined as two percent of the average final compensation (AFC), for each year of service credit, up to a maximum of 60 percent, divided by twelve. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two. Members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. Other benefits include temporary and permanent disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

TRS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (AFC) per year of service for Plan 2 members and one percent of AFC for Plan 3 members. The AFC is the monthly average of the 60 consecutive highest-paid service credit months. There is no cap on years of service credit. Members are eligible for normal retirement at the age of 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. TRS Plan 2/3 members, who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a reduced benefit.

The benefit is reduced by a factor that varies according to age, for each year before age 65. TRS Plan 2/3 members who have 30 or more years of service credit, were hired prior to May 1, 2013, and are at least 55 years old, can retire under one of two provisions: With a benefit that is reduced by three percent for each year before age 65; or with a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules. TRS Plan 2/3 members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service. TRS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the Consumer Price Index), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

### *Public Employees Retirement System (PERS) Plan Information*

PERS was established in 1947, and its retirement benefit provisions are contained in RCW Chapters 41.34 and 41.40. PERS is a cost-sharing, multi-employer retirement system. PERS Plan 1 provides retirement, disability and death benefits. PERS 1 members were vested after the completion of five years of eligible service. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is

the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service.

Members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

#### School Employees Retirement System (SERS) Plan Information

SERS was established by the legislature in 1998, and the plan became effective in 2000. SERS retirement benefit provisions are established in RCW Chapters 41.34 and 41.35. SERS is a cost-sharing, multiemployer retirement system comprised of two separate plans for membership purposes. SERS Plan 2 is a defined benefit plan and SERS Plan 3 is a defined benefit plan with a defined contribution component. SERS members include classified employees of school districts and educational service districts.

SERS is reported as two separate plans for accounting purposes: Plan 2/3 and Plan 3. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

SERS provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and one percent of AFC for Plan 3. The AFC is the monthly average of the member's 60 highest-paid consecutive service months before retirement, termination or death. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. SERS members, who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a reduced benefit.

The benefit is reduced by a factor that varies according to age, for each year before age 65. SERS members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions, if hired prior to May 2, 2013: With a benefit that is reduced by three percent for each year before age 65; or with a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules. SERS members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service. SERS retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the Consumer Price Index), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

#### *D. PLAN CONTRIBUTIONS*

The employer contribution rates for PERS, TRS, and SERS (Plans 1, 2, and 3) and the TRS and SERS Plan 2 employee contribution rates are established by the Pension Funding Council based upon the rates set by the Legislature. The methods used to determine the contribution

requirements are established under chapters 41.34 and 41.40 RCW for PERS, 41.34 and 41.35 RCW for SERS, and 41.32 and 41.34 RCW for TRS. Employers do not contribute to the defined contribution portions of TRS Plan 3 or SERS Plan 3. Under current law the employer must contribute 100 percent of the employer-required contribution. The employee contribution rate for Plan 1 in PERS and TRS is set by statute at six percent and does not vary from year to year.

The employer and employee contribution rates for all plans were effective as of September 1, 2020. PERS contribution rates changed on July 1, 2021. TRS and SERS plans will not have a contribution rate change until September 1, 2021. The pension plan contribution rates (expressed as a percentage of covered payroll) for fiscal year 2021 are listed below:

<b>Pension Contribution Rates from September 01, 2020 to June 30, 2021</b>			
	<b>Employer</b>	<b>Employee</b>	
PERS Plan 1	12.97%	6.00%	

<b>Pension Contribution Rates from July 1, 2021 to August 31, 2021</b>			
	<b>Employer</b>	<b>Employee</b>	
PERS Plan 1	10.252%	6.00%	

<b>Pension Contribution Rates from September 01, 2020 to August 31, 2021</b>			
	<b>Employer</b>	<b>Employee</b>	
TRS Plan 1	15.74%	6.00%	
TRS Plan 2/3	15.74%	7.77%	*/**
SERS Plan 2/3	13.30%	8.25%	*/**
<i>Note: The Employer rates include .0018 DRS administrative expense.</i>			
* – TRS and SERS Plan 3 Employee Contribution Variable from 5% to 15% based on rate selected by the employee member.			
** – TRS and SERS Plan 2/3 Employer Contributions for defined benefit portion only.			

**E. PENSION LIABILITY (ASSET)**

*District's Proportionate Share of the Net Pension Liability (NPL)*

At June 30, 2021, the district reported a total liability of \$ 17,982,730 for its proportionate shares of the individual plans' collective net pension liability and \$77,704,340 for its proportionate shares of net pension assets. Proportion of net pension liability is based on annual contributions for each of the employers participating in the DRS administered plans. At June 30, 2021, the district's proportionate share of each plan's net pension liability is reported below:

<b>Contributions and Proportionate Share</b>	PERS 1	SERS 2/3	TRS 1	TRS 2/3
District's annual contributions	\$2,243,998	\$3,800,496	\$11,676,239	\$12,840,308
Proportionate share of the Net Pension Liability (Asset)	3,679,011	(19,380,505)	14,303,719	(58,323,835)

Changes to net pension liability from the prior period are displayed in the Schedule of Changes in Long Term Liabilities.

At June 30, 2021, the school district's percentage of the proportionate share of the collective net pension liability was as follows and the change in the allocation percentage from the prior period is illustrated below.

<b>Change in Proportionate Share Allocation Percentage</b>	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Current year proportionate share of the Net Pension Liability	0.301254%	1.805026%	2.124426%	2.121787%
Prior year proportionate share of the Net Pension Liability	0.313655%	1.787218%	2.103817%	2.108778%
<b>Net difference percentage</b>	<b>-0.012402%</b>	<b>0.017808%</b>	<b>0.020609%</b>	<b>0.013009%</b>

#### Actuarial Assumptions

The total pension liabilities for TRS 1, TRS 2/3, PERS 1 and SERS 2/3 were determined by actuarial valuation as of June 30, 2020, with the results rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

<b>Actuarial Assumptions</b>	
Inflation	2.75% total economic inflation, 3.50% salary inflation
Salary increases	In addition to the base 3.50% salary inflations assumption, salaries are also expected to grow by promotions and longevity.
Investment rate of return	7.40%

#### Mortality Rates

Mortality rates used in the plans were developed using the Society of Actuaries' Pub.H-2010 Mortality rates, which vary by member status as the base table. OSA applies age offsets for each system to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale to project mortality rates for every year after the 2010 base table. The actuarial assumptions used in the June 30, 2020, valuation were based on the results of the 2013–2018 Demographic Experience Study Report and the 2019 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report.

#### Long-Term Expected Rate of Return

OSA selected a 7.40% long-term expected rate of return on pension plan investments using a building-block method. In selecting the assumptions, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the Washington State Investment Board (WSIB) provided.

The CMAs contain three pieces of information for each class of assets the WSIB currently invest in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons. The expected future rates of return are developed by the WSIB for each major asset class. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2021, are summarized in the following table:

<b>TRS1, TRS 2/3, PERS 1, and SERS 2/3</b>		
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%

The inflation component used to create the above table is 2.20% and represents WSIB's most recent long-term estimate of broad economic inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.40 percent. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Based on the assumptions described in the DRS Certification Letter, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return, a 7.40 percent on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability (NPL) to Changes in the Discount Rate

The following table presents the district's proportionate share of the collective net pension liability or asset calculated using the discount rate of 7.40 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.40 percent) or one percentage-point higher (8.40 percent) than the current rate. Amounts are calculated using the school district's specific allocation percentage, by plan, to determine the proportionate share of the collective net pension liability or asset.

<b>Sensitivity of the Net Pension Liability (NPL) to changes in the discount rate:</b>			
<b>Participating Plans for TRS, PERS, and SERS</b>			
	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
<b>PERS1 - NPL</b>	<b>\$2,080,441,000</b>	<b>\$1,221,234,000</b>	<b>\$471,917,000</b>
Allocation percentage	0.301254%	0.301254%	0.301254%
Proportionate share of collective NPL	\$6,267,403	\$3,679,011	\$1,421,667
<b>SERS2/3 - NPL</b>	<b>(11,793,000)</b>	<b>(1,073,697,000)</b>	<b>\$ (1,952,101,000)</b>
Allocation percentage	1.805026%	1.805026%	1.805026%
Proportionate share of collective NPL	(\$212,867)	(\$19,380,506)	(\$35,235,923)
<b>TRS1 - NPL</b>	<b>\$1,290,542,000</b>	<b>\$673,298,000</b>	<b>\$134,647,000</b>
Allocation percentage	2.124426%	2.124426%	2.124426%
Proportionate share of collective NPL	\$27,416,611	\$14,303,718	\$2,860,476
<b>TRS2/3 - NPL</b>	<b>\$479,331,000</b>	<b>(2,748,807,000)</b>	<b>\$ (5,382,150,000)</b>
Allocation percentage	2.121787%	2.121787%	2.121787%
Proportionate share of collective NPL	\$10,170,384	(\$58,323,835)	(\$114,197,769)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Pension Plans reported collective Deferred Outflows of Resources and collective Deferred Inflows of resources related to the individual plans. On August 31, 2021, the District reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

<b>PERS 1</b>	Outflow	Inflow
Difference between expected and actual experiences in the measurement of the total pension liability	-	-
Net difference between projected and actual earnings on pension plan investments		(\$4,082,471)
Changes in assumptions or other inputs	-	-
Changes in the district's proportion and differences between the district contributions and proportionate share of contributions	-	-
District contributions to the pension plan subsequent to the measurement date of the collective net pension liability	\$378,808	
<b>PERS 1 TOTAL</b>	\$378,808	(\$4,082,471)

<b>SERS 2/3</b>	Outflow	Inflow
Difference between expected and actual experiences in the measurement of the total pension liability	\$5,041,653	-
Net difference between projected and actual earnings on pension plan investments		(\$21,982,387)
Changes in assumptions or other inputs	79,720	(639,623)
Changes in the district's proportion and differences between the district contributions and proportionate share of contributions	343,986	-
District contributions to the pension plan subsequent to the measurement date of the collective net pension liability	640,006	
<b>SERS 2/3 TOTAL</b>	\$6,105,365	(\$22,622,010)

<b>TRS 1</b>	Outflow	Inflow
Difference between expected and actual experiences in the measurement of the total pension liability	-	-
Net difference between projected and actual earnings on pension plan investments		(\$21,444,055)
Changes in assumptions or other inputs	-	
Changes in the district's proportion and differences between the district contributions and proportionate share of contributions	-	-
District contributions to the pension plan subsequent to the measurement date of the collective net pension liability	\$2,064,041	
<b>TRS 1 TOTAL</b>	\$2,064,041	(\$21,444,055)

<b>TRS 2/3</b>	Outflow	Inflow
Difference between expected and actual experiences in the measurement of the total pension liability	\$18,119,537	\$ (472,046)
Net difference between projected and actual earnings on pension plan investments		(67,998,368)
Changes in assumptions or other inputs	3,627,909	(3,064,959)
Changes in the district's proportion and differences between the district contributions and proportionate share of contributions	507,722	(139,077)
District contributions to the pension plan subsequent to the measurement date of the collective net pension liability	2,257,362	
<b>TRS 2/3 TOTAL</b>	\$24,512,530	\$ (71,674,450)

The \$5,340,217 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31	PERS 1	SERS 2/3	TRS 1	TRS 2/3
2022	(\$1,081,447)	(\$4,485,915)	(\$5,682,650)	(\$15,311,106)
2023	(990,999)	(4,262,042)	(5,199,903)	(14,174,309)
2024	(937,030)	(3,991,758)	(4,921,170)	(13,243,677)
2025	(1,072,995)	(4,882,258)	(5,640,332)	(15,197,684)
2026	-	452,690	-	2,448,442
Thereafter	-	12,632	-	6,059,053

#### Pension Expense

For the year ending August 31, 2021, the District recognized a total pension expense as follows:

<u>Plan Name</u>	<u>Pension Expense</u>
PERS 1	(\$1,131,225)
SERS 2/3	(2,746,549)
TRS 1	(3,583,139)
TRS 2/3	(7,457,420)
Total	<u>(\$14,918,333)</u>

#### F. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

*Plan Description* -- Washington State, through the Health Care Authority (HCA), administers a defined benefit other post-employment benefit (OPEB) plan that is not administered through a qualifying trust. The Public Employees Benefits Board (PEBB), created within the HCA, is authorized to design benefits and determine the terms and conditions of retired employee participation and coverage, including establishment of eligibility criteria. Benefits purchased by PEBB include medical, dental, life insurance and long-term disability insurance.

The relationship between the PEBB OPEB plan and its member employers, their employees, and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan. A substantive plan is one, in which the employers and plan members understand the plan terms. This understanding is based on communications between the

HCA, employers and plan members, and the historical patterns of practice with regard to the sharing of benefit costs.

Participation in the plan is administered by HCA as a single-employer defined benefit OPEB plan. The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying Trust.

Employers participating in the plan include the state of Washington (which includes general government agencies and higher education institutions), political subdivisions and tribal governments. Additionally, the PEBB plan is available to the retirees of the K–12 school districts and ESDs. The District’s retirees approximately 712 are eligible to participate in the PEBB plan under this arrangement.

RCW 41.05.085 provides that contribution requirements of participating employers and of plan members are established by, and may be amended by, the HCA Board of Directors. Participating employers and active plan members are required to contribute the established benefit rates. All K-12 school districts and educational service districts contribute the same rate, which is set annually, as an amount per pro-rated full-time equivalent (FTE) under RCW 28A.400.410. Employers do not have the ability to contribute additionally to funding against future liabilities or impact funding progress on the actuarially determined liability of the HCA’s PEBB OPEB plan.

The PEBB OPEB plan provides healthcare insurance benefits (medical and dental) for retirees and their dependents. Retired members may only elect dental coverage if they have elected medical coverage. The PEBB OPEB plan offers eighteen (18) medical plans and three (3) dental plans. All current and future retirees who elect medical and dental coverage are assumed to elect carriers based on the weighted average of selection of carriers by current PEBB retirees. When a retiree or covered dependent becomes eligible for Medicare, the retiree or covered dependent must enroll in Medicare Parts A and B in order to maintain eligibility for retiree coverage.

For further information on the results of the actuarial valuation of the employer provided subsidies associated with the state’s PEBB plan, refer to the [Office of the State Actuary](#). The plan does not issue a separate report; however, additional information is included in the State of Washington Annual Comprehensive Financial Report, which is available on the [OFM website](#).

*Eligibility* -- District members are eligible for retiree medical benefits and dental benefits after becoming eligible for service retirement pension benefits (either reduced or full pension benefits) under TRS and SERS Plan 2 and Plan 3.

#### Plan 2

- Age 65 with 5 years of service
- Age 55 with 20 years of service

#### Plan 3

- Age 65 with 10 years of service
- Age 55 with 10 years of service

Former members who are entitled to a deferred vested pension benefit are not eligible to receive medical and life insurance benefits after pension benefit commencement. Survivors of covered members who die are eligible for medical benefits.

Everett Public Schools’ members, for the purposes of determining actuarial numbers relative to the

subsidies and liabilities for the district's OPEB were as follows:

<u>Total Membership</u>	
Active Members	2,342
<u>Members Currently Receiving Benefits</u>	
Retired Members and Surviving Spouses	660
Spouses and Dependents of Retired Members	287

It is not possible to determine the number of inactive employees entitled to, but not yet receiving benefit payments. Retiring employees apply for benefits at their discretion, may be otherwise working and not eligible for benefits or be deceased. This data is not monitored by the District, HCA or the state of Washington.

*Medical Benefits* -- Upon retirement, members are permitted to receive medical benefits. Retirees pay the following monthly rates for pre-65 Medical coverage for 2021:

Descriptions	Type of Coverage		
	Employee	Employee & Spouse	Full Family
Kaiser Permanente NW Classic	\$745.66	\$1,485.75	\$2,040.82
Kaiser Permanente NW CDHP	618.76	1,226.30	1,638.21
Kaiser Permanente WA Classic	775.39	1,545.22	2,122.58
Kaiser Permanente WA CDHP	619.29	1,227.86	1,640.54
Kaiser Permanente WA Sound Choice	641.43	1,277.28	1,754.17
Kaiser Permanente WA Value	698.96	1,392.34	1,912.38
UMP Classic	691.72	1,377.86	1,892.47
UMP Select	623.50	1,241.43	1,704.88
UMP CDHP	618.52	1,226.31	1,638.41
UMP Plus-Puget Sound High Value Network	658.79	1,312.02	1,801.93
UMP Plus-UW Medicine Accountable Care Network	658.79	1,312.02	1,801.93

Retirees enrolled in Medicare Parts A and B receive an explicit subsidy.

After age 65 retired members receive a subsidy of 50% of their monthly medical premiums up to a maximum per Medicare covered person of \$183 for calendar year 2020 and \$183 for calendar year 2021.

When a retiree or covered dependent becomes eligible for Medicare, the retiree or covered dependent must enroll in Medicare Parts A and B to maintain eligibility for PEBB retiree coverage. Retirees pay the following monthly rates for post-65 medical coverage :

Descriptions	Type of Coverage		
	Employee	Employee & Spouse <sup>1</sup>	Full Family <sup>1</sup>
Kaiser Permanente NW Senior Advantage	\$174.41	\$343.27	\$898.34
Kaiser Permanente WA Medicare Plan	\$177.10	\$348.64	N/A
Kaiser Permanente WA Classic	N/A	N/A	\$926.01
Kaiser Permanente WA Sound Choice	N/A	N/A	\$825.54
Kaiser Permanente WA Value	N/A	N/A	\$868.68
UMP Classic	\$336.30	\$667.04	\$1,181.65

(1) Employee-Spouse and Full Family with two Medicare eligible subscribers.

Per RCW 41.05.022, retirees who are not yet eligible for Medicare benefits may continue participation in the state's non-Medicare community-rated health insurance risk pool on a self-pay basis. Retirees in the non-Medicare risk pool receive an implicit subsidy. The implicit subsidy exists because retired members pay a premium based on a claims experience for active employees and other non-Medicare retirees. The implicit rate subsidy is the difference between the total cost of medical benefits for retirees and the contribution paid by retirees.

Former employees who are entitled to a deferred vested pension benefit are not eligible to receive medical benefits after pension benefit commencement. Survivors of covered members who die are eligible for medical benefits.

*Dental Benefits* -- Upon retirement, members are permitted to receive dental benefits. Retirees pay the following monthly rates for dental coverage in 2021:

Descriptions	Employee	Employee & Spouse	Full Family
DeltaCare	\$39.53	\$79.06	\$118.59
Uniform Dental Plan	48.00	96.00	144.00
Willamette of Washington	44.45	88.90	133.35

An implicit rate subsidy is used for dental coverage.

*Actuarial Methods and Assumptions* -- The August 31, 2021 OPEB liability was determined using the following methodologies:

Actuarial valuation date	7/1/2020
Actuarial measurement date	8/31/2020
Actuarial cost method	Entry age
Asset valuation method	N/A - no asset <sup>1</sup>

<sup>1</sup> No assets have been accumulated in a trust.

In order to calculate the beginning total OPEB liability balance under GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans, an actuarial valuation was performed with a valuation date of July 1, 2020. The forward projection reflects the plan's assumed service cost, assumed interest, and expected benefit payments.

Projections of benefits for financial reporting purposes are based on the terms of the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members (active employees and retirees) to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the affects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.75%
Projected Salary Changes	3.50%
Post-Retirement	
Participation Percentage	65%
Percentage With Spouse	
Coverage	45%

Mortality rates were based on the Pub-2010 Healthy Teachers Mortality, Pub-2010 Healthy General Mortality, and the ultimate rates from the Mortality Projection Scale MP-2017.

Demographic assumptions regarding retirement, disability, turnover, and mortality are based upon the SERS and TRS Plan 2 and 3 as shown in the 2013-2018 Experience Study by the Washington State Public Retirement Systems.

The discount rate used to measure the total August 31, 2021 OPEB liability was set equal to the 20-year tax-exempt municipal bond yield, or 2.20 percent.

Health costs trend rates used for the actuarial study are as follows:

Year Ending June 30	Pre-65 Retiree Premiums and Claims	Post-65 Claims	Post-65 Contributions
2021	6.00%	5.90%	9.00%
2022	5.40%	9.20%	13.70%
2023	5.20%	9.20%	12.50%
2024	5.10%	5.10%	5.30%
2025	5.10%	5.10%	5.30%
2035	5.20%	5.10%	5.20%
2045	5.30%	5.20%	5.30%
2055	5.10%	5.10%	5.20%
2065	5.00%	4.90%	4.90%
2075	4.30%	4.30%	4.30%
2085	4.30%	4.30%	4.30%
2095	4.30%	4.30%	4.30%
2096+	4.30%	4.30%	4.30%

Assumption changes from last valuation included updated retiree claims costs, updated medical trend data, updated demographic assumptions, an updated discount rate and dental coverage is included, consistent with the Office of the State Actuary including dental in their July 1, 2020 OPEB valuation.

The District OPEB liability increased compared to the prior valuation primarily due to a decrease in the discount rate. This increase was partially offset by demographic experience, changes in medical cost compared to expectations, changes in demographic assumptions changes, and changes in medical trend assumptions.

Total OPEB Liability. As of August 31, 2021, the District reported a total OPEB liability of \$110,178,005.

*Changes in Total OPEB Liability*

The following table presents the change in the total OPEB liability as of the August 31, 2021,

reporting date:

Changes in total OPEB Liability

OPEB Liability, August 31, 2020	\$ 110,186,719
Changes for the year:	
Service Cost	6,390,219
Interest on total OPEB Liability	3,431,012
Effect of Plan Changes	-
Effect of Economic/demographic gains or losses	(2,586,257)
Effect of Assumptions Changes or Inputs	(5,118,760)
Expected Benefit Payments	<u>(2,124,928)</u>
Net Changes in Total OPEB Liability	<u>(8,714)</u>
OPEB Liability, August 31, 2021	<u>\$ 110,178,005</u>

*Sensitivity of the Total Liability to Changes in the Discount Rate and Healthcare Costs Trend Rates* -- The following presents the total OPEB liability of the District, calculated using the discount rate of 2.20 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.20 percent) or 1 percentage point higher (3.20 percent) than the current rate:

	<u>1% Decrease (1.20%)</u>	<u>Current Discount Rate (2.20%)</u>	<u>1% Increase (3.20%)</u>
August 31, 2021 OPEB Liability	\$ 133,057,687	\$ 110,178,005	\$ 92,269,378

The following presents the total OPEB liability of the District, calculated using the current healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
August 31, 2021 OPEB Liability	\$ 89,431,633	\$ 110,178,005	\$ 138,084,924

*OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB.* -- For the year ending August 31, 2021, the District recognized OPEB expense of \$9,354,245.

On August 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and an actual experience	\$ (2,980,123)	\$ -
Changes of assumptions	(11,993,085)	13,944,654
Contributions made subsequent to measurement date	-	<u>2,173,591</u>
Total	<u>\$ (14,973,208)</u>	<u>\$ 16,118,245</u>

Amounts reported as deferred outflows of resources related to OPEB resulting from transactions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended August 31, 2021.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB for the District will be recognized in OPEB expense in the fiscal years ended August 31 as follows:

<u>Year ended August 31,</u>	
2022	\$ (466,986)
2023	(466,986)
2024	(466,986)
2025	(466,986)
2026	567,194
Thereafter	272,193

Further information about the state's PEBB plan as it pertains to OPEB is presented in a separate report, the State of Washington's June 30, 2021, annual comprehensive financial report. Refer to this audited GAAP basis report for detailed trend information. It is available from:

State of Washington  
Office of Financial Management  
300 Insurance Building  
P.O. Box 43113  
Olympia, WA 98504-3113

The state's PEBB OPEB plan does not issue a publicly available financial report. However, the results of an actuarial valuation of Washington State's employer provided subsidies associated with the PEBB plan, including more detailed trend information can be found at:

[http://osa.leg.wa.gov/Actuarial\\_services/OPEB/OPEB.htm](http://osa.leg.wa.gov/Actuarial_services/OPEB/OPEB.htm)

**NOTE 8. LONG-TERM LIABILITIES**

**CHANGES IN LONG-TERM LIABILITIES**

During the year, the following changes occurred in liabilities reported in the government-wide financial statements:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
<b>Bonds Payable</b>					
2009C UTGO Qualified School Construction Bonds* *(QSCB) Tax Credit Bonds	17,445,000			17,445,000	
2013 Unlimited Tax GO Refunding Bonds	8,920,000		8,920,000	-	
2014 Unlimited Tax GO Refunding Bonds	38,690,000		15,140,000	23,550,000	23,550,000
2016 Unlimited Tax GO Bonds	33,370,000		2,190,000	31,180,000	
2018 Unlimited Tax GO Bonds	20,220,000			20,220,000	
2019 Unlimited Tax GO Refunding Bonds	17,985,000			17,985,000	1,845,000
2019 Unlimited Tax GO Bonds	44,950,000		22,015,000	22,935,000	
<b>Total Bonds Payable</b>	<b>181,580,000</b>	<b>-</b>	<b>48,265,000</b>	<b>133,315,000</b>	<b>25,395,000</b>
<b>Net Pension Liabilities</b>					
PERS Plan 1	11,073,720		7,394,709	3,679,011	
SERS Plans 2/3	9,507,355		9,507,355	-	
TRS Plan 1	50,676,448		36,372,729	14,303,719	
TRS Plans 2/3	32,390,432		32,390,432	-	
<b>Total Net Pension Liabilities</b>	<b>103,647,955</b>	<b>-</b>	<b>85,665,225</b>	<b>17,982,730</b>	
<b>Other Liabilities</b>					
Unamortized Bond Premium	11,146,276		2,044,936	9,101,340	1,488,898
Compensated Absences	7,673,786	6,389,030	6,413,060	7,649,756	6,389,030
Total OPEB Liabilities	110,186,719	9,821,231	9,829,945	110,178,005	2,173,591
<b>Total Other Liabilities</b>	<b>129,006,781</b>	<b>16,210,261</b>	<b>18,287,941</b>	<b>126,929,101</b>	<b>10,051,519</b>
<b>GRAND TOTAL</b>	<b>\$ 414,234,736</b>	<b>\$ 16,210,261</b>	<b>\$ 152,218,166</b>	<b>\$ 278,226,831</b>	<b>\$ 35,446,519</b>

Debt service requirements for bonds are funded out of the Debt Service Fund with the revenue sources being property taxes, investment income, and refunding bonds. The General Fund typically bears the cost of liquidating long-term liabilities associated with pension, OPEB and compensated absences obligations.

**BONDS OUTSTANDING**

General obligation bonds payable as of August 31, 2021, are comprised of the following individual issues:

Purpose - Governmental Activities	Interest Rate	Issue date	Maturity Date	Amount Issued	Amount Outstanding
2009C UTGO Qualified School Construction Bonds* *(QSCB) Tax Credit Bonds	1.14 - 6.11	10/06/09	12/01/23	17,445,000	17,445,000
2013 Unlimited Tax GO Refunding Bonds	1.50 - 5.00	10/30/13	12/01/20	34,165,000	-
2014 Unlimited Tax GO Refunding Bonds	1.00 - 5.00	04/28/14	12/01/21	69,645,000	23,550,000
2016 Unlimited Tax GO Refunding Bonds	2.25-5.00	12/06/16	12/01/36	47,065,000	31,180,000
2018 Unlimited Tax GO Bonds	5.00	09/26/18	12/01/37	46,220,000	20,220,000
2019 Unlimited Tax GO Refunding Bonds	3.00-4.00	06/05/19	12/01/22	17,985,000	17,985,000
2019 Unlimited Tax GO Bonds	4.00-5.00	06/05/19	12/01/33	44,950,000	22,935,000
			<b>Total Bonds Payable</b>	<b>\$277,475,000</b>	<b>133,315,000</b>

*AMORTIZATION OF BOND PREMIUM/DISCOUNT*

Below is a schedule of amortization of bond premiums/discounts on all applicable general obligation bond issues. The effective interest method was used in calculating the amortization schedule.

Unamortized Bond Premium/Discount: Descriptions	Premium/ (Discount) Beginning Balance	Net Bond Issue Premium	(Premium)/ Discount Amortization	Ending Balance
2013 Unlimited Tax GO Refunding Bonds	\$ 107,058	\$ -	\$ (107,058)	\$ -
2014 Unlimited Tax GO Refunding Bonds	852,851	-	(632,598)	220,253
2016 Unlimited Tax GO Bonds	1,435,030	-	(180,923)	1,254,107
2018 Unlimited Tax GO Bonds	2,778,834	-	(181,093)	2,597,741
2019 Unlimited Tax GO Refunding Bonds	707,228	-	(183,707)	523,521
2019 Unlimited Tax GO Bonds	5,265,275	-	(759,557)	4,505,718
Total Unamortized Bond Premium	\$11,146,276	\$ -	(\$2,044,936)	\$9,101,340

*UNAMORTIZED DEFERRED AMOUNT ON REFUNDING*

Below is a schedule of amortization of deferred amount on refunding which is carried as a deferred outflow of resources balance on the government-wide statement of net position. The deferred amount on refunding is amortized on a straight-line basis over the life of the old debt or the life of the new debt, whichever is shorter. The amortization increases interest expense on the statement of activities.

Descriptions	Beginning Balance	Additions	Reductions	Ending Balance
2006 Unlimited Tax GO Bonds (Oct 2013)	\$ 323,755	\$ -	\$ 323,755	\$ -
2006 Unlimited Tax GO Bonds (April 2014)	120,409	-	120,409	-
2007 Unlimited Tax GO Bonds (April 2014)	1,647,633	-	1,098,422	549,211
2009B Unlimited Tax GO Bonds Build America Bonds (June 2019)	182,317	-	60,772	121,545
Total Unamortized Deferred Amount on Refunding	\$2,274,114	\$ -	\$1,603,358	\$670,756

The district has pledged its full faith and credit to the payment of principal and interest on the bonds. The bonds are secured by ad valorem taxes to be levied without limitation as to rate or amount. The taxes, when collected, are required to be applied solely for the payments of principal and interest on the bonds.

The following is a schedule of annual requirements to amortize debt as of August 31, 2021:

Annual Requirements to Amortize Long-Term Debt

Year Ending August 31	Principal	Interest	Premium Amortized	Carrying Amount of Bonds
2021				\$ 142,416,340
2022	25,395,000	4,633,561	1,488,898	115,532,442
2023	19,115,000	3,748,660	1,000,585	95,416,857
2024	17,445,000	3,332,749	972,979	76,998,878
2025	2,075,000	3,194,706	747,318	74,176,560
2026	2,800,000	3,096,100	738,863	70,637,697
2027-2031	20,600,000	13,121,050	2,896,170	47,141,527
2032-2036	33,630,000	6,956,800	1,189,316	12,322,211
2037-2038	<u>12,255,000</u>	<u>497,200</u>	<u>67,211</u>	-
Total Long-Term Bonded Debt	<u>\$ 133,315,000</u>	<u>\$ 38,580,826</u>	<u>\$9,101,340</u>	

As of August 31, 2021, the district had \$21,266,733 available in the Debt Service Fund to service the general obligation bonds.

The following is a summary of general obligation long-term debt transactions of the district for the fiscal year ended August 31, 2021:

Long-Term Debt Payable at 9/01/2020	\$181,580,000
Debt Retired	<u>48,265,000</u>
Long-Term Debt Payable at 8/31/2021	<u>\$133,315,000</u>

*Defeasance of Debt* -- The district's refunded bonds satisfy the criteria for in-substance defeasance and are considered no longer outstanding. Accordingly, the district does not budget or report any refunded (old) debt. The irrevocable trust account assets and the liability for the defeased bonds are not included in the district's financial statements. Notice has been given that the bonds are defeased and will be called for redemption at 100 percent of par. No defeased bonds were redeemed during the 2020-21 fiscal year.

*Arbitrage Regulations* -- The Tax Reform Act of 1986, Internal Revenue Service Code Section 148, requires the district to rebate to the federal government, earnings on investment of bond proceeds which are in excess of the debt yield. This requirement is effective for the district's bonds issued after September 1, 1986. Rebates are due and payable five years from the date tax-exempt debt is issued and at five-year intervals thereafter while the debt is outstanding. The final rebate is due and payable 60 days after retirement of the debt. Positive arbitrage can be offset against negative arbitrage, therefore, the potential liability fluctuates from year to year and potentially may not be owing at the payment intervals. Calculations monitoring the applicability of federal arbitrage regulations are provided by Arbitrage Compliance Specialists, Inc. Current calculations performed by Arbitrage Compliance Specialists indicate the district's outstanding bonds subject to arbitrage are not in a position of positive arbitrage liability. Accordingly, no contingent liability has been estimated and a reserve in the Capital Projects Fund is not deemed necessary for the 2020-21 reporting period. The district will continue to monitor for arbitrage liability with technical assistance from its consultants, Arbitrage Compliance Specialists. Future reserves may be established if appropriate.

**NOTE 9. FUND EQUITY (GOVERNMENTAL FUNDS)**

GASB Statement No. 54 pertaining to fund balance classifications dictates that if restricted, committed or assigned fund balances are displayed in the aggregate on the balance sheet, specific purposes information should be disclosed in the notes to the financial statements. The district displays the

specific purpose details for some classifications on the face of the balance sheet, and discloses the details for other classifications in the notes to the financial statements. Accordingly, the following fund balances list all the fund balance classifications, including the special purposes information for any of the fund balance classifications that were listed in the aggregate on the balance sheet:

<u>General Fund</u>	<u>August 31, 2021</u>
Non-spendable Inventories - Supplies and Materials	\$ 1,401,882
Non-spendable Inventories - Food Services Lunchrooms	<u>511,920</u>
Sub-total Non-spendable Inventories	1,913,802
 Non-spendable Prepaid Items Registrations and Subscriptions	 <u>1,844,420</u>
Total Non-spendable Fund Balance	3,758,222
 Restricted - Title 1	 2,286
Restricted - State Learning Assistance	434,587
Restricted - Capital Maintenance and Capital Technology	651,642
Restricted - Snohomish County Early Childhood Education Assistance	235,153
Restricted - Professional Develment	159,097
Restricted - Vocational Education	1,314,060
Restricted - Food Services Summer Lunch	<u>14,626</u>
Total Restricted Fund Balance	2,811,451
 Committed - Imprest Accounts	 352,000
 Assigned - School Budget Carryover	 656,625
Assigned - Operation Budget Carryover	638,225
Assigned - Other Grants	<u>78,531</u>
Total Assigned Fund Balance	1,373,381
 Unassigned Fund Balance	 30,881,042
 Total Fund Balance	 <u><u>\$ 39,176,096</u></u>
 <u>Special Revenue - Associated Student Body (ASB) Fund</u>	 <u>August 31, 2021</u>
Non-spendable Inventories - Supplies and Materials	
Non-spendable Prepaid Items - Registrations and Subscriptions	<u>11,001</u>
Total Non-spendable Fund Balance	11,001
 Restricted for ASB Fund Purposes - Extra-Curricular Activities	 <u>1,131,034</u>
 Total Fund Balance	 <u><u>\$ 1,142,035</u></u>
 <u>Debt Service Fund</u>	 <u>August 31, 2021</u>
Restricted - Debt Service Fund Purposes - Principal and Interest	\$ 21,266,733
 Total Fund Balance	 <u><u>\$ 21,266,733</u></u>

<u>Capital Projects Fund</u>	<u>August 31, 2021</u>
Non-spendable Inventories - Technology Materials	\$ 4,443,161
Restricted - Bond Proceeds	1,614,602
Restricted - State Building Match Proceeds	22,536,794
Restricted - Impact Fee Proceeds	5,265,042
Restricted - Mitigation Fee Proceeds	<u>447,707</u>
Total Restricted Funds	29,864,145
Committed - Technology Levy Proceeds	6,374,402
Committed - Memorial Baseball Stadium	<u>75,165</u>
Total Committed Funds	6,449,567
Assigned - Capital Projects Fund Purposes	2,279,694
Total Fund Balance	<u><u>\$43,036,567</u></u>
<u>Transportation Vehicle Fund</u>	<u>August 31, 2021</u>
Restricted - Student Transportation Buses	\$ 165,730
Total Fund Balance	<u><u>\$ 165,730</u></u>

*NOTE 10. RISK MANAGEMENT*

*Risk Management Pool* -- The district is a member of the Washington Schools Risk Management Pool (WSRMP). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. WSRMP was formed in 1986 when educational service districts and school districts in the state of Washington joined by signing the Cooperative Risk Management Pool Account Agreement (Account Agreement) to pool their self-insured losses and jointly purchase insurance and administrative services. Over 90 school and educational service districts have joined WSRMP.

WSRMP allows members to jointly purchase insurance coverage, establish a plan of self-insurance, and provide related services, such as risk management. WSRMP provides the following coverages for its members: property, liability, vehicle, school board liability, crime, employment practices, errors and omissions, equipment breakdown, cyber security, terrorism, and stop gap liability.

The district made net premium payments totaling \$2,283,596 to the Pool for its 2020-21 coverage. WSRMP purchases reinsurance and excess insurance from unrelated carriers subject to a per-occurrence self-insured retention of \$1 million for property risk \$1.5M for liability risk shared by WSRMP. Reinsurance or Excess carriers cover losses over the self-insured retention to the maximum limits of each policy. Members are responsible for varied deductibles for auto and property claims. Since WSRMP is a cooperative program, there is a joint liability among the participating members.

Members contract to remain in WSRMP for a minimum of three years and must give notice three years before terminating participation. The Account Agreement is renewed automatically each year after the

initial three-year period. Even after termination, a member is still responsible for their share of contributions to WSRMP for any unresolved, unreported, and in-process claims for the period in which they were a signatory to the Account Agreement.

WSRMP is fully funded by its member participants and is governed by a board of directors that consists of one designated representative from each participating member. An executive board is elected at the annual meeting and is responsible for overseeing the business affairs of WSRMP.

Insurance payouts have not exceeded premiums within the last three years.

The Washington Schools Risk Management Pool has produced its own financial report for the year ended August 31, 2021, which can be obtained from:

Washington Schools Risk Management Pool  
P.O. Box 88700  
Tukwila, WA 98138-2700

*Unemployment Insurance* -- The district joined together with school districts in Island, San Juan, Skagit, Snohomish and Whatcom Counties on July 1, 1978, to form the Northwest Educational Service District 189 Unemployment Compensation Pool (Pool), a public entity risk pool for unemployment insurance. The district made \$1,313,229 in payments to the Pool in fiscal year 2020-21. Claims against the district are paid by the Washington State Department of Employment Security (WSDES). The WSDES is reimbursed by the Pool for all claims paid. Unemployment claims of \$472,248 were made by the Pool on behalf of the district for fiscal year 2020-21. The following is a summary of activity:

Unemployment Insurance				
Fiscal Year	Beginning Balance	Contributions/Earnings	Reductions	Ending Balance
2020-2021	\$849,282	\$1,315,489	\$480,947	\$1,683,824

*Workers' Compensation* -- In December 2000, the board of directors adopted Resolution No. 718 which authorized the district to become a member of the Puget Sound Workers' Compensation Trust (PSWCT), a cooperative that was formed to provide workers' compensation coverage for its members. The district joins 30 other school districts or educational service districts in the PSWCT, which is administered by the Puget Sound Educational Service District. For fiscal year 2020-21, the district made premium payments totaling \$1,998,575 to the PSWCT in lieu of premium payments to the State of Washington for industrial insurance. This practice enables the PSWCT to pay industrial insurance beneficiaries as they become eligible and minimizes the district's costs for the program.

**NOTE 11. TAX ABATEMENTS**

As of August 31, 2021, the District property tax revenues were reduced through the City of Everett's Multifamily Housing Property Tax Exemption.

In keeping with the goals of the Growth Management Act (Chapter 36.70A RCW), the Multifamily Urban Housing Tax Exemption program provides property tax exemptions to stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing in urban centers.

The value of new construction, conversion, and rehabilitation improvements qualifying under this program are exempt from ad valorem property taxation for:

- Eight years if applications were submitted on or after July 22, 2007; or

- Twelve years if applications were submitted on or after July 22, 2007, the property otherwise qualifies for the exemption under Chapter 84.14 RCW, and the owner commits to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low- and moderate-income households.

Tax exemptions are obtained through application by the property owner. Property owners receiving tax exemptions are required to file a notarized annual declaration indicating ongoing compliance.

<u>Tax Abatement Program</u>	Amount of Tax Abated as of August 31, 2021
Multifamily Property Tax Exemption	\$ 424,681

*NOTE 12. SUMMARY OF SIGNIFICANT CONTINGENCIES*

*Litigation* -- The district is party to several legal actions arising from its normal educational activities. It is the opinion of the administration that these actions will be resolved without material impact on the financial position of the district.

*NOTE 13. OTHER DISCLOSURES*

*A. KING COUNTY DIRECTORS' ASSOCIATION*

*Investment in Joint Venture* -- Everett Public Schools has been a member of the King County Directors' Association (KCDA) for many years. KCDA is a purchasing cooperative that serves 294 school districts throughout the State of Washington. In 2020, Everett Public Schools purchased \$2,940,159 through KCDA contracts, including direct billings by vendors. Everett Public Schools' equity in KCDA as of December 31, 2020, was \$189,661.

Because of the purchasing power of KCDA, it is the intent of the district to remain a member. Should the district decide to terminate its membership in KCDA, the following options are available regarding withdrawing the ownership amount:

1. The district may withdraw inventory at a maximum rate of ten percent (10%) per year for a ten (10) year period or;
2. The district may withdraw cash equally over a fifteen (15) year period.

KCDA has published its own financial report for the year ended December 31, 2020, which can be obtained from:

King County Directors' Association  
P.O. Box 5550  
Kent, WA 98064-5550

*B. NORTHWEST EDUCATIONAL SERVICE DISTRICT*

*Jointly Governed Organization* -- The district is served by Northwest Educational Service District No. 189 (ESD). The ESD is a regional service entity organized to serve the educational needs of all school districts in Island, San Juan, Skagit, Snohomish and Whatcom Counties. All school districts in the ESD's service area collectively elect nine directors to the ESD. Participating school districts have neither an ongoing financial interest nor responsibility. The ESD's relationship to the school district is one of a jointly governed organization.

### C. *SNO-ISLE VOCATIONAL SKILLS CENTER*

In 1978, the district participated in the establishment of the Sno-Isle Skills Center (Skills Center), a vocational education facility operated by host district, Mukilteo School District. The Skills Center was established to broaden the vocational curriculum for participating districts and avoid unnecessary duplication of courses which involve expensive training equipment. The participating districts continue to operate local vocational programs separate from the Skills Center.

The Skills Center is administered by the host district but is jointly governed by an Administrative Council consisting of a representative from each participating district. There are currently 13 participating districts including the host district.

The host district retains ownership of all facilities and equipment purchased by the Skills Center or donated to the Skills Center. The participating districts share in the annual operating costs of the Skills Center, but have no ownership equity in the facilities or equipment.

In fiscal year 2020-2021, the Skills Center received \$972,586 in state apportionment funding for providing service to Everett Public Schools' students.

### D. *LEVIES*

In a special election held on February 13, 2018, voters approved excess taxes to be levied in calendar years 2019 (\$44 million), 2020 (\$45 million), 2021 (\$49 million), and 2022 (\$53 million). The proposition replaces the expiring levy voters approved February 11, 2014, and would be used to support educational programs and operation expenses.

*Replacement Levy for Safety, Building and Instructional Technology Improvements, Capital Levy* – In a special election held on April 26, 2016, voters authorized the district to levy an additional tax providing a total of \$89.624 million for the district's Capital Projects Fund. The levy allows the district to assess additional property taxes over the course of six years to pay a portion of the district's construction and installation of safety, building and instructional technology improvements. This levy replaces the \$48 million capital levy which allowed the district to assess \$8 million each year for six years beginning 2011 through 2016, to fund renovation and improvement of district facilities, technology improvements, and equipment.

### E. *BOND MEASURES AND BOND ISSUES*

*Capital Improvement and School Construction Bond* -- In a special election held on April 26, 2016, voters approved a capital bond proposition which authorizes the district to issue \$149.7 million in bonds to be paid from future excess levies and collection of property taxes. These funds will be used to build additional classrooms to relieve overcrowding, build a new elementary school, modernize North Middle and Woodside Elementary schools, upgrade communications and technology infrastructure, improve HVAC systems, buy land for a future school, and other capital improvements. Accordingly, the following bond sale was issued:

*2016 General Unlimited Tax Bond Issue* -- In December 2016, the District issued \$47,065,000 in General Unlimited Tax Bonds. The bonds were sold at a premium of \$3,255,000. Bond issuance costs were \$319,209 consisting of bond underwriters, bond counsel, credit and financial advisor fees. Bonds were issued with an average interest rate of 4.03% and a final maturity date of December 1, 2036. The district has expended \$47,065,000 million in bond proceeds as authorized under the 2016 vote, on school building renovations and projects as described in the bond measures.

*2018 General Unlimited Tax Bond Issue* -- In September 2018, the District issued \$46,220,000 in General Unlimited Tax Bonds. The bonds were sold at a premium of \$4,104,579. Bond issuance costs were \$320,187 consisting of bond underwriters, bond counsel, credit and financial advisor fees. Bonds were issued with an average interest rate of 5.00% and a final maturity date of December 1, 2037.

*2019 General Unlimited Tax Bond Issue* -- In June 2019, the district issued \$44,950,000 in General Unlimited Tax Bonds. The bonds were sold at a premium of \$6,024,832. Bond issuance costs were \$284,768 consisting of bond underwriters, bond counsel, credit and financial advisor fees. Bonds were issued with an average interest rate of 4.87% and a final maturity date of December 1, 2032.

#### *NOTE 14. SUBSEQUENT EVENTS*

*COVID-19 Pandemic* -- In February 2020, Washington State Governor Inslee declared a state of emergency in response to the spread of a new virus that causes COVID-19. In the weeks following the declaration, precautionary measures to slow the spread of the virus were ordered, including requiring people to stay home except for essential functions. On April 6, 2020, the Governor closed all public and private K–12 school buildings throughout the remainder of the 2019–20 school year and beginning of 2020-21 school year. On January 15, 2021, Everett Public Schools began a phased return to partial in-person learning, beginning with some special education programs, followed by elementary students in February and March, and secondary students in April. Throughout this period, the school district continued to operate, educating students using continuous learning and hybrid models that included synchronous, asynchronous, and in-person learning. All students returned to full-time in-person learning on September 8, 2021.

Many of the precautionary measures put in place during the 2019–20 and 2020-21 school years remain in effect; however, the influx of federal pandemic-related grants has mitigated the use of state and local funds for increased needs resulting from the pandemic, including additional health, safety, social-emotional, and learning recovery supports. Remaining federal funds will be carried over and available through the 2022-23 school year.

Enrollment decreases in the 2020–21 school year reversed partially in 2021-22 with an increase of approximately 100 students over prior year October headcount. Although the district had planned for a larger enrollment increase, a higher beginning fund balance and lower expenditures due to position vacancies in 2021-22 are expected to offset the lower state apportionment revenues compared to budget.

*Replacement Educational Programs and Operations Levy* – The school board approved Resolution 1267, “2022 Replacement of Expiring Education Programs and Operations Levy.” The proposition replaces an expiring levy and would be used to support educational programs and operation expenses. Voters approved the levy on the February 8, 2022, special election ballot and it authorizes the collection of taxes to be levied in calendar years 2023 (\$65.5 million), 2024 (\$67 million), 2025 (\$69 million), and 2026 (\$71 million).

*Capital Levy* -- The school board approved Resolution 1268, “Replacement of Expiring Levy for Safety, Building, and Instructional Technology Improvements.” The proposition would replace an expiring levy and would be used for acquiring, constructing, and installing capital improvements for safety, security, renewal and upgrade projects for capacity, and educational programs including technology. Voters approved the levy on the February 8, 2022, special election ballot and authorizes the collection of \$325.5 million in property taxes over six years.



## Required Supplementary Information

The Required Supplementary Information presents budgetary comparison (original and final budget), actual inflows and outflows, and balances for General Fund and its annually budgeted Special Revenue Fund (Associated Student Body Fund). In addition, Required Supplementary Information presents a Schedule of Actuarial Valuation of Post Employment Benefits Other Than Pensions, a Schedule of the District's Proportionate Share of the Net Pension Liability and a Pension Plan Schedule of District Contributions.

## Notes to the Required Supplementary Information

### *NOTE 1. PENSIONS AND OPEB*

Pensions - The Office of the State Actuary (OSA) calculates the ADC based on the results of an actuarial valuation consistent with the state's funding policy defined in RCW 41.45. The results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that follows two years later. Amounts reported as RSI are determined as of the June 30 measurement date of the collective net pension liability.

The Everett Public Schools has no independent ability to fund or satisfy this pension liability outside of Washington State's legislatively adopted contribution rates as they currently exist or may be adopted in the future. Assessments now and in the future are made based on the annual qualified worker compensation and are paid by both the district, as the employer, and its employees.

GASB 68 was implemented for the fiscal year ended August 31, 2015. The RSI schedules for pensions will be built prospectively until they contain ten years of data.

OPEB - Per RCW 41.05.065, the Public Employees' Benefits Board (PEBB) created within the HCA is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria for both active and retired employees. The PEBB plan does not have assets in trusts or equivalent arrangements and is funded on a pay-as-you-go basis.

Potential factors that may significantly affect trends in amounts reported include changes to the discount rate, health care trend rates, salary projections, and participation percentages.

GASB 75 was implemented for the fiscal year ended August 31, 2017. The RSI schedules for the OPEB liability will be built prospectively until they contain ten years of data.

**EVERETT PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
<b>REVENUES</b>				
Local Taxes	\$46,526,400	\$46,526,400	\$47,219,743	\$693,343
Local Non-Tax	11,235,077	11,235,077	1,134,453	(\$10,100,624)
State, General Purpose	206,453,210	206,453,210	198,368,156	(\$8,085,054)
State, Special Purpose	61,569,109	61,569,109	53,032,773	(\$8,536,336)
Federal, General Purpose	55,000	55,000	41,337	(\$13,663)
Federal, Special Purpose	15,422,416	15,422,416	25,936,492	\$10,514,076
Other	2,758,530	2,758,530	2,687,615	(\$70,915)
<b>TOTAL REVENUES</b>	<b><u>344,019,742</u></b>	<b><u>344,019,742</u></b>	<b><u>328,420,570</u></b>	<b><u>(15,599,172)</u></b>
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	202,548,435	202,548,435	185,573,079	16,975,356
Special Education	52,269,975	52,269,975	47,960,911	4,309,064
Vocational Education	16,848,871	16,848,871	15,461,711	1,387,160
Compensatory Education	20,455,095	20,455,095	19,461,269	993,826
Other Instruction Programs	2,673,156	2,673,156	2,627,791	45,365
Federal Stimulus COVID-19	0	0	6,679,666	(6,679,666)
Community Services	3,142,640	3,142,640	2,896,444	246,196
Support Services	59,207,013	59,207,013	48,423,047	10,783,966
Capital Outlay:				
Equipment	1,097,982	1,097,982	377,579	720,403
<b>TOTAL EXPENDITURES</b>	<b><u>358,243,167</u></b>	<b><u>358,243,167</u></b>	<b><u>329,461,498</u></b>	<b><u>28,781,669</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b><u>(14,223,425)</u></b>	<b><u>(14,223,425)</u></b>	<b><u>(1,040,928)</u></b>	<b><u>13,182,497</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Surplus Equipment	0	0	4,400	4,400
Transfers	3,050,000	3,050,000	3,050,000	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>3,050,000</u></b>	<b><u>3,050,000</u></b>	<b><u>3,054,400</u></b>	<b><u>4,400</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b><u>(\$11,173,425)</u></b>	<b><u>(\$11,173,425)</u></b>	<b><u>2,013,472</u></b>	<b><u>\$13,186,897</u></b>
<b>FUND BALANCE -- September 1, 2020</b>			<u>37,094,411</u>	
Cumulative Effect of Change in Accounting Principle			68,213	
<b>FUND BALANCE -- August 31, 2021</b>			<b><u>\$39,176,096</u></b>	

The basis of budgeting is the same as GAAP.

**EVERETT PUBLIC SCHOOLS  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND (ASSOCIATED STUDENT BODY FUND)  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
<b>REVENUES</b>				
General	\$1,255,267	\$1,255,267	\$207,857	(\$1,047,410)
Athletics	418,335	418,335	17,900	(400,435)
Classes	66,350	66,350	5,190	(61,160)
Clubs	888,834	888,834	125,420	(763,414)
Private Monies	91,830	91,830	19,389	(72,441)
<b>TOTAL REVENUES</b>	<b><u>2,720,616</u></b>	<b><u>2,720,616</u></b>	<b><u>375,756</u></b>	<b><u>(2,344,860)</u></b>
<b>EXPENDITURES</b>				
General	1,134,995	1,134,995	252,938	882,057
Athletics	607,181	607,181	95,039	512,142
Classes	78,962	78,962	27,840	51,122
Clubs	1,010,250	1,010,250	157,675	852,575
Private Monies	92,230	92,230	20,134	72,096
<b>TOTAL EXPENDITURES</b>	<b><u>2,923,618</u></b>	<b><u>2,923,618</u></b>	<b><u>553,626</u></b>	<b><u>2,369,992</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b><u>(\$203,002)</u></b>	<b><u>(\$203,002)</u></b>	<b><u>(177,870)</u></b>	<b><u>\$25,132</u></b>
<b>FUND BALANCE -- September 1, 2020</b>			<u>1,319,905</u>	
<b>FUND BALANCE -- August 31, 2021</b>			<b><u>\$1,142,035</u></b>	

The basis of budgeting is the same as GAAP.

**EVERETT PUBLIC SCHOOLS**  
**POST EMPLOYMENT BENEFITS OTHER THAN PENSION**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**

	<b>FISCAL YEAR ENDED AUGUST 31, 2018*</b>	<b>FISCAL YEAR ENDED AUGUST 31, 2019*</b>	<b>FISCAL YEAR ENDED AUGUST 31, 2020*</b>	<b>FISCAL YEAR ENDED AUGUST 31, 2021*</b>
Service cost	\$ 5,431,775	\$ 4,641,906	\$ 4,617,836	\$ 6,390,219
Interest on total OPEB liability	2,630,292	3,066,218	3,545,744	3,431,012
Changes of benefit terms	-	-	-	-
Effect of economic/demographic gains or (losses)	-	(989,986)	-	(2,586,257)
Effect of assumption changes or inputs	(10,898,704)	(2,717,383)	18,046,022	(5,118,760)
Expected benefit payments	<u>(1,559,591)</u>	<u>(1,709,770)</u>	<u>(1,876,126)</u>	<u>(2,124,928)</u>
Net change in total OPEB liability	(4,396,228)	2,290,985	24,333,476	(8,714)
Total OPEB liability, beginning	87,958,486	83,562,258	85,853,243	110,186,719
Total OPEB liability, ending	83,562,258	85,853,243	110,186,719	110,178,005
Covered employee payroll	\$ 156,700,436	\$ 170,396,419	\$ 197,151,932	\$ 208,251,963
Total OPEB liability as a % of covered employee payroll	53.33%	50.38%	55.89%	52.91%

\*GASB 75 was implemented for the fiscal year ended August 31, 2018. This schedule is to be built prospectively until it contains ten years of data.

**EVERETT PUBLIC SCHOOLS**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY (ASSET)**

	2015*	2016*	2017*	As of June 30, 2018*	2019*	2020*	2021*
<b>PERS 1</b>							
District's proportion of the net pension liability (asset) (percentage)	0.253349%	0.256754%	0.273586%	0.282975%	0.303247%	0.313655%	0.301254%
District's proportionate share of the net pension liability (asset) (amount)	\$13,252,490	\$13,788,889	\$12,981,858	\$12,637,752	\$11,660,912	\$11,073,721	\$3,679,011
District's covered payroll	\$28,559,392	\$30,767,818	\$33,995,511	\$37,528,660	\$42,278,246	\$46,988,828	\$46,141,282
District's proportionate share of the net pension liability (asset) (amount) as a percentage of its covered payroll	46.40%	44.82%	38.19%	33.67%	27.58%	23.57%	7.97%
Plan fiduciary net position as a percentage of the total pension liability (asset)	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%	88.74%
<b>SERS 2/3</b>							
District's proportion of the net pension liability (asset) (percentage)	1.631183%	1.639176%	1.645115%	1.701217%	1.739773%	1.787218%	1.805026%
District's proportionate share of the net pension liability (asset) (amount)	\$6,625,065	\$10,765,567	\$8,118,231	\$5,087,694	\$4,079,733	\$9,507,355	\$ (19,380,506)
District's covered payroll	\$28,076,353	\$30,324,651	\$33,608,957	\$37,250,663	\$42,113,702	\$46,876,699	\$46,070,467
District's proportionate share of the net pension liability (asset) (amount) as a percentage of its covered payroll	23.60%	35.50%	24.15%	13.66%	9.69%	20.28%	-42.07%
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.92%	86.52%	90.79%	94.77%	96.31%	92.45%	114.15%
<b>TRS 1</b>							
District's proportion of the net pension liability (asset) (percentage)	2.077874%	2.080021%	2.035627%	2.067471%	2.109099%	2.103817%	2.124426%
District's proportionate share of the net pension liability (asset) (amount)	\$65,830,005	\$71,016,861	\$61,542,470	\$60,382,403	\$52,217,137	\$50,676,448	\$14,303,718
District's covered payroll	\$99,530,951	\$104,608,824	\$112,886,403	\$121,626,651	\$141,309,403	\$152,295,093	\$157,952,801
District's proportionate share of the net pension liability (asset) (amount) as a percentage of its covered payroll	66.14%	67.89%	54.52%	49.65%	36.95%	33.28%	9.06%
Plan fiduciary net position as a percentage of the total pension liability (asset)	65.70%	62.07%	65.58%	66.52%	70.37%	70.55%	91.42%
<b>TRS 2/3</b>							
District's proportion of the net pension liability (asset) (percentage)	2.074337%	2.060122%	2.034198%	2.071302%	2.103771%	2.108778%	2.121787%
District's proportionate share of the net pension liability (asset) (amount)	\$17,503,301	\$28,291,596	\$18,774,485	\$9,323,221	\$12,675,937	\$32,390,432	\$ (58,323,835)
District's covered payroll	\$97,065,368	\$102,670,166	\$111,534,575	\$120,683,922	\$140,438,894	\$151,660,808	\$157,530,020
District's proportionate share of the net pension liability (asset) (amount) as a percentage of its covered payroll	18.03%	27.56%	16.83%	7.73%	9.03%	21.36%	-37.02%
Plan fiduciary net position as a percentage of the total pension liability (asset)	92.48%	88.72%	93.14%	96.88%	96.36%	91.72%	120.29%

\*Amounts reported are determined as of the June 30 measurement date of the collective net pension liability. GASB 68 was implemented for the fiscal year ended August 31, 2015. This schedule is to be built prospectively until it contains ten years of data.

**EVERETT PUBLIC SCHOOLS**  
**PENSION PLAN SCHEDULE OF DISTRICT CONTRIBUTIONS**

	FOR THE FISCAL YEAR ENDED AUGUST 31						
	2015*	2016*	2017*	2018*	2019*	2020*	2021*
<b><u>PERS 1</u></b>							
Contractually required contribution	\$1,164,385	\$1,524,261	\$1,671,348	\$1,936,914	\$2,222,417	\$2,266,995	\$2,248,192
Contributions in relation to the contractually required contributions	\$1,164,385	\$1,524,261	\$1,671,348	\$1,936,914	\$2,222,417	\$2,266,995	\$2,248,192
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District's covered payroll	\$28,726,003	\$31,411,273	\$34,510,139	\$38,178,004	\$43,096,360	\$47,442,274	\$46,059,182
Contribution as a percentage of covered payroll	4.05%	4.85%	4.84%	5.07%	5.16%	4.78%	4.88%
<b><u>SERS 2/3</u></b>							
Contractually required contribution	\$1,650,091	\$2,113,651	\$2,354,816	\$3,128,459	\$3,550,193	\$3,901,622	\$3,794,459
Contributions in relation to the contractually required contributions	\$1,650,091	\$2,113,651	\$2,354,816	\$3,128,459	\$3,550,193	\$3,901,622	\$3,794,459
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District's covered payroll	\$28,250,934	\$30,973,083	\$34,131,574	\$37,936,499	\$42,936,023	\$47,339,381	\$45,992,050
Contribution as a percentage of covered payroll	5.65%	6.82%	6.90%	8.25%	8.27%	8.24%	8.25%
<b><u>TRS 1</u></b>							
Contractually required contribution	\$4,631,809	\$6,752,604	\$7,213,943	\$8,901,622	\$10,839,344	\$11,040,087	\$11,804,334
Contributions in relation to the contractually required contributions	\$4,631,809	\$6,752,604	\$7,213,943	\$8,901,622	\$10,839,344	\$11,040,087	\$11,804,334
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District's covered payroll	\$99,115,901	\$106,750,992	\$114,297,898	\$123,179,110	\$145,612,986	\$153,069,529	\$158,858,390
Contribution as a percentage of covered payroll	4.67%	6.33%	6.31%	7.23%	7.44%	7.21%	7.43%
<b><u>TRS 2/3</u></b>							
Contractually required contribution	\$5,686,914	\$7,282,538	\$7,882,401	\$9,556,920	\$11,331,709	\$12,423,115	\$12,913,806
Contributions in relation to the contractually required contributions	\$5,686,914	\$7,282,538	\$7,882,401	\$9,556,920	\$11,331,709	\$12,423,115	\$12,913,806
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District's covered payroll	\$96,701,352	\$104,908,845	\$113,043,460	\$122,300,663	\$144,726,232	\$152,523,476	\$158,433,717
Contribution as a percentage of covered payroll	5.88%	6.94%	6.97%	7.81%	7.83%	8.15%	8.15%

\*GASB 68 was implemented for the fiscal year ended August 31, 2015. This schedule is to be built prospectively until it contains ten years of data.



## **Supplementary Information**

Supplementary data includes financial statements and schedules not required by the Governmental Accounting Standards Board (GASB), nor as part of the basic financial statements, but are presented for purposes of additional analysis.

**EVERETT PUBLIC SCHOOLS  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
AUGUST 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$35,917,311	\$35,096,551
Due From Other Funds	405,006	436,487
Due From Other Governmental Units	6,008,282	2,369,191
Accounts Receivables	103,255	121,549
Property Taxes Receivable	23,415,871	21,770,431
Inventories	1,913,802	810,695
Prepaid Items	1,844,420	2,284,910
<b>TOTAL ASSETS</b>	<b>\$69,607,947</b>	<b>\$62,889,814</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Accounts Payable	\$3,284,234	\$2,810,256
Accrued Salaries	1,406,300	607,845
Payroll Deductions and Taxes Payable	822,448	759,542
Deposits	16,877	22,086
Due to Other Funds	91,218	8,578
Due to Other Governmental Units	2,021,457	598,742
Unearned Revenue	278,503	165,134
Total Liabilities	7,921,037	4,972,183
Deferred Inflows of Resources:		
Unavailable Revenue	40,257	46,152
Unavailable Revenue - Property Taxes	22,470,557	20,777,068
Total Deferred Inflows of Resources	22,510,814	20,823,220
Fund Balance:		
Nonspendable Inventories and Prepaid Items	3,758,222	3,095,605
Restricted for Carryover of Restricted Revenues	2,811,451	3,060,554
Committed Fund Balance	352,000	352,000
Assigned to Other Purposes	1,373,381	3,069,495
Unassigned Fund Balance	30,881,042	27,516,757
Total Fund Balance	39,176,096	37,094,411
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$69,607,947</b>	<b>\$62,889,814</b>

**EVERETT PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2020)**

	2021			2020 ACTUAL
	BUDGET	ACTUAL	VARIANCE	
<b>REVENUES</b>				
Local Taxes	\$46,526,400	\$47,219,743	\$693,343	\$39,859,072
Local Nontax	11,235,077	1,134,453	(10,026,256)	4,295,044
State, General Purpose	206,453,210	198,368,156	(8,085,054)	203,364,181
State, Special Purpose	61,569,109	53,032,773	(8,536,336)	60,845,038
Federal, General Purpose	55,000	41,337	(13,663)	46,882
Federal, Special Purpose	15,422,416	25,936,492	10,514,076	14,493,010
Other	2,758,530	2,687,615	(70,915)	2,830,505
<b>TOTAL REVENUES</b>	<b><u>344,019,742</u></b>	<b><u>328,420,570</u></b>	<b><u>(15,524,804)</u></b>	<b><u>325,733,732</u></b>
<b>EXPENDITURES</b>				
Regular Instruction	202,548,435	185,573,079	16,975,356	182,862,262
Special Education	52,269,975	47,960,911	4,309,064	48,416,407
Vocational Education	16,848,871	15,461,711	1,387,160	15,194,606
Compensatory Education	20,455,095	19,461,269	993,826	18,349,061
Other Instruction Programs	2,673,156	2,627,791	45,365	2,377,603
Federal Stimulus COVID-19	0	6,679,666	(6,679,666)	0
Community Services	3,142,640	2,896,444	246,196	4,625,645
Support Services	59,207,013	48,423,047	10,783,966	51,864,358
Other	1,097,982	377,579	720,403	682,430
<b>TOTAL EXPENDITURES</b>	<b><u>358,243,167</u></b>	<b><u>329,461,498</u></b>	<b><u>28,781,669</u></b>	<b><u>324,372,372</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b><u>(14,223,425)</u></b>	<b><u>(1,040,928)</u></b>	<b><u>13,182,497</u></b>	<b><u>1,361,360</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Surplus Equipment	-	4,400	4,400	
Transfers	3,050,000	3,050,000	-	2,650,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>3,050,000</u></b>	<b><u>3,054,400</u></b>	<b><u>4,400</u></b>	<b><u>2,650,000</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b><u>(\$11,173,425)</u></b>	<b><u>\$2,013,472</u></b>	<b><u>\$13,186,897</u></b>	<b><u>\$4,011,360</u></b>
<b>FUND BALANCE -- September 1, 2020</b>		<u>37,094,411</u>		
Cumulative Effect of Change in Accounting Principle		68,213		
<b>FUND BALANCE -- August 31, 2021</b>		<b><u>\$39,176,096</u></b>		

**EVERETT PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2020)**

DESCRIPTION	2021			2020
	BUDGET	ACTUAL	VARIANCE	ACTUAL
<b>1000 Local Taxes</b>				
Local Property Tax	\$46,526,400	\$47,219,743	\$693,343	\$39,859,072
<b>Total</b>	<b>46,526,400</b>	<b>47,219,743</b>	<b>693,343</b>	<b>39,859,072</b>
<b>2000 Local Non-Tax</b>				
Tuitions and Fees, Unassigned	455,000	300,672	(154,328)	561,812
Summer School Tuition and Fees	60,000	0	(60,000)	48,589
Sale of Goods, Supplies & Services	522,500	22,359	(500,141)	243,122
Food Services	2,695,666	(9,725)	(2,685,941)	1,833,553
Investment Earnings	350,000	45,797	(304,203)	370,489
Gifts & Donations	1,144,000	239,514	(904,486)	278,678
Fines & Damages	50,000	38,641	(11,359)	44,139
Rentals	423,200	96,610	(326,590)	311,212
Insurance Recoveries	0	1,071	1,071	35,392
Other	5,534,711	399,514	(5,135,197)	568,059
<b>Total</b>	<b>11,235,077</b>	<b>1,134,453</b>	<b>(10,081,174)</b>	<b>4,295,045</b>
<b>3000 State, General Purpose</b>				
Apportionment	206,453,210	198,368,156	(8,085,054)	203,364,181
<b>Total</b>	<b>206,453,210</b>	<b>198,368,156</b>	<b>(8,085,054)</b>	<b>203,364,181</b>
<b>4000 State, Special Purpose</b>				
Special Purpose, Unassigned	3,250,000	0	(3,250,000)	1,751
Special Education	30,815,599	28,530,672	(2,284,927)	30,218,495
Special Educ - Infants & Toddlers	0	0	0	2,453,210
Learning Assistance	7,451,492	7,471,360	19,868	7,229,903
Special Pilot Programs	2,193,814	2,435,271	241,457	2,199,131
Transitional Bilingual	5,735,906	5,702,983	(32,923)	5,657,445
Highly Capable - Gifted, Talented	682,584	657,837	(24,747)	675,457
School Food Service	112,099	122,540	10,441	95,298
Transportation - Operations	11,100,000	8,041,295	(3,058,705)	12,231,271
Other	227,615	70,815	(156,800)	83,076
<b>Total</b>	<b>61,569,109</b>	<b>53,032,773</b>	<b>(8,536,336)</b>	<b>60,845,037</b>

DESCRIPTION	2021			2020
	BUDGET	ACTUAL	VARIANCE	ACTUAL
<b>5000 Federal, General Purpose</b>				
Federal Forests	\$55,000	\$41,337	(\$13,663)	\$46,882
<b>Total</b>	<b>55,000</b>	<b>41,337</b>	<b>(13,663)</b>	<b>46,882</b>
<b>6000 Federal, Special Purpose</b>				
Federal Special Purpose - GEER	\$ -	\$ 163,340	\$ 163,340	\$ -
Special Education, Supp., EHA, Part B	4,750,405	3,671,359	(1,079,046)	4,312,985
Vocational Education	114,145	89,845	(24,300)	114,145
ESSIA Chapter 1 - Disadvantaged	4,430,372	4,055,438	(374,934)	3,584,360
Limited English Proficiency	550,949	486,975	(63,974)	253,578
Elementary and Secondary School Relief Fund	-	8,882,882	8,882,882	1,149,741
Child Care	-	192,000	192,000	88,474
Other Community Services	130,000	0	(130,000)	1,005,345
School Food Services	4,571,681	7,067,888	2,496,207	2,932,872
Direct Special Purpose Grants	70,000	83,117	13,117	73,575
Federal Grants Thru Other Agencies	210,600	546,860	336,260	152,389
USDA Commodities	594,264	696,788	102,524	825,547
<b>Total</b>	<b>15,422,416</b>	<b>25,936,492</b>	<b>10,514,076</b>	<b>14,493,011</b>
<b>7000 Revenue Other School Districts</b>				
Skill Center	-	\$0	\$0	94,190
<b>Total</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>94,190</b>
<b>8000 Revenue Other Entities</b>				
Governmental Entities	\$389,000	\$314,008	(\$74,992)	\$415,225
Child Care	2,189,530	2,245,120	55,590	2,191,730
Private Foundations	180,000	128,487	(51,513)	129,360
<b>Total</b>	<b>2,758,530</b>	<b>2,687,615</b>	<b>(70,915)</b>	<b>2,736,315</b>
<b>9000 Other Financing Sources</b>				
Sale of Equipment	-	4,400	4,400	-
Transfers	3,050,000	3,050,000	-	2,650,000
<b>Total</b>	<b>3,050,000</b>	<b>3,054,400</b>	<b>4,400</b>	<b>2,650,000</b>
<b>TOTAL REVENUES AND</b>				

**EVERETT PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY PROGRAM**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

<b>PROGRAM</b>	<b>2021 BUDGET</b>	<b>2021 ACTUAL</b>	<b>VARIANCE</b>	<b>% SPENT</b>
Basic Instruction	\$202,553,435	\$185,593,519	\$16,959,916	91.6%
GEER/ESSER	\$0	\$6,679,666	(\$6,679,666)	*
Special Education, Basic, State	47,650,365	44,400,903	3,249,462	93.2%
Special Education, Supplemental, Federal	4,619,610	3,560,007	1,059,603	77.1%
Vocational, Basic, State	17,673,459	15,500,875	2,172,584	87.7%
Vocational, Federal	110,412	86,907	23,505	78.7%
Disadvantaged, Federal	3,537,205	3,222,220	314,985	91.1%
School Improvement, Federal	748,315	700,625	47,690	93.6%
Learning Assistance, State	7,990,263	7,367,771	622,492	92.2%
Special and Pilot Programs, State	2,302,787	2,461,624	(158,837)	106.9%
Limited English Proficiency, Federal	532,935	471,054	61,881	88.4%
Transitional Bilingual, State	5,214,452	5,153,977	60,475	98.8%
Compensatory, Other	129,138	83,998	45,140	65.0%
Summer School	428,000	470,497	(42,497)	109.9%
Highly Capable	620,532	608,351	12,181	98.0%
Instructional Programs, Other	1,624,624	1,553,247	71,377	95.6%
Child Care	2,504,984	2,480,685	24,299	99.0%
Other Community Services	655,656	493,415	162,241	75.3%
District Wide Support	37,499,220	34,604,966	2,894,254	92.3%
Food Services	7,963,278	6,809,224	1,154,054	85.5%
Pupil Transportation	13,884,497	7,157,964	6,726,533	51.6%
<b>TOTAL EXPENDITURES</b>	<b><u>\$358,243,167</u></b>	<b><u>\$329,461,498</u></b>	<b><u>\$28,781,669</u></b>	<b>92.0%</b>

**EVERETT PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES BY ACTIVITY  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

<b>ACTIVITY</b>	<b>2021 BUDGET</b>	<b>2021 ACTUAL</b>	<b>VARIANCE</b>	<b>% SPENT</b>
<b><u>Administration</u></b>				
Board of Directors	\$994,357	\$993,248	\$1,109	99.9%
Superintendent's Office	692,450	790,979	(98,529)	114.2%
Business Office	3,077,172	2,859,333	217,839	92.9%
Human Resources	2,851,141	3,112,502	(261,361)	109.2%
Public Relations	737,163	844,167	(107,004)	114.5%
<b>Total</b>	<b><u>8,352,283</u></b>	<b><u>8,600,229</u></b>	<b><u>(247,946)</u></b>	<b>103.0%</b>
<b><u>Instruction</u></b>				
Supervision	8,707,867	8,967,798	(259,931)	103.0%
Learning Resources	3,639,737	3,626,163	13,574	99.6%
Principals	19,917,193	20,488,149	(570,956)	102.9%
Guidance/Counseling	10,900,047	10,715,127	184,920	98.3%
Pupil Mgmt. & Safety	5,986,375	5,122,244	864,131	85.6%
Health/Related Services	18,673,541	17,082,273	1,591,268	91.5%
Teaching	210,354,007	197,769,016	12,584,991	94.0%
Extracurricular	4,810,028	2,664,498	2,145,530	55.4%
Payments to Other Districts	225,000	387,755	(162,755)	172.3%
Instructional Professional Development	8,222,174	6,693,177	1,528,997	81.4%
Instructional Technology	1,975,868	2,473,122	(497,254)	125.2%
Curriculum	3,448,039	2,641,108	806,931	76.6%
Professional Learning	2,336,080	2,078,693	257,387	89.0%
<b>Total</b>	<b><u>299,195,956</u></b>	<b><u>280,709,122</u></b>	<b><u>18,486,834</u></b>	<b>93.8%</b>
<b><u>Nutrition Services</u></b>				
Supervision	689,689	610,461	79,228	88.5%
Food	3,144,996	2,722,084	422,912	86.6%
Operations	4,446,775	3,573,318	873,457	80.4%
Transfers	(175,000)	(1,310)	(173,690)	0.7%
<b>Total</b>	<b><u>8,106,460</u></b>	<b><u>6,904,553</u></b>	<b><u>1,201,907</u></b>	<b>85.2%</b>

<b>ACTIVITY</b>	<b>2021 BUDGET</b>	<b>2021 ACTUAL</b>	<b>VARIANCE</b>	<b>% SPENT</b>
<b><u>Pupil Transportation</u></b>				
Supervision	\$516,158	\$604,203	(\$88,045)	117.1%
Operations	13,342,585	6,274,140	7,068,445	47.0%
Maintenance	80,000	595,435	(515,435)	744.3%
Insurance	39,726	138,558	(98,832)	348.8%
Transfers	(600,000)	(596,100)	(3,900)	99.4%
<b>Total</b>	<b><u>13,378,469</u></b>	<b><u>7,016,237</u></b>	<b><u>6,362,232</u></b>	<b>52.4%</b>
<b><u>Maintenance &amp; Operation</u></b>				
Supervision	1,192,129	1,296,306	(104,177)	108.7%
Grounds Maintenance	1,801,730	1,415,774	385,956	78.6%
Operation of Buildings	7,594,231	6,716,775	877,456	88.4%
Maintenance	4,080,918	4,009,201	71,717	98.2%
Utilities	5,412,381	4,217,805	1,194,576	77.9%
Building & Property Security	584,961	575,363	9,598	98.4%
Insurance	2,243,870	2,145,905	97,965	95.6%
<b>Total</b>	<b><u>22,910,220</u></b>	<b><u>20,377,129</u></b>	<b><u>2,533,091</u></b>	<b>88.9%</b>
<b><u>Other Services</u></b>				
Information Systems	5,610,011	5,148,815	461,196	91.8%
Printing	27,500	3,166	24,334	11.5%
Warehouse/Distribution	246,653	194,440	52,213	78.8%
Motor Pool	405,615	430,843	(25,228)	106.2%
Public Activities	10,000	76,964	(66,964)	769.6%
<b>Total</b>	<b><u>6,299,779</u></b>	<b><u>5,854,228</u></b>	<b><u>445,551</u></b>	<b>92.9%</b>
<b>TOTAL EXPENDITURES</b>	<b><u>\$358,243,167</u></b>	<b><u>\$329,461,498</u></b>	<b><u>\$28,781,669</u></b>	<b>92.0%</b>

**EVERETT PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES BY OBJECT  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

<b>OBJECT</b>	<b>2021 BUDGET</b>	<b>2021 ACTUAL</b>	<b>VARIANCE</b>	<b>% SPENT</b>
Debit Transfers	\$1,051,000	\$789,022	\$261,978	75.1%
Credit Transfers	(1,051,000)	(789,022)	(261,978)	75.1%
Certificated Salaries	170,688,185	163,878,790	6,809,395	96.0%
Classified Salaries	53,124,200	46,059,716	7,064,484	86.7%
Employee Benefits	84,090,475	79,311,412	4,779,063	94.3%
Supplies & Materials	13,536,810	10,886,049	2,650,761	80.4%
Contractual Services	35,415,247	28,925,682	6,489,565	81.7%
Travel	290,268	22,261	268,007	7.7%
Capital Outlay	<u>1,097,982</u>	<u>377,579</u>	<u>720,403</u>	34.4%
<b>TOTAL EXPENDITURES</b>	<b><u>\$358,243,167</u></b>	<b><u>\$329,461,488</u></b>	<b><u>\$28,781,679</u></b>	<b>92.0%</b>

**EVERETT PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
(ASSOCIATED STUDENT BODY FUND)  
COMPARATIVE BALANCE SHEET  
AUGUST 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$1,300,338	\$1,410,513
Due from Other Funds	6,434	8,578
Accounts Receivable	4,782	1,361
Inventories - Supplies	0	2,462
Prepaid Items	11,001	237,868
	<u>11,001</u>	<u>237,868</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$1,322,555</u></u></b>	<b><u><u>\$1,660,782</u></u></b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts Payable	\$115,252	\$81,770
Due to Other Funds	727	50,370
Unearned Revenues	64,540	208,737
	<u>64,540</u>	<u>208,737</u>
Total Liabilities	<u>180,520</u>	<u>340,877</u>
Fund Balance:		
Nonspendable Inventories and Prepaid Items	11,001	240,330
Restricted for Associated Student Body Fund Purposes	1,131,034	1,079,575
	<u>1,131,034</u>	<u>1,079,575</u>
Total Fund Balance	<u>1,142,035</u>	<u>1,319,905</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u><u>\$1,322,555</u></u></b>	<b><u><u>\$1,660,782</u></u></b>

**EVERETT PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
(ASSOCIATED STUDENT BODY FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021  
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2020)**

	2021			2020
	BUDGET	ACTUAL	VARIANCE	ACTUAL
<b>REVENUES</b>				
General	\$1,255,267	\$207,857	(\$1,047,410)	\$651,600
Athletics	418,335	17,900	(400,435)	300,319
Classes	66,350	5,190	(61,160)	16,816
Clubs	888,834	125,420	(763,414)	274,614
Private Monies	91,830	19,389	(72,441)	45,136
<b>TOTAL REVENUES</b>	<b>2,720,616</b>	<b>375,756</b>	<b>(2,344,860)</b>	<b>1,288,485</b>
<b>EXPENDITURES</b>				
General	1,134,995	252,938	882,057	395,223
Athletics	607,181	95,039	512,142	420,464
Classes	78,962	27,840	51,122	15,214
Clubs	1,010,250	157,675	852,575	328,204
Private Monies	92,230	20,134	72,096	35,159
<b>TOTAL EXPENDITURES</b>	<b>2,923,618</b>	<b>553,626</b>	<b>2,369,992</b>	<b>1,194,264</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(\$203,002)</b>	<b>(177,870)</b>	<b>\$25,132</b>	<b>\$94,221</b>
<b>FUND BALANCE -- September 1, 2020</b>		1,319,905		
<b>FUND BALANCE -- August 31, 2021</b>		<b>\$1,142,035</b>		

**EVERETT PUBLIC SCHOOLS  
DEBT SERVICE FUND  
COMPARATIVE BALANCE SHEET  
AUGUST 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$20,668,047	\$31,880,892
Property Taxes Receivable	15,148,034	27,326,202
<b>TOTAL ASSETS</b>	<b>\$35,816,081</b>	<b>\$59,207,094</b>
<b>DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Deferred Inflows of Resources:		
Unavailable Revenue - Property Taxes	\$14,549,348	\$26,076,475
Total Deferred Inflows of Resources	14,549,348	26,076,475
Fund Balance:		
Restricted for Debt Service Fund Purposes	21,266,733	33,130,619
Total Fund Balance	21,266,733	33,130,619
<b>TOTAL DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$35,816,081</b>	<b>\$59,207,094</b>

**EVERETT PUBLIC SCHOOLS**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2020)**

	2021			2020
	BUDGET	ACTUAL	VARIANCE	ACTUAL
<b>REVENUES</b>				
Local Taxes	\$53,337,000	\$42,675,255	(\$10,661,745)	\$58,841,665
Local Non-Tax	250,000	26,021	(223,979)	262,635
Federal, General Purpose	-	-	-	-
<b>TOTAL REVENUES</b>	<b>53,587,000</b>	<b>42,701,276</b>	<b>(10,885,724)</b>	<b>59,104,300</b>
<b>EXPENDITURES</b>				
Bonds Matured	49,595,438	48,265,000	1,330,438	51,810,000
Bond Interest Matured	7,728,973	6,298,536	1,430,438	8,654,110
Bond Transfer Fees	10,000	1,627	8,373	2,328
Bond Issuance Fees	800,000	-	800,000	-
<b>TOTAL EXPENDITURES</b>	<b>58,134,411</b>	<b>54,565,162</b>	<b>3,569,249</b>	<b>60,466,438</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(4,547,411)</b>	<b>(11,863,886)</b>	<b>(14,454,973)</b>	<b>(1,362,138)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other Financing Sources	3,000,000	0	(3,000,000)	8,250
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,000,000</b>	<b>0</b>	<b>(3,000,000)</b>	<b>8,250</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/OTH FIN USES</b>	<b>(\$1,547,411)</b>	<b>(11,863,886)</b>	<b>(\$17,454,973)</b>	<b>(\$1,353,888)</b>
<b>FUND BALANCE -- September 1, 2020</b>		33,130,619		
<b>FUND BALANCE -- August 31, 2021</b>		<b>\$21,266,733</b>		

**EVERETT PUBLIC SCHOOLS  
CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET  
AUGUST 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$38,632,890	\$47,749,198
Due from Other Governmental Units	1,120,608	85,402
Inventory	4,443,161	2,080,490
Accounts Receivable	11,756	39,345
Property Taxes Receivables	<u>6,197,984</u>	<u>6,219,153</u>
<b>TOTAL ASSETS</b>	<b><u>\$50,406,399</u></b>	<b><u>\$56,173,588</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Accounts Payable	\$1,013,848	\$3,359,816
Due to Other Funds	404,279	386,117
Unearned Revenue	<u>3,431</u>	<u>3,430</u>
Total Liabilities	<u>1,421,558</u>	<u>3,749,363</u>
Deferred Inflows of Resources:		
Unavailable Revenue	0	31,304
Unavailable Revenue - Property Taxes	<u>5,948,274</u>	<u>5,934,375</u>
Total Deferred Inflows of Resources	<u>5,948,274</u>	<u>5,965,679</u>
Fund Balance:		
Nonspendable Inventories and Prepaid Items	4,443,161	2,080,490
Restricted for Bond Proceeds	1,614,602	14,066,117
Restricted for State Proceeds	22,536,794	14,544,273
Restricted for Impact Fee Proceeds	5,265,042	3,015,291
Restricted for Mitigation Fee Proceeds	447,707	306,134
Committed Levy Proceeds	6,374,402	10,316,372
Committed Fund Balance	75,165	125,601
Assigned to Fund Purposes	<u>2,279,694</u>	<u>2,004,268</u>
Total Fund Balance	<u>43,036,567</u>	<u>46,458,546</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b><u>\$50,406,399</u></b>	<b><u>\$56,173,588</u></b>

**EVERETT PUBLIC SCHOOLS**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2020)**

	2021			2020
	BUDGET	ACTUAL	VARIANCE	ACTUAL
<b>REVENUES</b>				
Local	\$13,983,864	\$15,776,127	\$1,792,263	\$16,357,748
State	7,502,894	9,117,282	1,614,388	12,352,205
Other Agencies	-	36,410	36,410	353
<b>TOTAL REVENUES</b>	<b>21,486,758</b>	<b>24,929,819</b>	<b>3,443,061</b>	<b>28,710,306</b>
<b>EXPENDITURES</b>				
Sites	11,850,000	470,009	11,379,991	1,879,511
Buildings	23,505,195	13,999,850	9,505,345	36,986,877
Equipment	14,121,683	5,888,021	8,233,662	3,804,505
Instructional Technology	3,502,654	4,937,819	(1,435,165)	5,620,759
Sales and Lease	20,000	6,099	13,901	8,846
Bond Interest and Other Charges	300,000	0	300,000	(6,017)
<b>TOTAL EXPENDITURES</b>	<b>53,299,532</b>	<b>25,301,798</b>	<b>27,997,734</b>	<b>48,294,481</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(31,812,774)</b>	<b>(371,979)</b>	<b>31,440,795</b>	<b>(19,584,175)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Sales & Refunding Bond Sales	50,000,000	-	(50,000,000)	-
Transfers	(3,050,000)	(3,050,000)	-	(2,650,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>46,950,000</b>	<b>(3,050,000)</b>	<b>(50,000,000)</b>	<b>(2,650,000)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES</b>	<b>\$15,137,226</b>	<b>(3,421,979)</b>	<b>(\$18,559,205)</b>	<b>(\$22,234,175)</b>
<b>FUND BALANCE -- September 1, 2020</b>		46,458,546		
<b>FUND BALANCE -- August 31, 2021</b>		<b>\$43,036,567</b>		

**EVERETT PUBLIC SCHOOLS  
TRANSPORTATION VEHICLE FUND  
COMPARATIVE BALANCE SHEET  
AUGUST 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash & Cash Equivalents	<u>\$165,730</u>	<u>\$316,528</u>
<b>TOTAL ASSETS</b>	<b><u>\$165,730</u></b>	<b><u>\$316,528</u></b>
<b>FUND BALANCE</b>		
Fund Balance:		
Restricted for Transportation Vehicle Fund Purposes	<u>\$165,730</u>	<u>\$316,528</u>
Total Fund Balance	<u>165,730</u>	<u>316,528</u>
<b>TOTAL FUND BALANCE</b>	<b><u>\$165,730</u></b>	<b><u>\$316,528</u></b>

**EVERETT PUBLIC SCHOOLS**  
**TRANSPORTATION VEHICLE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**  
**(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2020)**

	2021			2020
	BUDGET	ACTUAL	VARIANCE	ACTUAL
<b>REVENUES</b>				
Local Non-Tax	\$3,000	\$227	(\$2,773)	\$3,430
State, Special Purpose	118,000	138,124	20,124	107,008
Other Finance Sources	-	0	0	273
<b>TOTAL REVENUES</b>	<b><u>121,000</u></b>	<b><u>138,352</u></b>	<b><u>17,352</u></b>	<b><u>110,711</u></b>
<b>EXPENDITURES</b>				
Transportation Equipment	319,500	289,150	30,350	-
<b>TOTAL EXPENDITURES</b>	<b><u>319,500</u></b>	<b><u>289,150</u></b>	<b><u>30,350</u></b>	<b><u>-</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(\$198,500)</b>	<b>(150,798)</b>	<b>\$47,702</b>	<b>110,711</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b><u>(\$198,500)</u></b>	<b><u>(150,798)</u></b>	<b><u>\$47,702</u></b>	<b><u>\$110,711</u></b>
<b>FUND BALANCE -- September 1, 2020</b>		<b><u>316,528</u></b>		
<b>FUND BALANCE -- August 31, 2021</b>		<b><u>\$165,730</u></b>		

**EVERETT PUBLIC SCHOOLS**  
**SCHEDULE OF CHANGES IN LONG-TERM LIABILITIES**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

	<b>BALANCE</b> <b>09/01/20</b>	<b>CHANGES</b>		<b>BALANCE</b> <b>08/31/21</b>
		<b>ADDITIONS</b>	<b>DEDUCTIONS</b>	
General Obligation Bonds Payable	\$181,580,000	\$ -	\$48,265,000	\$133,315,000
Unamortized Bond Premium	11,146,276	-	2,044,936	9,101,340
Net Pension Liability	103,647,955		85,665,225	17,982,730
Total OPEB Liability	110,186,719	9,821,231	9,829,945	110,178,005
Vacation Leave Payable	2,059,489	4,822,465	4,850,748	2,031,206
Sick Leave Payable	5,614,297	1,566,565	1,562,312	5,618,549
<b>TOTAL LONG-TERM LIABILITIES PAYABLE</b>	<b><u>\$414,234,736</u></b>	<b><u>\$16,210,261</u></b>	<b><u>\$152,218,166</u></b>	<b><u>\$278,226,831</u></b>

EVERETT PUBLIC SCHOOLS  
STANDING GENERAL OBLIGATION INDEBTEDN  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

FISCAL YEAR	OCTOBER 6, 2009		OCTOBER 30, 2013		APRIL 28, 2014		DECEMBER 6, 2016	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
21/22		198,873			23,550,000	531,525		1,224,313
22/23		198,873						1,224,313
23/24	\$17,445,000	99,437						1,224,313
24/25							965,000	1,213,456
25/26							1,400,000	1,177,600
26/27							2,050,000	1,111,600
27/28							1,350,000	1,043,600
28/29							1,700,000	982,600
29/30							2,020,000	908,200
30/31							2,400,000	819,800
31/32							2,290,000	726,000
32/33							2,700,000	626,200
33/34							3,140,000	509,400
34/35							3,610,000	374,400
35/36							3,520,000	231,800
36/37							4,035,000	80,700
37/38								
<b>TOTAL</b>	<b>\$17,445,000</b>	<b>\$497,183</b>	<b>\$0</b>	<b>\$0</b>	<b>\$23,550,000</b>	<b>\$531,525</b>	<b>\$ 31,180,000</b>	<b>\$13,478,294</b>

SEPTEMBER 26, 2018		JUNE 5, 2019		JUNE 5, 2019		TOTAL		TOTAL
PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
	1,011,000		1,146,750	1,845,000	521,100	25,395,000	4,633,561	30,028,561
	1,011,000	2,975,000	1,072,375	16,140,000	242,100	19,115,000	3,748,661	22,863,661
	1,011,000		998,000			17,445,000	3,332,749	20,777,749
	1,011,000	1,110,000	970,250			2,075,000	3,194,706	5,269,706
	1,011,000	1,400,000	907,500			2,800,000	3,096,100	5,896,100
	1,011,000	1,540,000	834,000			3,590,000	2,956,600	6,546,600
	1,011,000	1,585,000	755,875			2,935,000	2,810,475	5,745,475
	1,011,000	2,070,000	664,500			3,770,000	2,658,100	6,428,100
	1,011,000	2,650,000	546,500			4,670,000	2,465,700	7,135,700
	1,011,000	3,235,000	399,375			5,635,000	2,230,175	7,865,175
	1,011,000	2,875,000	246,625			5,165,000	1,983,625	7,148,625
	1,011,000	3,495,000	87,375			6,195,000	1,724,575	7,919,575
4,000,000	911,000					7,140,000	1,420,400	8,560,400
4,000,000	711,000					7,610,000	1,085,400	8,695,400
4,000,000	511,000					7,520,000	742,800	8,262,800
4,000,000	311,000					8,035,000	391,700	8,426,700
4,220,000	105,500					4,220,000	105,500	4,325,500
<b>\$20,220,000</b>	<b>\$14,681,500</b>	<b>\$22,935,000</b>	<b>\$8,629,125</b>	<b>\$17,985,000</b>	<b>\$763,200</b>	<b>\$133,315,000</b>	<b>\$38,580,825</b>	<b>\$171,895,825</b>

# SECTION III

# STATISTICAL

**FINANCIAL TRENDS** ~ These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

- I** Net Position by Component
- II** Changes in Net Position
- III** Fund Balances ~ Governmental Funds
- IV** Changes in Fund Balance ~ Governmental Funds

**REVENUE CAPACITY** ~ These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

- V** Assessed and Estimated Actual Value of Taxable Property
- VI** Direct and Overlapping Property Tax Rates
- VII** Principal Taxpayers
- VIII** Governmental Funds ~ Property Tax Levies and Collections

**DEBT CAPACITY** ~ These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

- IX** Ratios of Net General Bonded Debt
- X** Ratios of General Bonded Debt Outstanding
- XI** Direct and Overlapping Net Bonded Debt
- XII** Legal Debt Margin Information
- XIII** Pledged-Revenue Coverage

**DEMOGRAPHIC AND ECONOMIC INFORMATION** ~ These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

- XIV** Demographic and Economic Statistics
- XV** Principal Employers In Snohomish County

**OPERATING INFORMATION** ~ These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

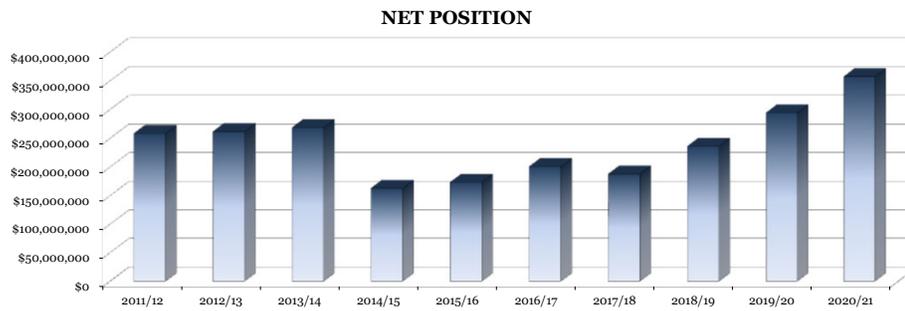
- XVI** Full-Time Equivalent Employees by Program/Activity
- XVII** Operating Statistics
- XVIII** School Building Information
- XVIV** Certificated Employee Information by Program



**EVERETT PUBLIC SCHOOLS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>Governmental Activities</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Net Investment in Capital Assets	\$184,148,951	\$208,604,969	\$206,221,932	\$229,884,105	\$237,315,029	\$245,424,439	\$263,670,354	\$277,489,783	\$318,856,478	\$354,521,682
Restricted for:										
Capital Projects	30,359,927	18,563,165	16,875,612	16,802,082	23,095,534	28,524,617	21,974,362	27,553,467	36,679,621	42,938,047
Debt Service	9,947,142	7,030,116	9,335,362	7,879,249	21,055,604	28,479,888	37,516,915	62,697,307	59,207,094	35,816,081
Transportation Vehicles				90,399	221,358	144,338	123,601	205,817	316,528	165,730
Net Pension Assets	7,998,528	7,961,764	6,080,610	5,815,200						14,025,685
ASB Activities	1,676,164	1,644,824	1,621,733	1,534,634	1,628,317	1,366,627	1,255,978	1,175,784	1,079,575	1,131,034
Carryover Restricted Revenues for Ed and Ops	1,144,761	1,289,916	1,438,510	1,671,997	1,601,513	1,680,570	2,782,207	6,309,231	3,060,554	2,811,451
Uninsured Risks (Workers Comp Required Surety)	345,578	150,000	125,000	125,000						
Unrestricted	22,654,594	16,222,054	26,600,671	(101,021,887)	(111,844,567)	(104,957,814)	(139,658,999)	(139,578,234)	(124,865,016)	(94,229,759)
<b>Total Governmental Activities Net Position</b>	<b>\$258,275,645</b>	<b>\$261,466,808</b>	<b>\$268,299,430</b>	<b>\$162,780,779</b>	<b>\$173,072,788</b>	<b>\$200,662,665</b>	<b>\$187,664,418</b>	<b>\$235,853,155</b>	<b>\$294,334,834</b>	<b>\$357,179,951</b>

Source Data: Everett Public Schools Financial Statements

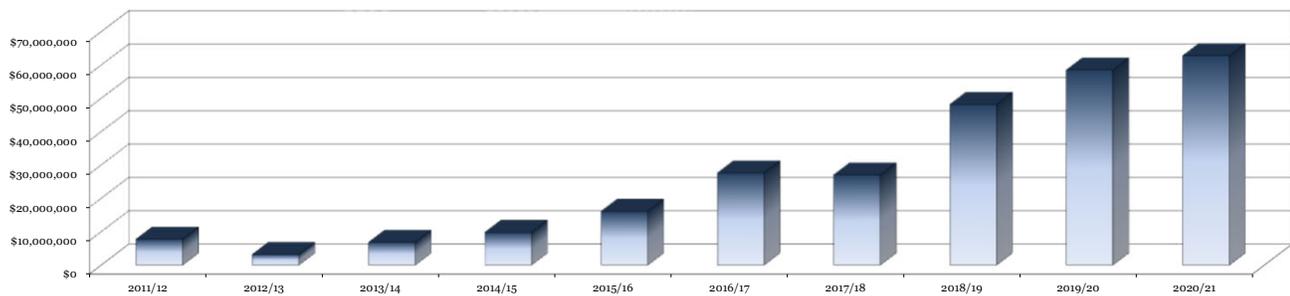


**EVERETT PUBLIC SCHOOLS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>Governmental Activities:</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Expenses</b>										
Regular Instruction	\$127,931,238	\$125,232,191	\$137,478,386	\$133,829,291	\$150,233,015	\$160,689,790	\$176,036,895	\$202,245,689	\$208,296,394	\$184,713,842
Federal Stimulus										6,124,249
Special Education	24,964,872	25,800,597	27,429,607	28,403,386	31,579,755	33,402,323	37,497,974	43,626,243	47,912,188	42,179,487
Vocational Education	5,900,056	7,302,313	7,070,190	6,940,780	8,169,374	8,630,445	9,949,166	13,663,095	15,066,381	13,661,705
Compensatory Education	9,132,007	10,486,952	10,313,448	11,253,669	12,554,646	12,862,755	14,819,528	16,721,296	18,133,537	17,179,913
Other Instruction Programs	2,605,145	2,882,752	3,504,455	4,185,018	4,021,826	3,233,359	3,641,062	2,743,493	2,351,560	2,445,248
Community Services	352,281	402,119	456,471	462,029	547,575	586,788	865,830	2,953,003	4,638,307	2,601,527
Support Services	41,073,954	40,396,661	44,166,396	44,474,180	44,373,548	47,789,705	51,219,328	54,109,142	54,271,001	48,604,291
Extracurricular Activities (ASB)	2,132,126	2,197,293	2,018,835	1,978,389	2,115,149	2,118,288	2,291,006	1,831,509	1,194,264	553,626
Interest Payment on Long-Term Debt	10,512,084	9,574,976	4,397,168	7,317,210	6,610,672	6,869,622	6,702,578	7,741,719	7,622,067	5,858,584
<b>Total Expenses</b>	<b>\$224,603,763</b>	<b>\$224,275,854</b>	<b>\$236,834,956</b>	<b>\$238,843,952</b>	<b>\$260,205,560</b>	<b>\$276,183,075</b>	<b>\$303,023,367</b>	<b>\$345,635,189</b>	<b>\$359,485,699</b>	<b>\$323,922,472</b>
<b>Program Revenues</b>										
Charges for Service:										
Regular Instruction	\$1,023,065	\$962,707	\$1,049,061	\$1,141,439	\$1,183,278	\$1,261,257	\$1,314,557	\$504,515	\$326,905	\$191,680
Special Education	358	264	18	64	58	190	3,069		15	
Vocational Education	9,134	5,959	9,629	15,142	14,734	24,444	45,831	193,132	85,290	10,498
Compensatory Education	624	628	1,000							
Other Instruction Programs	1,410,391	1,582,781	1,804,645	1,475,423	1,438,320	501,470	548,239	1,335,265	956,299	538,920
Community Services	383,646	485,985	506,898	520,687	561,861	577,205	646,251	728,807	337,211	128,249
Support Services	2,321,442	2,302,223	2,342,023	2,357,574	2,491,932	2,831,101	2,890,534	2,885,450	2,023,165	96,793
Extracurricular Activities (ASB)	1,655,713	2,165,953	1,995,744	2,010,953	2,131,027	1,860,441	2,169,267	1,766,604	1,288,485	375,757
Operating Grants and Contributions	39,040,719	41,419,914	44,611,614	49,039,497	55,072,083	58,481,564	66,263,336	82,236,925	85,342,784	88,680,575
Capital Grants and Contributions	11,848,649	4,034,492	6,766,219	1,089,544	153,023	367,778	446,083	5,392,124	12,467,566	9,291,817
<b>Total Program Revenues</b>	<b>\$57,693,741</b>	<b>\$52,960,906</b>	<b>\$59,086,851</b>	<b>\$57,650,323</b>	<b>\$63,046,316</b>	<b>\$65,905,450</b>	<b>\$74,327,167</b>	<b>\$95,042,822</b>	<b>\$102,827,720</b>	<b>\$99,314,289</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(166,910,022)	(171,314,948)	(177,748,105)	(181,193,629)	(197,159,244)	(210,277,625)	(228,696,200)	(250,592,367)	(256,657,979)	(224,608,183)
<b>Total Governmental Activities Net Expense</b>	<b>(\$166,910,022)</b>	<b>(\$171,314,948)</b>	<b>(\$177,748,105)</b>	<b>(\$181,193,629)</b>	<b>(\$197,159,244)</b>	<b>(\$210,277,625)</b>	<b>(\$228,696,200)</b>	<b>(\$250,592,367)</b>	<b>(\$256,657,979)</b>	<b>(\$224,608,183)</b>
<b>General Revenues and Special Items</b>										
Taxes:										
Property Taxes, Levies for Maintenance/Operations	\$43,786,293	\$43,021,150	\$42,681,250	\$47,693,774	\$49,379,659	\$52,929,350	\$50,823,022	\$32,516,356	\$45,150,827	\$48,913,233
Property Taxes, Levies for Debt Service	26,591,868	26,955,771	27,351,076	23,222,886	24,720,469	29,543,433	35,667,036	60,380,851	56,705,339	31,148,128
Property Taxes, Levies for Capital Projects	8,016,531	8,002,574	7,966,903	7,938,659	8,063,198	18,976,029	18,935,509	12,877,800	12,856,118	12,917,729
Unallocated State Apportionment & Others	96,149,869	96,379,816	106,489,921	112,096,609	127,618,135	135,730,435	148,752,291	190,129,313	199,047,762	194,278,654
Interest and Investment Earnings	129,522	146,800	91,577	44,213	171,952	688,255	1,521,146	2,876,784	1,379,612	127,344
<b>Total General Revenues</b>	<b>\$174,674,083</b>	<b>\$174,506,111</b>	<b>\$184,580,727</b>	<b>\$190,996,141</b>	<b>\$209,953,413</b>	<b>\$237,867,502</b>	<b>\$255,699,004</b>	<b>\$298,781,104</b>	<b>\$315,139,658</b>	<b>\$287,385,088</b>
<b>Total General Revenues and Special Items</b>	<b>\$174,674,083</b>	<b>\$174,506,111</b>	<b>\$184,580,727</b>	<b>\$190,996,141</b>	<b>\$213,266,453</b>	<b>\$237,867,502</b>	<b>\$255,699,004</b>	<b>\$298,781,104</b>	<b>\$315,139,658</b>	<b>\$287,385,088</b>
<b>Change in Governmental Activities Net Position</b>	<b>\$7,764,061</b>	<b>\$3,191,163</b>	<b>\$6,832,622</b>	<b>\$9,802,512</b>	<b>\$16,107,209</b>	<b>\$27,589,877</b>	<b>\$27,002,804</b>	<b>\$48,188,737</b>	<b>\$58,481,679</b>	<b>\$62,776,905</b>

Source Data: Everett Public Schools Financial Statements

**CHANGES IN NET POSITION**

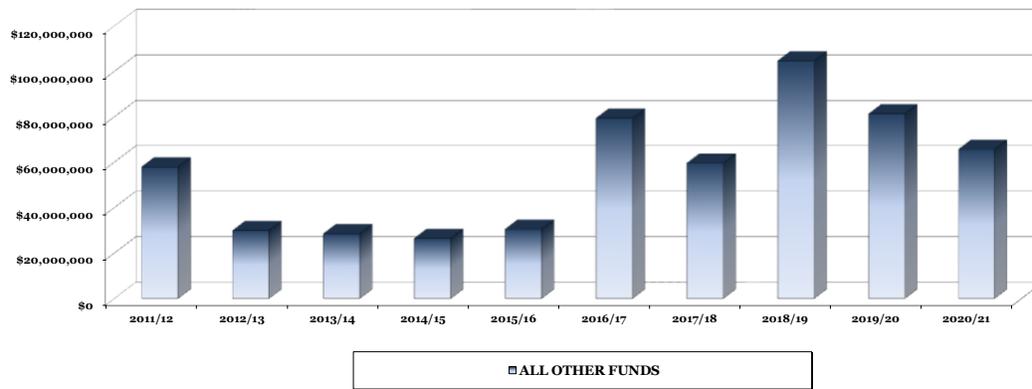


**EVERETT PUBLIC SCHOOLS  
FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Unaudited)**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>General Fund</b>										
Nonspendable Inv and Prepaid Items	\$1,052,239	\$2,016,674	\$1,833,535	\$1,127,804	\$1,683,457	\$1,689,754	\$2,794,080	\$2,102,950	\$3,095,605	\$3,758,222
Restricted	1,490,339	1,439,916	1,563,510	1,796,997	1,601,513	1,680,570	2,782,207	6,309,231	3,060,554	2,811,451
Committed	102,000	102,000	102,000	102,000	102,000	102,000	152,000	352,000	352,000	352,000
Assigned	2,576,132	257,430	571,865	825,839	812,073	561,116	1,339,413	532,278	3,069,495	1,373,381
Unassigned	6,615,391	5,809,772	5,571,954	8,557,914	16,180,879	20,871,206	18,408,970	23,786,591	27,516,756	30,881,042
<b>Total General Fund</b>	<b>\$11,836,101</b>	<b>\$9,625,792</b>	<b>\$9,642,864</b>	<b>\$12,410,554</b>	<b>\$20,388,922</b>	<b>\$24,904,646</b>	<b>\$25,476,670</b>	<b>\$33,083,050</b>	<b>\$37,094,411</b>	<b>\$39,176,096</b>
<b>All Other Governmental Funds</b>										
Nonspendable Inv and Prepaid Items	\$116,537	\$64,639	\$81,630	\$119,663	\$495,455	\$3,225,298	\$6,278,669	\$3,144,362	\$2,320,820	\$4,454,162
Restricted, reported in:										
Special Revenue Funds	1,559,627	1,580,185	1,540,103	1,534,634	1,628,317	1,366,627	1,255,978	1,175,785	1,079,575	1,131,034
Debt Service Funds	9,947,142	7,030,116	9,967,646	7,879,249	8,957,916	14,540,748	20,519,255	34,484,507	33,130,619	21,266,733
Capital Projects Funds	37,835,117	14,263,950	9,461,956	7,079,932	5,990,913	45,726,943	22,813,951	53,244,697	31,931,815	29,864,145
Transportation Vehicle Funds	281,778	316,269	193,344	90,399	221,358	144,338	123,601	205,817	316,528	165,730
Committed	322,972	348,253	1,442,123	5,271,895	5,255,745	9,736,123	7,375,503	10,332,259	10,441,973	6,449,567
Assigned	7,774,309	6,226,554	5,778,189	4,450,255	7,915,313	4,542,639	1,139,162	2,021,303	2,004,268	2,279,694
<b>Total All Other Governmental Funds</b>	<b>\$57,837,482</b>	<b>\$29,829,966</b>	<b>\$28,464,991</b>	<b>\$26,426,027</b>	<b>\$30,465,017</b>	<b>\$79,282,716</b>	<b>\$59,506,119</b>	<b>\$104,608,730</b>	<b>\$81,225,598</b>	<b>\$65,611,065</b>

Source Data: Everett Public Schools Financial Statements

**GOVERNMENTAL FUND BALANCES**



**EVERETT PUBLIC SCHOOLS  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Unaudited)**

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Revenues</b>										
Local	\$87,843,591	\$87,347,597	\$86,826,977	\$87,815,417	\$90,786,070	\$103,346,312	\$113,564,048	\$119,530,238	\$120,908,079	\$107,207,583
State	130,968,899	125,492,779	142,842,688	145,325,810	164,694,611	176,100,974	196,092,673	258,023,524	276,668,432	260,656,336
Federal	13,540,345	14,816,045	13,518,221	14,052,850	14,460,172	14,526,511	15,192,857	14,606,819	14,539,892	26,014,239
Federal Stimulus	126,715									
Miscellaneous Other		16,076	139,292	1,543,784	1,992,920	2,066,731	2,636,791	2,534,195	2,830,858	2,687,615
<b>Total Revenues</b>	<b>232,479,550</b>	<b>227,672,497</b>	<b>243,327,178</b>	<b>248,737,861</b>	<b>271,933,773</b>	<b>296,040,528</b>	<b>327,486,369</b>	<b>394,694,776</b>	<b>414,947,261</b>	<b>396,565,773</b>
<b>Expenditures</b>										
Current:										
Regular Instruction	105,631,574	106,915,866	115,739,305	119,027,292	130,584,540	142,790,589	153,237,579	176,478,447	182,862,262	185,573,079
Federal Stimulus	126,005									6,679,666
Special Education	24,288,601	25,277,485	26,665,038	28,364,943	30,953,226	33,303,504	37,782,660	44,715,601	48,416,407	47,960,911
Vocational Education	5,578,060	7,110,653	6,709,718	6,866,719	8,013,815	8,550,977	10,053,421	13,963,132	15,194,606	15,461,711
Compensatory Education	8,784,926	10,263,394	10,136,673	11,116,057	12,276,981	12,785,449	14,964,205	17,169,974	18,349,061	19,461,270
Other Instruction Programs	2,527,869	2,776,428	3,206,654	4,138,514	3,886,139	3,235,928	3,678,692	2,811,491	2,377,603	2,627,791
Community Services	348,020	395,816	443,886	446,696	537,613	584,183	873,396	3,014,247	4,625,645	2,896,444
Support Services	35,067,295	35,203,643	37,101,491	38,721,493	41,442,837	44,172,585	49,514,380	52,423,035	51,864,358	48,423,047
Student Activities	2,132,126	2,197,293	2,018,835	1,978,389	2,115,149	2,118,288	2,291,006	1,831,509	1,194,264	553,626
Capital Outlay:										
Sites	1,277,182	340,924	190,503	220,596	65,521	4,920,649	7,609,482	279,710	1,879,511	470,009
Buildings	33,270,387	30,249,145	10,463,500	5,083,619	3,823,236	11,899,560	26,428,125	77,529,365	36,986,877	13,999,850
Equipment	3,838,521	5,519,756	5,162,388	3,109,603	2,686,724	4,736,662	7,060,062	7,801,780	4,486,935	6,554,750
Instructional Technology		1,501,903	2,290,600	1,087,298	3,394,475	1,163,874	6,069,315	7,690,193	5,620,759	4,937,819
Sales and Lease	5,868,388	28,165	4,667	128,461	7,544	1,918	2,587	26,663	8,846	6,099
Debt Service:										
Bond Principal	14,385,000	19,905,000	17,325,000	19,540,000	16,055,000	14,915,000	19,315,000	28,680,000	51,810,000	48,265,000
Bond Interest and Other Charges	10,927,516	10,232,836	7,855,708	8,187,346	7,402,594	7,897,919	7,825,874	8,442,623	8,656,438	6,300,162
Bond Issuance Fees and Services								610,973	(6,017)	
<b>Total Expenditures</b>	<b>254,051,470</b>	<b>257,918,307</b>	<b>245,313,966</b>	<b>248,017,116</b>	<b>263,245,394</b>	<b>293,077,085</b>	<b>346,706,684</b>	<b>443,468,743</b>	<b>434,327,555</b>	<b>410,171,234</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(21,571,920)</b>	<b>(30,245,810)</b>	<b>(1,986,788)</b>	<b>720,745</b>	<b>8,688,379</b>	<b>2,963,443</b>	<b>(19,220,315)</b>	<b>(48,773,967)</b>	<b>(19,380,294)</b>	<b>(13,605,461)</b>
<b>Other Financing Sources (Uses)</b>										
Bonds and Refunding Bond Sales			103,810,000			47,065,000		109,155,000	8,250	
Bond and Refunding Bond Sales Premium			16,136,682			3,255,805		11,020,346	-	
Refunded Bonds, Payment to Escrow Agent			(119,314,398)					(18,708,089)	-	
Sale of Real Property					3,317,040				-	
Sale of Surplus Equipment		27,985	6,601	7,981	11,939	49,175	15,742	15,701	273	4,400
Costs of Issue - Bond & Refunding Bond Sales										
Costs of Securities Escrow - Refunded Bonds										
<b>Total Other Financing Sources (Uses)</b>		<b>27,985</b>	<b>638,885</b>	<b>7,981</b>	<b>3,328,979</b>	<b>50,369,980</b>	<b>15,742</b>	<b>101,482,958</b>	<b>8,523</b>	<b>4,400</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(\$21,571,920)</b>	<b>(\$30,217,825)</b>	<b>(\$1,347,903)</b>	<b>\$728,726</b>	<b>\$12,017,358</b>	<b>\$53,333,423</b>	<b>(\$19,204,573)</b>	<b>\$52,708,991</b>	<b>(\$19,371,771)</b>	<b>(\$13,601,061)</b>
Debt Service as a Percentage of Noncapital Expenditures	11.7%	13.1%	10.8%	11.2%	11.3%	9.0%	8.9%	10.3%	15.2%	13.8%

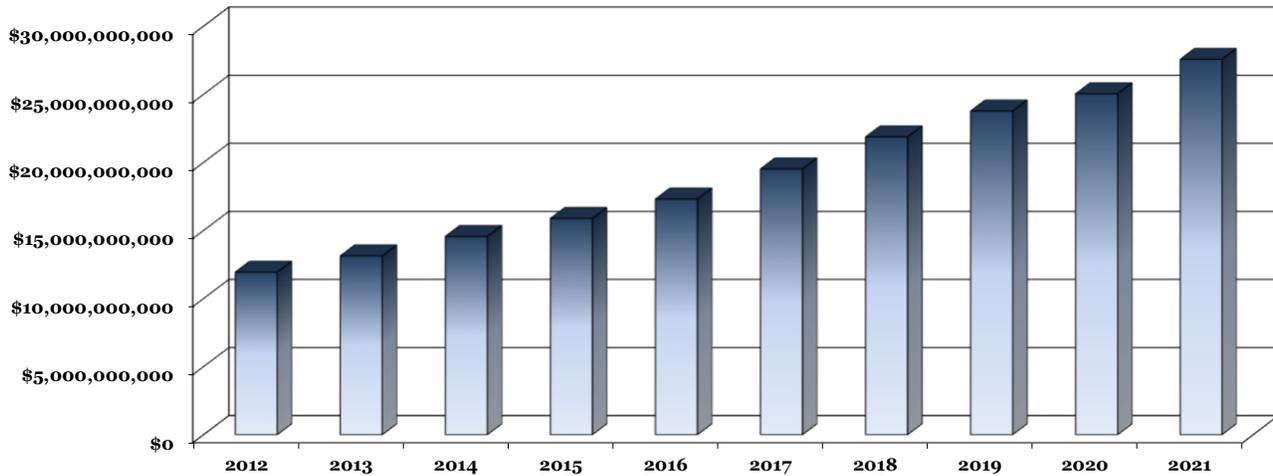
Source Data: Everett Public Schools Financial Statements

**EVERETT PUBLIC SCHOOLS  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN CALENDAR YEARS  
 (Unaudited)**

CALENDAR YEAR	REAL PROPERTY	PERSONAL PROPERTY	STATE ASSESSED UTILITY	TOTAL TAXABLE ASSESSED VALUE	TOTAL PROPERTY TAX RATE	ESTIMATED ACTUAL TAXABLE VALUE	ASSESSED VALUE AS A PERCENTAGE OF ACTUAL VALUE*
2012	11,309,376,527	410,780,095	210,564,022	11,930,720,644	6.168	11,930,720,644	100.00%
2013	12,584,022,735	356,868,007	185,766,489	13,126,657,231	6.549	13,126,657,231	100.00%
2014	14,005,401,606	353,982,649	199,618,969	14,559,003,224	5.974	14,559,003,224	100.00%
2015	15,316,092,095	349,689,052	209,529,100	15,875,310,247	5.480	15,875,310,247	100.00%
2016	16,735,866,800	361,210,084	205,699,672	17,302,776,556	5.183	17,302,776,556	100.00%
2017	18,947,168,269	382,776,588	183,699,514	19,513,644,371	5.881	19,513,644,371	100.00%
2018	21,219,745,771	445,836,763	197,332,427	21,862,914,961	5.427	21,862,914,961	100.00%
2019	23,110,480,294	465,906,466	190,997,918	23,767,384,678	4.869	23,767,384,678	100.00%
2020	24,393,365,064	465,110,723	180,230,688	25,038,706,475	4.883	25,038,706,475	100.00%
2021	26,914,050,832	460,074,184	188,559,523	27,562,684,539	3.751	27,562,684,539	100.00%

\*District Estimated Actual Value is 100% of Assessed Value  
 Source Data: Snohomish County Assessor's Office

**DISTRICT ASSESSED VALUE  
 Last Ten Calendar Years**



**EVERETT PUBLIC SCHOOLS  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN CALENDAR YEARS  
(Unaudited)**

CALENDAR YEAR	DISTRICT DIRECT RATES			OVERLAPPING RATES		
	SCHOOL SPECIAL LEVY*	SCHOOL BOND*	TOTAL DIRECT	STATE SCHOOL*	CITY EVERETT*	CITY MILL CR*
2012	2.725	3.443	6.168	2.379	3.455	2.648
2013	2.938	3.611	6.549	2.433	3.633	2.762
2014	2.096	3.878	5.974	2.384	3.431	2.555
2015	1.618	3.862	5.480	2.279	3.248	2.431
2016	1.560	3.623	5.183	2.124	3.068	2.384
2017	2.813	3.068	5.881	2.027	2.883	2.355
2018	2.810	2.617	5.427	2.848	2.604	2.135
2019	1.500	3.369	4.869	2.565	2.543	1.938
2020	1.921	2.962	4.883	2.868	2.373	1.838
2021	1.970	1.780	3.751	2.825	2.296	1.759

\*Rates are Based on Dollars per Thousand of Assessed Value

\*\* Fire District merged in 2021

Source Data: Snohomish County Assessor's Office

**OVERLAPPING RATES**

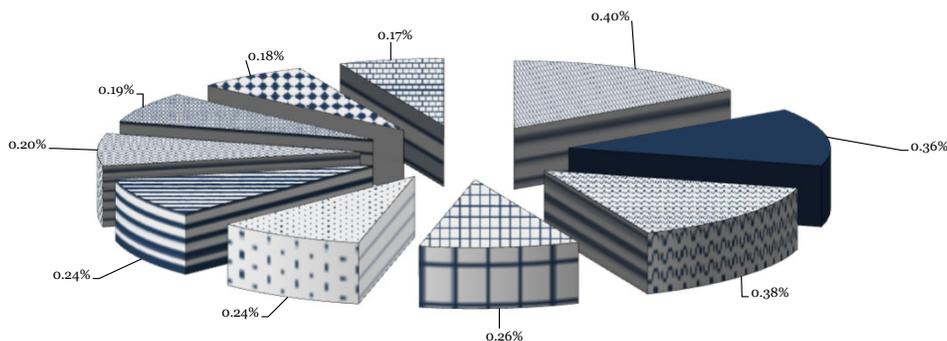
<b>COUNTY*</b>	<b>PORT*</b>	<b>HOSP 1*</b>	<b>FIRE 4*</b>	<b>FIRE 7*,**</b>	<b>FIRE 8*,**</b>
0.982	0.345	0.127	1.928	2.000	1.889
1.077	0.290	0.140	1.932	2.000	1.930
1.078	0.353	0.370	1.945	2.000	1.908
0.998	0.334	0.341	1.862	1.964	1.865
0.933	0.316	0.319	1.788	1.937	1.783
0.879	0.297	0.298	1.813	1.914	1.682
0.791	0.271	0.271	1.660	1.949	1.734
0.716	0.252	0.248	1.628	1.763	1.953
0.665	0.237	0.233	1.897	1.659	1.833
0.636	0.229	0.223	1.934	1.654	**

**EVERETT PUBLIC SCHOOLS  
PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

NAME OF TAXPAYER	2021			2012		
	ESTIMATED ASSESSED VALUATION	RANK	% OF TOTAL ASSESSED VALUATION	ESTIMATED ASSESSED VALUATION	RANK	% OF TOTAL ASSESSED VALUATION
Bailey Farm Owner LLC	\$ 111,447,598	1	0.40%			
Mill at Mill Creek LLC	103,419,000	2	0.38%			
Panos Properties LLC	99,522,100	3	0.36%			
Providence Health and Services - WA	70,822,961	4	0.26%	\$ 29,249,204	7	0.25%
Greystar	66,012,000	5	0.24%			
BRE Properties INC	65,467,000	6	0.24%			
Puget Sound Energy and Gas	55,431,496	7	0.20%			
TC Reed LLC	52,480,500	8	0.19%			
Mill Creek Apartments LP	49,990,800	9	0.18%			
AUK-Silverlake LLC	46,716,000	10	0.17%			
Frontier Communications NW				540,332,753	1	4.53%
Puget Sound Energy/Gas				199,155,587	2	1.67%
Fred Meyer				153,806,932	3	1.29%
Avalonbay Communities				147,622,583	4	1.24%
The Equitable Life Assurance				41,928,729	5	0.35%
Jefferson at Mill Creek LP				38,267,106	6	0.32%
Huntington Park Apartments				26,890,400	8	0.23%
Skotdal Mutual LLC				24,821,906	9	0.21%
Washington Brookwood Association				19,650,676	10	0.16%
<b>Total</b>	<b>\$721,309,455</b>		<b>2.62%</b>	<b>\$1,221,725,877</b>		<b>10.25%</b>

Source Data: Snohomish County Assessor's Office

**COMPARISON OF PRINCIPAL TAXPAYERS  
2021 Assessed Valuation**



■ Bailey Farm Owner LLC	■ Panos Properties LLC	■ Mill at Mill Creek LLC
■ Providence Health and Services - WA	■ Greystar	■ BRE Properties INC
■ Puget Sound Energy/Gas	■ TC Reed LLC	■ Mill Creek Apartments LP

**EVERETT PUBLIC SCHOOLS  
GOVERNMENTAL FUNDS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN CALENDAR YEARS  
(Unaudited)**

<b>CALENDAR YEAR</b>	<b>CURRENT TAX LEVY</b>	<b>TOTAL CURRENT &amp; DELINQUENT</b>	<b>CURRENT TAX COLLECTIONS</b>	<b>% CURRENT LEVY COLLECTED</b>
2012	77,619,222	80,051,462	76,753,592	98.9%
2013	77,044,441	79,454,077	76,706,964	99.6%
2014	78,123,905	80,165,556	76,810,644	98.3%
2015	78,828,906	80,504,470	78,267,315	99.3%
2016	81,492,979	83,062,574	81,031,399	99.4%
2017	101,324,420	103,063,234	100,117,551	98.8%
2018	105,830,623	105,746,514	104,293,254	98.5%
2019	106,354,201	106,327,993	104,744,901	98.5%
2020	115,738,213	115,733,355	113,796,337	98.3%
2021	93,802,582	93,790,449	92,408,138	98.5%

Source Data: Snohomish County Treasurer's Office

**PROPERTY TAX LEVIES  
Last Ten Calendar Years**

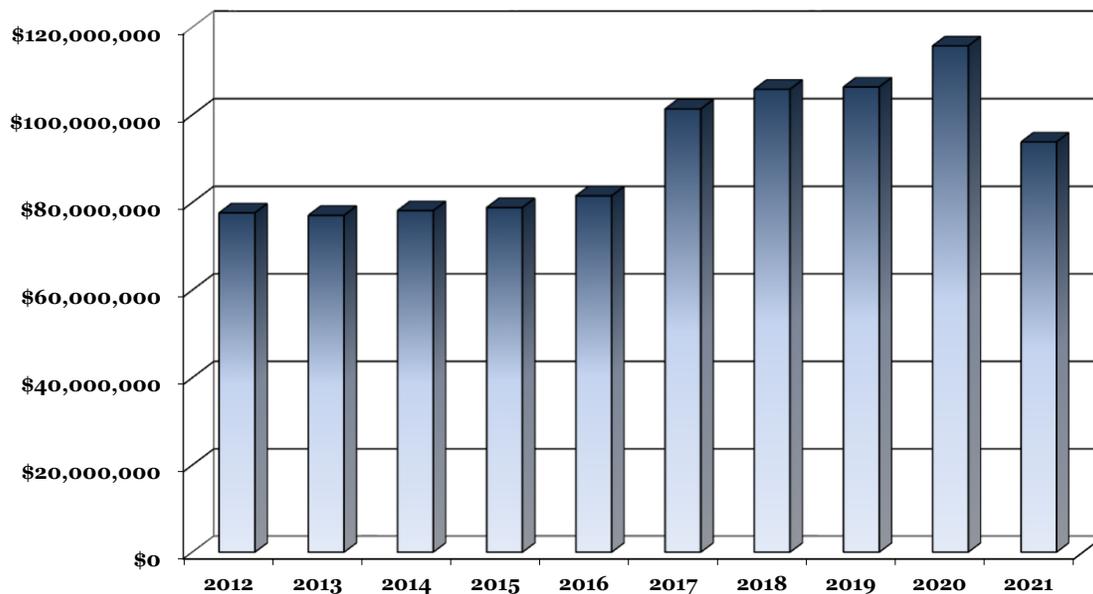
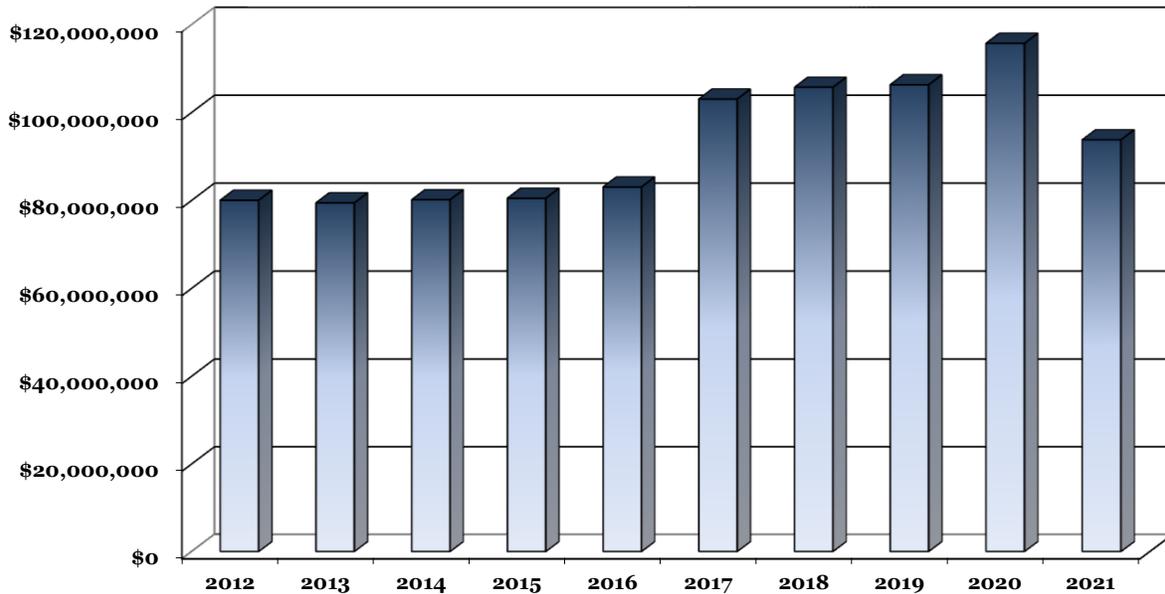


Table VIII  
(Page 2 of 2)

<b>DELINQUENT TAX COLLECTIONS</b>	<b>TOTAL TAX COLLECTIONS</b>	<b>% TAX COLL. TO CURRENT &amp; DELINQENT LEVY</b>
1,568,121	78,321,713	97.8%
1,780,852	78,487,816	98.8%
1,118,911	77,929,555	97.2%
930,828	79,198,143	98.4%
1,141,644	82,173,044	98.9%
1,086,718	101,204,269	98.2%
1,044,985	105,338,239	99.6%
1,169,603	105,914,504	99.6%
1,041,100	114,837,438	99.2%
490,353	92,898,491	99.0%

**PROPERTY TAX COLLECTIONS  
Last Ten Calendar Years**



**EVERETT PUBLIC SCHOOLS  
RATIOS OF NET GENERAL BONDED DEBT  
LAST TEN FISCAL YEARS  
(Unaudited)**

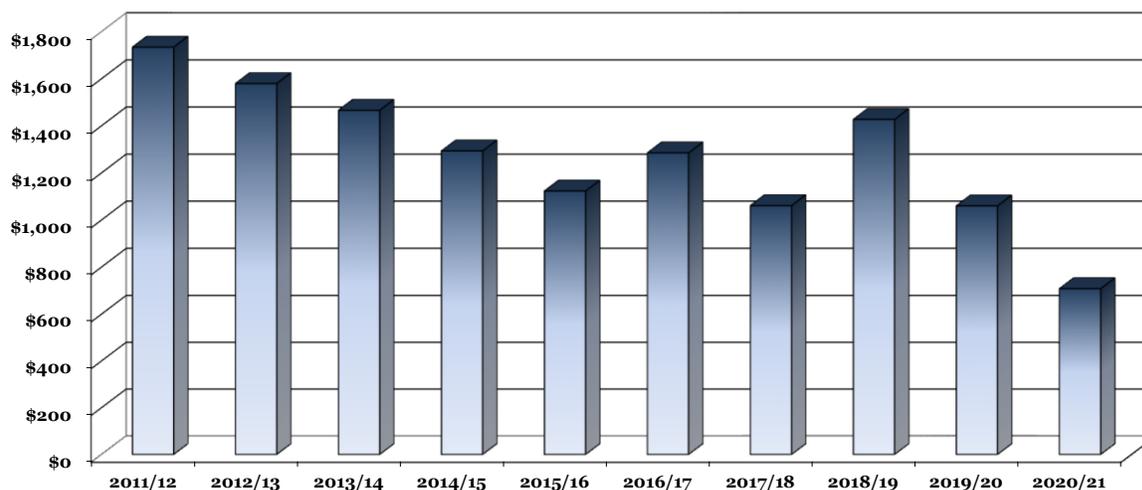
<b>FISCAL YEAR</b>	<b>ESTIMATED POPULATION</b>	<b>ASSESSED VALUE</b>	<b>GROSS BONDED DEBT*</b>	<b>LESS AVAILABLE DEBT SERVICE FUNDS**</b>	<b>NET BONDED DEBT</b>	<b>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</b>	<b>NET BONDED DEBT PER CAPITA</b>
2011/12	131,214	11,930,720,644	237,416,335	9,947,142	227,469,193	1.91%	1,734
2012/13	132,626	13,126,657,231	216,446,319	7,030,116	209,416,203	1.60%	1,579
2013/14	135,944	14,559,003,224	209,186,504	9,967,646	199,218,858	1.37%	1,465
2014/15	138,386	15,875,310,247	186,775,872	7,879,249	178,896,623	1.13%	1,293
2015/16	141,599	17,302,776,556	167,928,454	8,957,916	158,970,538	0.92%	1,123
2016/17	144,602	19,513,644,371	200,305,466	14,540,748	185,764,718	0.95%	1,285
2017/18	148,340	21,862,914,961	177,880,424	20,519,255	157,361,169	0.72%	1,061
2018/19	149,372	23,767,384,678	247,612,148	34,484,507	213,127,641	0.90%	1,427
2019/20	150,604	25,038,706,475	192,726,275	33,130,619	159,595,656	0.64%	1,060
2020/21	150,604	27,562,684,539	142,416,340	35,816,081	106,600,259	0.39%	708

\*Gross Bonded Debt Includes Principal and Unamortized Bond Premium

\*\*Resources Restricted to Repayment of the Principal of General Bonded Debt

Source Data: Snohomish County Assessor's Office and Economic Development Council

**DISTRICT NET BONDED DEBT PER CAPITA  
Last Ten Fiscal Years**

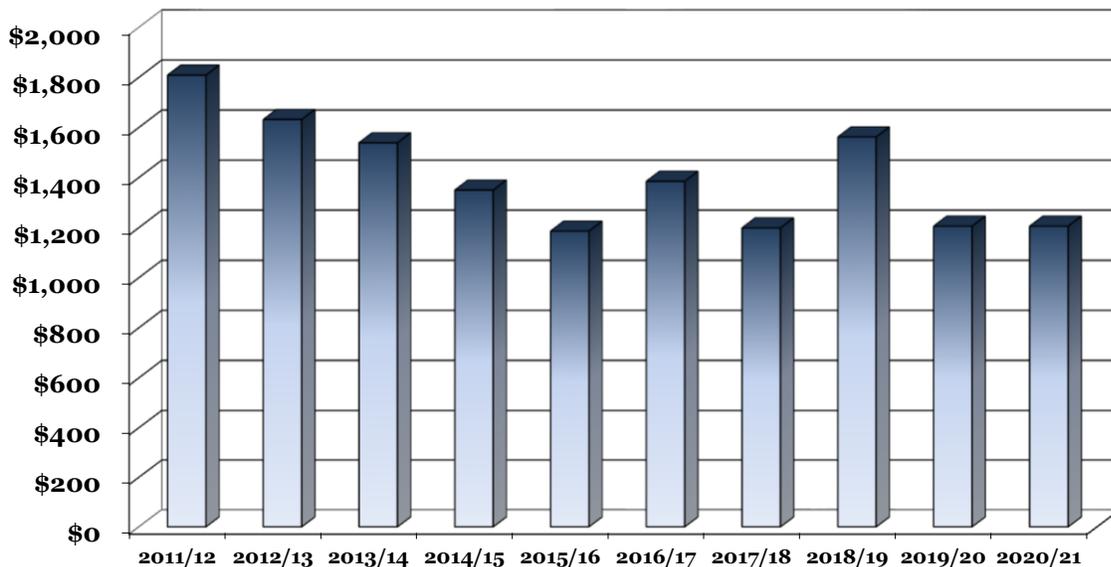


**EVERETT PUBLIC SCHOOLS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>FISCAL YEAR</b>	<b>GENERAL OBLIGATION BONDS OUTSTANDING</b>	<b>PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY</b>	<b>ESTIMATED POPULATION</b>	<b>PERSONAL INCOME</b>	<b>PERCENTAGE OF PERSONAL INCOME TO OUTSTANDING DEBT*</b>	<b>GENERAL BONDED DEBT PER CAPITA</b>
2011/12	237,416,335	1.99%	131,214	8,225,412	3.46%	1,809
2012/13	216,446,319	1.65%	132,626	8,492,441	3.92%	1,632
2013/14	209,186,504	1.44%	135,944	8,969,721	4.29%	1,539
2014/15	186,775,872	1.18%	138,386	9,057,917	4.85%	1,350
2015/16	167,928,454	0.97%	141,599	10,066,556	5.99%	1,186
2016/17	200,305,466	1.03%	144,602	11,276,787	5.63%	1,385
2017/18	177,880,424	0.81%	148,340	12,131,097	6.82%	1,199
2018/19	247,612,148	1.13%	149,372	12,910,969	5.21%	1,658
2019/20	192,726,276	0.88%	150,604	13,319,739	6.91%	1,280
2020/21	142,416,340	0.65%	150,604	13,629,210	9.57%	946

Source Data: Everett Public Schools Financial Statements and Snohomish County Planning Department

**GENERAL BONDED DEBT PER CAPITA  
Last Ten Fiscal Years**



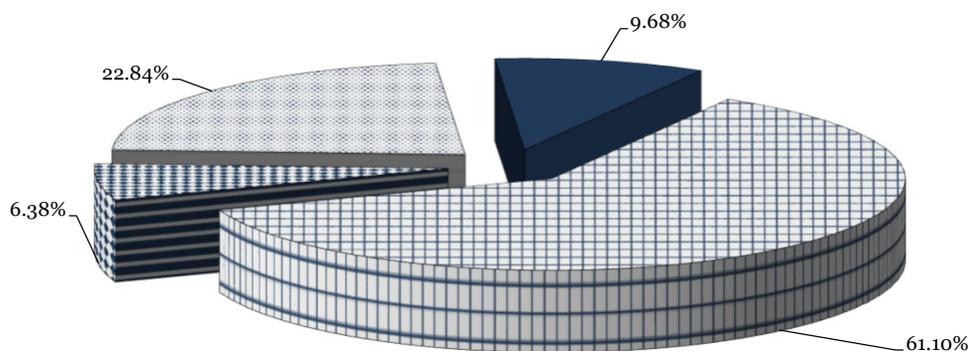
**EVERETT PUBLIC SCHOOLS  
DIRECT AND OVERLAPPING NET BONDED DEBT  
AUGUST 31, 2021  
(Unaudited)**

<u>JURISDICTION</u>	<u>GENERAL OBLIGATION BONDED DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE TO EVERETT PUBLIC SCHOOLS*</u>	<u>AMOUNT APPLICABLE TO EVERETT PUBLIC SCHOOLS</u>
Everett School District	\$142,416,340	100.00%	<u>\$142,416,340</u>
<b>Total District Direct Debt</b>			<b>\$142,416,340</b>
Snohomish County	\$321,890,539	16.54%	\$53,240,695
City of Everett	26,820,000	55.49%	14,882,418
Snohomish Regional Fire & Rescue	6,657,000	23.34%	1,553,744
Hospital District No. 1	24,048,648	2.85%	685,386
Port of Everett	41,472,411	49.01%	<u>20,325,629</u>
<b>Total Overlapping Debt</b>			<b>\$90,687,872</b>
<b>Total Direct and Overlapping Debt</b>			<b>\$233,104,212</b>

\*The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining taxable assessed value that is within the District's boundaries and dividing it by the District's total taxable assessed value.

Source Data: Everett Public Schools Financial Statements, City of Everett, Hospital District No. 1, Port of Everett and Snohomish County Treasurer's Office

**PERCENT OF OVERLAPPING DEBT  
By Jurisdiction**



Everett Public Schools
  City of Everett
  Snohomish County
  Other Jurisdictions

**EVERETT PUBLIC SCHOOLS  
LEGAL DEBT MARGIN INFORMATON  
LAST TEN FISCAL YEARS  
(Unaudited)**

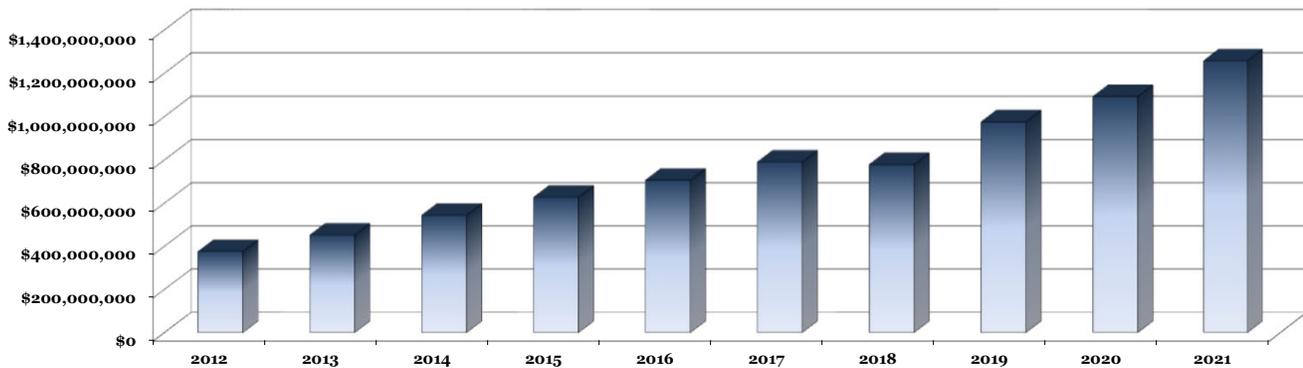
**Legal Debt Margin Calculation for Fiscal Year 2021**

Assessed Value	\$27,562,684,539
Debt Limit (5% of Assessed Value)	1,378,134,227
Debt Applicable to Limit:	
General Obligation Bonds Outstanding	142,416,340
Less Available Debt Service Funds	<u>(21,266,733)</u>
Total Net Debt Applicable to Limit	121,149,607
Legal Debt Margin	<u>\$1,256,984,620</u>

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
Debt Limit	\$596,536,032	\$656,332,862	\$727,950,161	\$793,765,512	\$865,138,828	\$975,682,219	\$935,784,569	\$1,188,369,234	\$1,251,935,324	\$1,378,134,227
General Obligation Bonds Outstanding	231,490,000	211,585,000	194,140,000	174,600,000	167,928,454	200,305,466	177,880,424	247,612,148	192,726,275	142,416,340
Less Available Debt Service Funds	<u>(9,947,142)</u>	<u>(7,030,116)</u>	<u>(9,967,646)</u>	<u>(7,879,249)</u>	<u>(8,957,916)</u>	<u>(14,540,748)</u>	<u>(20,519,255)</u>	<u>(34,484,507)</u>	<u>(33,130,619)</u>	<u>(21,266,733)</u>
Total Net Debt Applicable to Limit	221,542,858	204,554,884	184,172,354	166,720,751	158,970,538	185,764,718	157,361,169	213,127,641	159,595,656	121,149,607
Legal Debt Margin	<u>\$374,993,174</u>	<u>\$451,777,978</u>	<u>\$543,777,807</u>	<u>\$627,044,761</u>	<u>\$706,168,290</u>	<u>\$789,917,501</u>	<u>\$778,423,400</u>	<u>\$975,241,593</u>	<u>\$1,092,339,668</u>	<u>\$1,256,984,620</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	37.14%	31.17%	25.30%	21.00%	18.38%	19.04%	16.82%	17.93%	12.75%	8.79%

Source Data: Everett Public Schools Financial Statements and Snohomish County Assessor's Office

**LEGAL DEBT MARGIN**



**EVERETT PUBLIC SCHOOLS  
PLEGGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>GENERAL OBLIGATIONS BONDS</b>				
<b>FISCAL YEAR</b>	<b>TAX COLLECTIONS</b>	<b>DEBT SERVICE</b>		<b>COVERAGE</b>
		<b>PRINCIPAL</b>	<b>INTEREST AND TRANSFER FEES</b>	
2011/12	26,662,432	14,385,000	10,926,593	1.05
2012/13	26,894,877	19,905,000	10,224,271	0.89
2013/14	27,174,350	17,325,000	7,849,588	1.08
2014/15	25,323,110	19,540,000	8,178,346	0.91
2015/16	24,199,300	16,055,000	7,390,781	1.03
2016/17	27,700,385	14,915,000	7,578,710	1.23
2017/18	32,610,111	19,315,000	7,825,774	1.20
2018/19	49,165,710	28,680,000	9,053,596	1.30
2019/20	58,841,664	51,810,000	8,656,438	0.97
2020/21	42,675,256	48,265,000	6,300,162	0.78

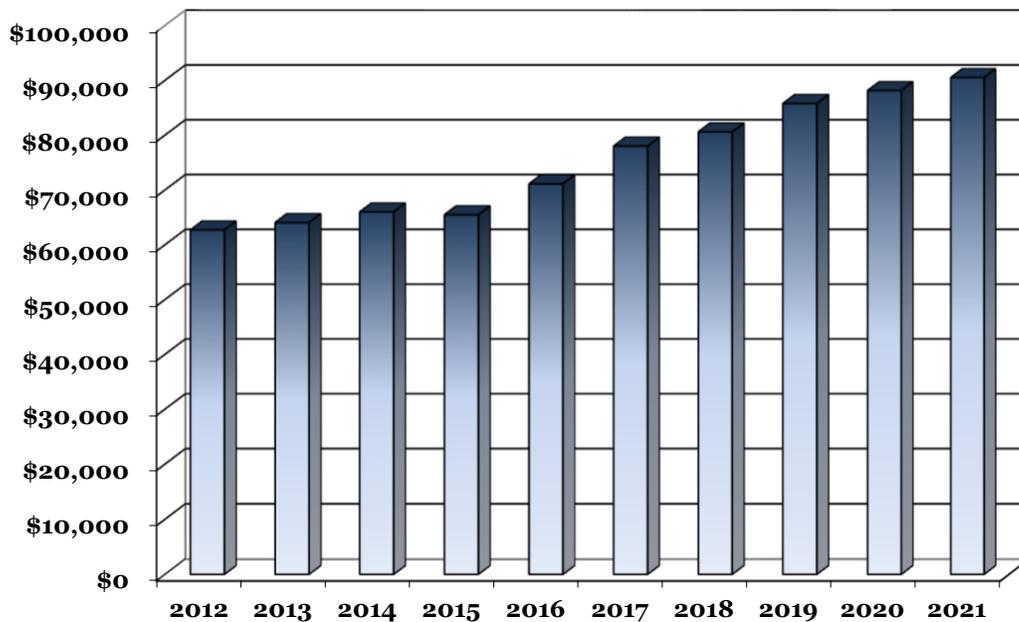
Source Data: Everett Public Schools Financial Statements

**EVERETT PUBLIC SCHOOLS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS  
(Unaudited)**

<u>YEAR</u>	<u>ESTIMATED POPULATION</u>	<u>PERSONAL INCOME*</u>	<u>PER CAPITA PERSONAL INCOME</u>	<u>UNEMPLOYMENT RATE</u>
2012	131,214	8,225,412	62,687	6.7%
2013	132,626	8,492,441	64,033	5.3%
2014	135,944	8,969,721	65,981	4.5%
2015	138,386	9,057,917	65,454	5.0%
2016	141,599	10,066,556	71,092	3.9%
2017	144,602	11,276,787	77,985	4.0%
2018	148,340	11,953,089	81,799	3.6%
2019	149,372	12,036,246	86,435	2.8%
2020	150,604	13,270,924	88,442	7.8%
2021	150,604	13,270,903	90,497	3.8%

Source Data: Snohomish County Planning Department, State of Washington  
Office of Financial Management and Employment Security Departments  
\*Dollars in Thousands

**PER CAPITA PERSONAL INCOME**

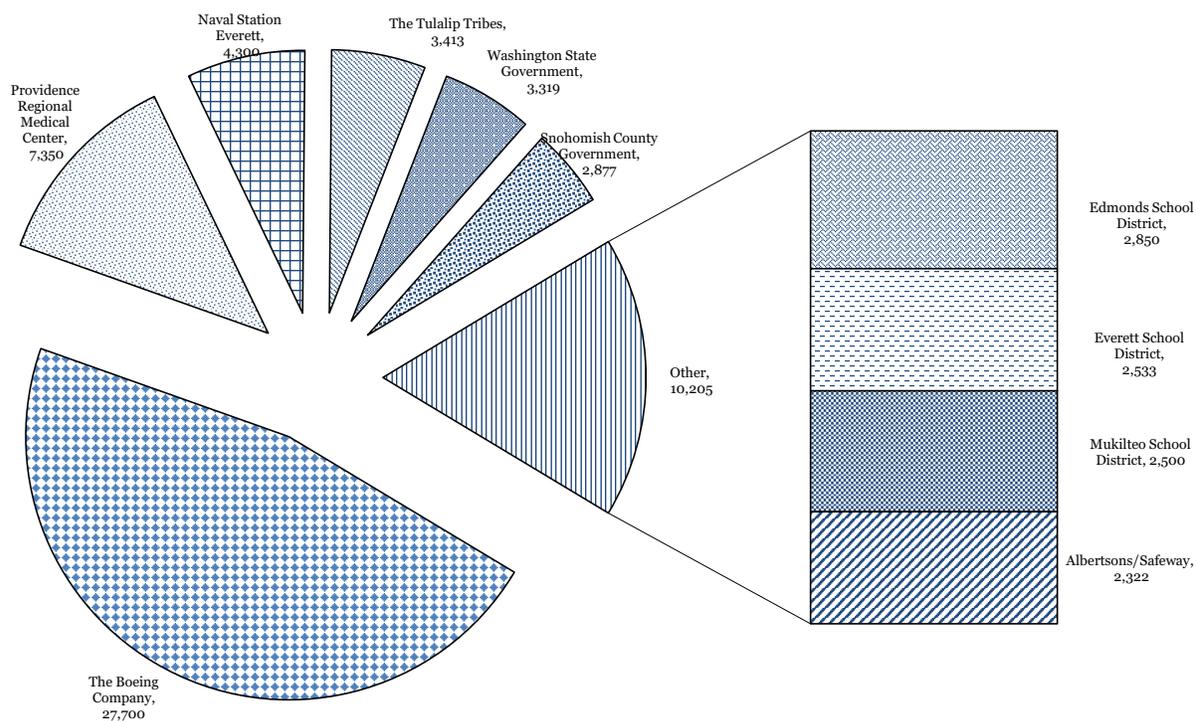


**EVERETT PUBLIC SCHOOLS  
PRINCIPAL EMPLOYERS IN SNOHOMISH COUNTY  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

<u>EMPLOYER</u>	<u>2021</u>			<u>2012</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>% OF TOTAL COUNTY EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>% OF TOTAL COUNTY EMPLOYMENT</u>
The Boeing Company	27,700	1	9.25%	41,000	1	11.75%
Providence Regional Medical Center	7,350	2	2.45%			
Naval Station Everett	4,300	3	1.44%	6,000	2	1.57%
The Tulip Tribes	3,413	4	1.14%	3,200	5	0.83%
Washington State Government	3,319	5	1.11%	6,000	3	1.57%
Snohomish County Government	2,877	6	0.96%	2,500	6	0.65%
Edmonds School District	2,850	7	0.95%	2,000	10	0.52%
Everett School District	2,533	8	0.85%			
Mukilteo School District	2,500	9	0.83%			
Albertsons/Safeway	2,322	10	0.78%			
Walmart (8 locations)						
Premera Blue Cross				2,500	6	0.63%
Providence Everett Medical Center				3,500	4	0.91%
Everett Clinic				2,100	8	0.55%
Philips Medical Systems				2,000	9	0.52%
<b>Total</b>	<b>59,164</b>		<b>19.76%</b>	<b>70,800</b>		<b>19.49%</b>

Source Data: Snohomish County Economic Development Council and Washington State Employment Security Department

**PRINCIPAL EMPLOYERS IN SNOHOMISH COUNTY  
CURRENT YEAR**



**EVERETT PUBLIC SCHOOLS  
FULL-TIME EQUIVALENT EMPLOYEES BY PROGRAM/ACTIVITY  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>Program/Activity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
<u>Basic Education</u>										
Supervision	23.1	24.1	27.3	27.2	24.6	27.0	28.1	28.0	26.1	28.3
Learning Resources	26.9	26.4	26.2	26.2	27.0	27.9	27.5	28.2	21.9	21.6
Principals	97.6	97.4	100.9	113.0	114.8	119.0	118.0	121.9	124.8	128.6
Guidance and Counseling	44.4	42.9	42.6	43.2	44.4	47.9	55.5	58.1	59.4	59.2
Pupil Management	26.8	29.1	27.0	32.1	28.0	34.1	41.7	47.0	48.6	47.9
Health Services	21.3	16.8	17.8	17.6	17.7	20.2	20.0	21.7	24.2	26.4
Teaching	747.4	724.9	745.5	777.9	803.1	841.2	865.1	900.7	903.4	899.4
Extracurricular	0.6	0.6	0.6	0.6	0.6	0.6	0.6	2.5	1.8	1.8
Instructional Professional Development				1.7	2.6	4.0	6.0	9.2	8.9	7.8
Instructional Technology						0.8	0.8	0.8	0.8	1.3
Curriculum					2.7	5.0	3.4	3.3	2.5	2.0
<u>Alternative Learning Experience</u>										
Learning Resources	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Principals	4.3	4.2	4.3	4.5	5.0	5.1	4.4	4.4	4.2	5.2
Guidance and Counseling						1.0	1.9	2.1	2.1	2.1
Pupil Management			0.8	0.8	0.9	0.9	0.8	0.8	0.8	0.8
Health Services					0.4	0.4	0.4	0.4	0.6	0.4
Teaching	18.1	17.2	22.5	19.3	27.6	21.8	21.4	21.1	19.8	19.6
Instructional Professional Development							1.0			0.2
<u>Basic Education, Dropout Reengagement</u>										
Principals						1.0	1.0	0.3	0.3	0.3
<u>Federal Stimulus</u>										
Supervision										
Teaching										
<u>Special Education, Supplemental, State</u>										
Supervision	8.3	7.7	6.5	7.5	8.5	7.5	7.4	8.4	9.2	8.9
Pupil Management		2.6	3.0	3.4	4.1	3.6	3.7	2.7	2.9	1.9
Health Services	63.9	66.0	46.2	47.3	49.3	48.6	53.9	59.9	68.4	68.2
Teaching	145.6	144.6	187.1	193.5	257.0	230.0	252.6	260.9	269.2	287.3
<u>Special Education, Infants and Toddlers, State</u>										
Health Services						1.3	1.3	3.3		
Teaching							0.5	0.4		
<u>Special Education, Supplemental, Federal</u>										
Supervision	2.6	2.6	4.0	3.8	3.0	3.0	2.7	1.7	0.9	1.7
Guidance and Counseling							1.0	1.3	1.3	1.3
Pupil Management										
Health Services	3.5	1.9	25.4	26.5	26.8	26.2	25.2	25.9	24.2	29.2
Teaching	39.5	41.4	10.0	3.0	1.9	1.9	2.0	1.1	0.9	1.0
<u>Vocational, Basic, State</u>										
Supervision	2.0	4.3	2.3	2.3	1.3	2.3	2.5	2.5	2.3	2.3
Learning Resources	0.9	1.1	1.2	1.2	1.1	5.6	0.5		0.3	0.3
Guidance and Counseling	5.2	6.4	6.4	6.6	6.1	6.0	5.0	1.2	2.1	2.1
Pupil Management	1.2	1.8	1.1	1.2	0.8	0.9			0.5	
Teaching	31.9	40.7	43.3	41.2	38.0	38.5	40.4	42.2	56.9	58.6
Instructional Professional Development					0.4	0.8	0.7	0.8	1.0	0.9
Instructional Technology										0.5
Curriculum					1.1		0.7	1.3	1.0	0.9
<u>Middle School Career &amp; Tech Educ, State</u>										
Supervision		0.7	1.2	1.3	0.8	0.8	1.2	1.2	1.1	1.1
Learning Resources		0.5	0.6	0.6	0.3					
Guidance and Counseling		1.1	1.4	1.4	0.8					
Pupil Management		0.2								
Teaching		14.2	10.5	8.8	11.2	13.6	14.3	14.9	15.6	17.0
Instructional Professional Development					0.1	0.3	0.6	0.6	0.6	0.7
Instructional Technology										0.5
Curriculum					0.4		0.6	0.6	0.6	0.7
<u>Vocational, Federal</u>										
Teaching	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4
<u>Disadvantaged, Federal</u>										
Public Relations				0.5						
Supervision	2.8	2.5	5.7	2.0	2.7	2.2	2.5	2.4	2.8	3.1
Guidance and Counseling						0.8	1.5	0.7	0.7	0.7
Pupil Management								0.0	0.0	0.4
Teaching	21.0	21.7	24.6	15.1	15.6	15.5	16.8	17.6	17.4	16.7
Instructional Professional Development	2.2	1.5	2.3	2.0	2.8	2.4	2.7	3.4	2.7	2.7
<u>School Improvement, Federal</u>										
Supervision	0.7	0.7								
Guidance and Counseling										
Teaching	4.0	1.0	1.6	1.6	1.6	1.6	1.6	0.7		
Instructional Professional Development	4.0	4.0	0.4	3.8	3.0	3.0	3.0	1.9		
<u>Other Title Grants, Federal</u>										
Teaching									1.4	1.4
Instructional Professional Development									1.9	1.6
<u>Learning Assistance, State</u>										
Supervision	0.7	1.4	1.6	2.4	1.4	2.1	2.1	2.1	2.1	2.871
Guidance and Counseling							1.7	1.3	1.3	1.3

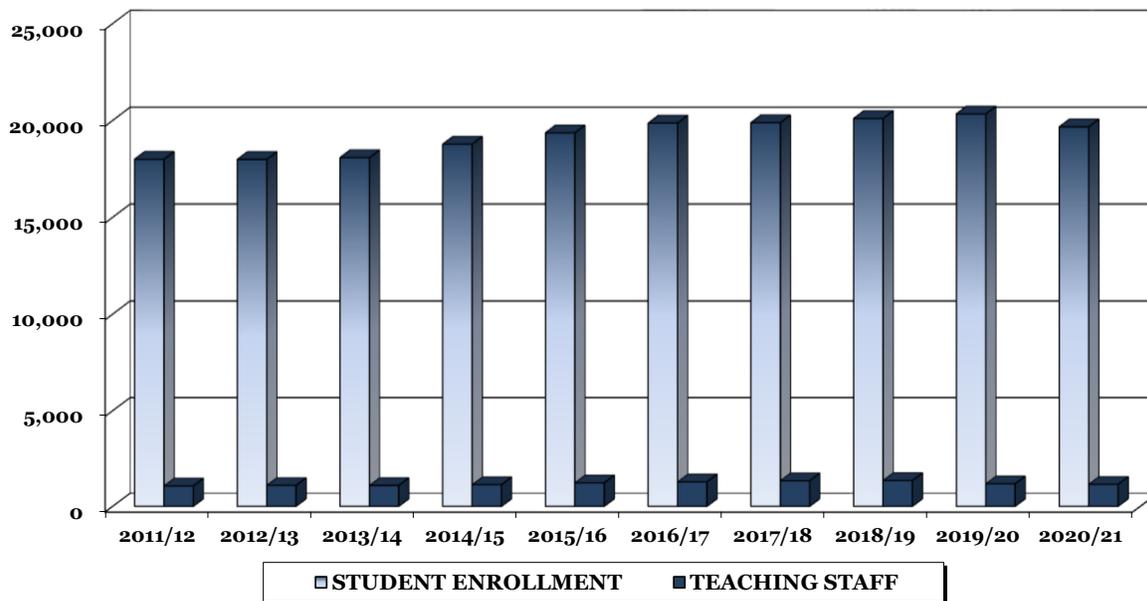
Program/Activity	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<u>Inst. Cntr. &amp; Homes for Delinquents, State</u>										
Supervision	0.8	0.8								
Principals										
Health Services										
Teaching	4.6	4.6								
<u>Special and Pilot Programs, State</u>										
Supervision									0.5	0.5
Guidance and Counseling	1.6	1.5	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Teaching								1.0		
Instructional Professional Development					0.5	0.5	1.5	1.5	1.5	1.5
<u>Better Schools, Staff</u>										
Teaching										
<u>Limited English Proficiency, Federal</u>										
Guidance and Counseling							1.4	0.7	0.7	
Teaching	1.5		0.3			1.3			0.2	0.2
Instructional Professional Development		1.5	1.5	1.8	1.5	1.8	1.8	1.4	1.4	1.4
<u>Transitional Bilingual, State</u>										
Supervision	1.0	1.0	1.0	1.2	1.2	1.2	1.2	1.3	1.3	3.0
Guidance and Counseling							0.4	1.4	1.6	4.3
Teaching	16.5	18.2	18.3	23.3	24.4	27.2	27.5	30.1	34.1	35.2
Instructional Professional Development						0.3				0.0
<u>Student Achievement, State</u>										
Supervision										
Guidance and Counseling										
Teaching										
<u>Compensatory, Other</u>										
Teaching	2.0	2.0	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<u>Highly Capable</u>										
Supervision	1.1	1.7	1.7	1.6	1.6	1.6	1.6	1.6	2.1	2.1
Teaching									0.6	0.9
Instructional Professional Development									0.4	0.4
Curriculum									0.4	0.4
<u>Local Education Program Enhancement</u>										
Supervision										
<u>Professional Development, State</u>										
Teaching										
<u>Instructional Programs, Other</u>										
Supervision	1.4	2.1	2.2	2.8	2.6	2.1	2.1	1.9	0.3	0.3
Guidance and Counseling				0.9	2.4	2.1	4.0	3.4	3.4	4.1
Teaching	18.3	20.8	21.2	31.0	25.4	22.0	17.2	20.6	2.0	1.0
Instructional Professional Development					2.0	0.2	0.4	0.7		
<u>Child Care</u>										
Supervision									2.8	2.4
Teaching									19.7	20.4
Instructional Professional Development									0.2	0.2
<u>Other Community Services</u>										
Extracurricular	2.0	2.0	2.2	2.2	2.4	2.4	2.4	3.0	3.0	3.0
Operation of Buildings										
<u>Districtwide Support</u>										
Board of Directors						0.4		1.0	1.0	1.0
Superintendent	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Business Office	17.1	17.1	17.1	17.4	18.6	20.1	21.6	23.3	23.8	23.8
Human Resources	14.6	14.3	14.2	14.7	16.4	17.8	19.9	4.0	18.6	19.3
Public Relations	3.0	3.0	3.0	3.0	3.0	3.3	4.2	21.4	3.3	3.5
Pupil Management									0.2	0.2
Supervision - Maint. & Operations	6.1	6.0	6.1	7.1	7.2	7.7	8.9	8.9	8.4	8.4
Grounds	12.0	12.0	12.0	12.0	12.0	12.0	14.5	17.5	16.5	15.5
Operation of Buildings	72.6	72.6	72.6	74.6	76.6	78.3	79.8	84.8	86.5	84.6
Maintenance	20.9	19.9	19.9	21.0	20.0	20.0	22.0	24.0	22.0	21.0
Utilities			0.8	0.8	0.7	1.0	1.0	1.0	1.6	1.8
Building and Property Security	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.1	3.1
Information Systems	12.6	12.6	12.8	15.6	17.4	17.7	18.1	18.4	18.9	20.3
Printing	0.2									
Warehousing and Distribution	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	2.8
Motor Pool	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<u>School Food Services</u>										
Supervision	5.0	5.0	5.0	5.0	5.0	5.3	5.0	4.0	5.4	5.4
Operations	47.8	48.1	47.2	47.3	48.6	50.4	47.5	49.0	48.6	48.7
<u>Pupil Transportation</u>										
Pupil Management	2.9	2.7	2.9	2.2	2.5	3.2	3.1	3.7	3.8	6.2
Supervision	3.5	3.5	3.5	4.3	4.8	5.8	5.0	5.5	5.0	4.0
Operations	13.8	14.6	15.0	23.1	24.3	25.7	25.0	25.0	24.5	24.5
<b>Totals</b>	<b>1659.6</b>	<b>1668.6</b>	<b>1708.1</b>	<b>1798.2</b>	<b>1905.0</b>	<b>1957.8</b>	<b>2033.6</b>	<b>2129.2</b>	<b>2165.2</b>	<b>2204.9</b>

**EVERETT PUBLIC SCHOOLS  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>FISCAL YEAR</b>	<b>EXPENSES</b>	<b>STUDENT ENROLLMENT</b>	<b>COST PER PUPIL</b>	<b>% CHANGE</b>	<b>% FREE OR REDUCED LUNCH</b>	<b>TEACHING STAFF</b>	<b>PUPIL/TEACHER RATIO</b>	<b>STUDENT ATTENDANCE PERCENTAGE</b>
2011/12	221,010,134	17,997	12,280	100.00%	40.90%	1,071	16.8	97.60%
2012/13	224,275,854	17,989	12,467	-0.04%	41.00%	1,098	16.4	97.00%
2013/14	236,834,956	18,083	13,097	0.52%	40.50%	1,096	16.5	96.00%
2014/15	238,843,952	18,777	12,720	3.84%	40.40%	1,133	16.6	96.00%
2015/16	260,719,024	19,364	13,464	3.13%	39.10%	1,230	15.7	96.00%
2016/17	276,183,075	19,864	13,904	2.58%	37.60%	1,283	15.5	93.00%
2017/18	303,023,367	19,887	15,237	0.12%	36.40%	1,343	14.8	93.50%
2018/19	345,635,189	20,103	17,194	1.08%	38.30%	1,352	14.9	93.50%
2019/20	359,485,699	20,340	17,674	1.18%	37.40%	1,180	17.2	83.80%
2020/21	323,922,472	19,670	16,468	-3.29%	39.80%	1,154	17.0	89.90%

Source Data: Everett Public Schools Financial Statements, Office of Associate Superintendent, Finance & Operations and Washington State Office of Superintendent of Public Instruction

**STUDENT ENROLLMENT TO TEACHING STAFF**



**EVERETT PUBLIC SCHOOLS  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>SCHOOL</b>	<b>2011/12</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Cedar Wood Elementary (1991)										
Square Feet	55,454	55,454	55,454	55,454	55,454	55,454	55,454	55,454	55,454	55,454
Capacity (Students)	598	598	598	598	598	598	454	454	454	454
Enrollment	517	544	587	633	716	749	767	702	689	634
Emerson Elementary (1970)										
Square Feet	52,796	52,796	52,796	52,796	52,796	52,796	52,796	52,796	52,796	52,796
Capacity (Students)	552	552	552	552	552	552	485	485	485	485
Enrollment	536	624	605	604	633	641	633	596	568	576
Forest View Elementary (2007)										
Square Feet	62,156	62,156	62,156	62,156	62,156	62,156	62,156	62,156	62,156	62,156
Capacity (Students)	593	593	593	598	598	598	530	530	530	530
Enrollment	497	524	568	622	717	772	810	676	627	579
Garfield Elementary (1969)										
Square Feet	52,163	52,163	52,163	52,163	52,163	52,163	50,960	50,960	50,960	50,960
Capacity (Students)	441	441	441	441	441	441	447	447	447	447
Enrollment	364	374	377	386	428	406	384	405	359	393
Hawthorne Elementary (1952)										
Square Feet	72,395	72,395	72,395	72,395	72,395	72,395	72,395	72,395	72,395	72,395
Capacity (Students)	564	564	564	564	564	564	589	589	589	589
Enrollment	456	455	454	443	448	432	412	399	398	372
Jackson Elementary (1949)										
Square Feet	51,652	51,652	51,652	51,652	51,652	51,652	51,652	51,652	51,652	51,652
Capacity (Students)	360	360	360	360	360	360	315	315	315	315
Enrollment	321	363	376	369	351	337	327	335	288	286
James Monroe Elementary (1969)										
Square Feet	71,349	71,349	71,349	71,349	71,349	71,349	48,865	48,865	48,865	48,865
Capacity (Students)	610	610	610	610	610	610	464	464	464	464
Enrollment	488	494	493	551	559	575	552	515	494	478
Jefferson Elementary (1964)										
Square Feet	50,304	50,304	50,304	50,304	50,304	50,304	49,828	49,828	49,828	49,828
Capacity (Students)	551	551	551	551	551	551	443	443	443	443
Enrollment	483	505	506	558	577	542	566	552	493	468
Lowell Elementary (1951)										
Square Feet	58,690	58,690	58,690	58,690	58,690	58,690	58,690	58,690	58,690	58,690
Capacity (Students)	468	468	468	468	468	468	441	441	441	441
Enrollment	454	468	478	481	475	490	489	499	492	451
Madison Elementary (1946)										
Square Feet	58,063	58,063	58,063	58,063	58,063	58,063	58,063	58,063	58,063	58,063
Capacity (Students)	484	484	484	484	484	484	465	465	465	465
Enrollment	398	438	437	458	432	417	427	411	381	374
Mill Creek Elementary (1987)										
Square Feet	55,646	55,646	55,646	55,646	55,646	55,646	55,646	55,646	55,646	55,646
Capacity (Students)	583	583	583	583	583	583	533	533	533	533
Enrollment	608	604	623	611	672	664	701	684	640	631
Penny Creek Elementary (1998)										
Square Feet	64,191	64,191	64,191	64,191	64,191	64,191	64,882	64,882	64,882	64,882
Capacity (Students)	718	718	718	718	718	718	637	637	637	637
Enrollment	680	626	675	673	748	742	761	695	655	641
Silver Firs Elementary (1987)										
Square Feet	55,839	55,839	55,839	55,839	55,839	55,839	55,839	55,839	55,839	55,839
Capacity (Students)	540	540	540	540	540	540	465	465	465	465
Enrollment	473	486	486	451	461	477	503	505	479	470
Silver Lake Elementary (1937)										
Square Feet	52,924	52,924	52,924	52,924	52,924	52,924	54,846	54,846	54,846	54,846
Capacity (Students)	543	543	543	543	543	543	409	409	409	409
Enrollment	456	468	479	673	643	719	735	548	538	525
Tambark Creek Elementary (2019)										
Square Feet							83,665	83,665	83,665	83,665
Capacity (Students)							608	608	608	608
Enrollment							673	635	667	620
View Ridge Elementary (1954)										
Square Feet	79,927	79,927	79,927	79,927	79,927	79,927	76,032	76,032	76,032	76,032
Capacity (Students)	598	598	598	598	598	598	538	538	538	538
Enrollment	443	499	538	567	572	583	552	567	499	462

**Note:** Original year of construction is shown in parentheses.

Source Data: Everett Public Schools Facilities & Planning Department and Budget Department

SCHOOL	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Whittier Elementary (1949)										
Square Feet	52,283	52,283	52,283	52,283	52,283	52,283	52,235	52,235	52,235	52,235
Capacity (Students)	434	434	434	434	434	434	441	441	441	441
Enrollment	356	364	404	467	490	483	495	483	423	384
Woodside Elementary (1980)										
Square Feet	53,395	53,395	53,395	53,395	53,395	53,395	53,395	53,395	53,395	53,395
Capacity (Students)	632	632	632	632	632	632	341	341	341	341
Enrollment	605	645	734	676	681	658	694	565	521	522
Eisenhower Middle (1970)										
Square Feet	107,252	107,252	107,252	107,252	107,252	107,252	107,252	107,252	107,252	107,252
Capacity (Students)	925	925	925	925	925	925	913	913	913	913
Enrollment	866	824	817	835	861	913	953	953	953	
Evergreen Middle (1958)										
Square Feet	116,526	116,526	116,526	116,526	116,526	116,526	116,526	116,526	116,526	116,526
Capacity (Students)	1,052	1,052	1,052	1,052	1,052	1,052	1,047	1,047	1,047	1,047
Enrollment	1,024	942	929	967	1,007	1,057	1,040	1,100	1,036	963
Gateway Middle (1992)										
Square Feet	110,101	110,101	110,101	110,101	110,101	110,101	110,181	110,181	110,181	110,181
Capacity (Students)	948	948	948	948	948	948	961	961	961	961
Enrollment	780	716	808	853	892	890	923	968	978	923
Heatherwood Middle (1990)										
Square Feet	117,051	117,051	117,051	117,051	117,051	117,051	117,051	117,051	117,051	117,051
Capacity (Students)	828	828	828	828	828	828	854	854	854	854
Enrollment	901	847	970	955	965	1,006	1,015	1,048	995	968
North Middle (1981)										
Square Feet	100,337	100,337	100,337	100,337	100,337	100,337	94,911	94,911	94,911	94,911
Capacity (Students)	1,021	1,021	1,021	1,021	1,021	1,021	935	935	935	935
Enrollment	672	622	658	685	722	765	707	747	723	700
Cascade High (1961)										
Square Feet	248,285	248,285	248,285	248,285	248,285	248,285	244,345	244,345	244,345	244,345
Capacity (Students)	1,849	1,849	1,849	1,849	1,849	1,849	1,861	1,861	1,861	1,861
Enrollment	1,795	1,748	1,723	1,748	1,728	1,743	1,756	1,730	1,765	1,753
Everett High (1909)										
Square Feet	280,459	280,459	280,459	280,459	280,459	280,459	280,459	280,459	280,459	280,459
Capacity (Students)	1,801	1,801	1,801	1,801	1,801	1,801	2,023	2,023	2,023	2,023
Enrollment	1,387	1,349	1,369	1,393	1,420	1,398	1,384	1,351	1,433	1,556
Henry M. Jackson High (1994)										
Square Feet	248,971	248,971	248,971	248,971	248,971	248,971	241,490	241,490	241,490	241,490
Capacity (Students)	1,783	1,783	1,783	1,783	1,783	1,783	1,879	1,879	1,879	1,879
Enrollment	1,875	1,958	2,033	2,076	2,061	2,137	2,209	2,192	2,161	2,093
Sequoia High School (1925)										
Square Feet	67,007	67,007	67,007	67,007	67,007	67,007	67,007	67,007	67,007	67,007
Capacity (Students)	456	456	456	456	456	456	432	432	432	432
Enrollment	296	389	296	250	205	180	166	196	143	126

**EVERETT PUBLIC SCHOOLS**  
**CERTIFICATED EMPLOYEE INFORMATION BY PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<b>PROGRAM</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Basic Education										
FTE	806.683	794.939	825.933	856.274	879.283	925.975	964.434	994.295	1,006.430	986.390
Total Base Salaries	\$49,210,654	\$48,577,426	\$51,254,479	\$52,576,761	\$55,033,618	\$59,126,581	\$63,075,520	\$93,429,453	\$93,057,023	\$93,082,268
Average Salary	\$61,004	\$61,108	\$62,056	\$61,402	\$62,589	\$63,853	\$65,402	\$93,966	\$92,462	\$94,367
Alternative Learning Experience										
FTE	18.473	19.447	20.057	22.956	22.297	22.567	23.867	21.958	21.466	22.401
Total Base Salaries	\$1,139,201	\$1,219,185	\$1,290,956	\$1,449,007	\$1,440,178	\$1,516,684	\$1,610,695	\$2,236,562	\$2,149,757	\$2,320,089
Average Salary	\$61,668	\$62,693	\$64,364	\$63,121	\$64,591	\$67,208	\$67,486	\$101,856	\$100,147	\$103,571
Dropout Reengagement										
FTE					0.836	1.000	0.308	0.250	0.207	0.250
Total Base Salaries					\$100,610	\$124,087	\$47,776	\$33,702	\$35,951	\$38,034
Average Salary					\$120,347	\$124,087	\$155,117	\$134,808	\$173,676	\$152,136
Federal Stimulus										
FTE										16.055
Total Base Salaries										\$1,366,510
Average Salary										\$85,114
Special Education										
FTE	139.264	145.825	140.283	143.412	140.809	152.005	163.363	177.043	182.833	192.553
Total Base Salaries	\$7,906,259	\$8,210,764	\$7,972,807	\$8,340,674	\$8,486,080	\$9,289,832	\$10,068,305	\$15,859,274	\$16,316,897	\$17,295,213
Average Salary	\$56,772	\$56,306	\$56,834	\$58,159	\$60,267	\$61,115	\$61,631	\$89,579	\$89,245	\$89,821
Infants and Toddlers										
FTE					1.800	1.800	2.200	1.400	0.897	
Total Base Salaries					\$121,359	\$119,116	\$145,083	\$147,466	\$93,693	
Average Salary					\$67,422	\$66,176	\$65,947	\$105,333	\$104,452	
Special Education - Federal										
FTE	15.500	14.688	25.600	27.098	29.312	28.295	28.405	27.218	26.891	25.000
Total Base Salaries	\$956,777	\$974,009	\$1,703,587	\$1,669,489	\$1,832,572	\$1,830,790	\$1,917,312	\$2,713,900	\$2,555,087	\$2,468,393
Average Salary	\$61,728	\$66,313	\$66,561	\$61,609	\$62,520	\$64,704	\$67,499	\$99,710	\$95,016	\$98,736
Vocational Education										
FTE	42.864	45.148	40.683	41.132	39.750	41.782	45.313	54.774	59.587	61.401
Total Base Salaries	\$2,540,411	\$2,703,322	\$2,415,189	\$2,435,429	\$2,443,756	\$2,645,358	\$2,938,154	\$5,229,184	\$5,519,204	\$5,810,009
Average Salary	\$59,716	\$59,877	\$59,366	\$59,210	\$61,478	\$63,313	\$64,841	\$95,468	\$92,624	\$94,624
Middle School Career & Tech Educ										
FTE		12.637	11.037	13.743	11.636	14.810	16.789	17.032	18.216	18.285
Total Base Salaries		\$781,133	\$682,231	\$832,073	\$738,064	\$953,994	\$1,100,860	\$1,652,615	\$1,730,079	\$1,777,076
Average Salary		\$61,813	\$61,813	\$60,545	\$63,429	\$64,416	\$65,570	\$97,030	\$94,976	\$97,188
Skill Center										
FTE									0.194	
Total Base Salaries									\$20,545	
Average Salary									\$105,902	
Title 1										
FTE	12.437	14.496	10.293	8.350	9.254	8.450	10.348	9.308	7.440	8.189
Total Base Salaries	\$796,337	\$967,636	\$731,887	\$551,716	\$660,410	\$610,376	\$741,210	\$899,920	\$720,595	\$810,415
Average Salary	\$64,030	\$66,752	\$71,105	\$66,074	\$71,365	\$72,234	\$71,628	\$96,682	\$96,854	\$98,964
School Improvement										
FTE	5.200	5.600	5.400	5.400	4.600	4.600	3.600	3.094	3.000	
Total Base Salaries	\$326,037	\$341,190	\$326,500	\$330,210	\$341,240	\$356,469	\$299,074	\$346,898	\$308,493	
Average Salary	\$62,699	\$60,927	\$60,463	\$61,150	\$74,183	\$77,493	\$83,076	\$112,120	\$102,831	
Learning Assistance										
FTE	9.815	13.326	16.842	15.706	18.250	16.668	22.063	19.040	20.598	19.579
Total Base Salaries	\$652,584	\$839,731	\$1,063,745	\$996,750	\$1,218,163	\$1,174,716	\$1,536,395	\$1,930,629	\$2,045,046	\$2,041,319
Average Salary	\$66,488	\$63,014	\$63,160	\$63,463	\$66,749	\$70,477	\$69,637	\$101,399	\$99,284	\$104,261
State Institutions										
FTE	3.500	3.500								
Total Base Salaries	\$197,786	\$201,585								
Average Salary	\$56,510	\$57,596								
Special and Pilot Programs										
FTE				0.450	0.450	0.450	1.500	1.500	1.500	1.500
Total Base Salaries				\$27,757	\$28,650	\$29,187	\$101,482	\$162,370	\$155,959	\$156,738
Average Salary				\$61,682	\$63,667	\$64,860	\$67,655	\$108,247	\$103,973	\$104,492
Limited English Proficiency										
FTE	1.100	1.500	1.800	1.500	1.500	1.750	1.800	1.397	2.067	1.767
Total Base Salaries	\$69,539	\$95,967	\$117,587	\$97,990	\$101,132	\$120,194	\$126,471	\$152,492	\$200,268	\$180,419
Average Salary	\$63,217	\$63,978	\$65,326	\$65,327	\$67,421	\$68,682	\$70,262	\$109,157	\$96,888	\$102,105
Transitional Bilingual										
FTE	7.580	8.308	8.300	8.106	9.133	10.983	11.233	12.167	14.329	16.673
Total Base Salaries	\$437,512	\$457,432	\$475,700	\$460,351	\$552,056	\$677,786	\$731,651	\$1,114,969	\$1,249,852	\$1,438,946
Average Salary	\$57,719	\$55,059	\$57,313	\$56,791	\$60,446	\$61,712	\$65,134	\$91,639	\$87,225	\$86,304
Compensatory - Other										
FTE	1.000	2.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Total Base Salaries	\$47,671	\$89,723	\$43,688	\$44,529	\$46,829	\$49,077	\$52,229	\$81,263	\$75,698	\$77,204
Average Salary	\$47,671	\$44,862	\$43,688	\$44,529	\$46,829	\$49,077	\$52,229	\$81,263	\$75,698	\$77,204
Highly Capable										
FTE	0.400	0.400		0.400	0.400	0.400	0.400	0.400	1.064	1.133
Total Base Salaries	\$40,932	\$41,996		\$49,456	\$51,345	\$52,937	\$54,922	\$56,624	\$135,936	\$146,558
Average Salary	\$102,330	\$104,990		\$123,640	\$128,363	\$132,343	\$137,305	\$141,560	\$127,759	\$129,354
Instructional Programs - Other										
FTE	10.027	10.066	10.238	17.116	9.802	4.200	2.200	2.702	1.000	1.000
Total Base Salaries	\$582,258	\$597,702	\$625,867	\$987,751	\$632,711	\$302,164	\$168,989	\$297,257	\$104,418	\$104,940
Average Salary	\$58,069	\$59,378	\$61,132	\$57,709	\$64,549	\$71,944	\$76,813	\$110,014	\$104,418	\$104,940
Child Care										
FTE									0.696	0.800
Total Base Salaries									\$106,256	\$110,180
Average Salary									\$152,667	\$137,725
Support Services										
FTE	3.000	3.000	3.000	2.000	2.000	2.017	2.000	5.750	4.502	3.000
Total Base Salaries	\$440,909	\$447,713	\$459,260	\$311,161	\$326,697	\$343,793	\$356,629	\$869,826	\$801,943	\$586,786
Average Salary	\$146,970	\$149,238	\$153,087	\$155,581	\$163,349	\$170,448	\$178,315	\$151,274	\$178,130	\$195,595
Average Years of Experience	13.0	12.8	15.8	15.1	14.8	14.6	14.4	13.9	14.1	14.2
Percentage with Master's Degree	60.3%	61.4%	60.4%	61.2%	61.0%	63.2%	59.1%	56.9%	57.4%	57.5%

Source Data: Everett Public Schools Human Resources Department and Washington State Office of the Superintendent of Public Instruction