



FY20 Proposed Budget

Operating Budget Summary

We are proposing an FY20 Operating Budget of \$3,613,311 in Revenues and \$3,613,311 in Expenses, for a balanced budget with net Operating income of \$0. We anticipate Investment Gains/Losses of \$25,000 to produce a Net Income surplus. This budget represents more than 10% growth in both Revenue and Expenses compared to the prior two fiscal years.

	<i>FY18 Actual</i>	<i>FY19 Projected</i>	<i>FY20 Proposed</i>
Operating Revenues	\$3,177,804	\$3,172,677	\$3,613,311
Operating Expenses	\$3,252,676	\$3,182,969	\$3,613,311
Operating Net Income	(\$74,871)	(\$10,292)	\$0
Investment Gains (Losses)	\$46,827	\$29,106	\$25,000
Net Income Before Restrictions	(\$28,044)	\$18,814	\$25,000

Additions and Releases of Net Assets

The proposed FY20 budget includes several additions and releases from our Unrestricted and Restricted Net Assets to support general and specific programs of the Greenway Trust (see Budget Commentary below for details). Releases from the General Reserve and Bequest Fund will reduce Unrestricted Net Assets by \$178,000, and spend-down of the Middle Fork Campaign fund and other Restricted Assets will reduce Restricted Net Assets by \$706,399. These Releases will be partially offset by anticipated Investment Gains in the General Reserve and continued fundraising for the Middle Fork Campaign.

	<i>End FY19 projected</i>	<i>Additions</i>	<i>Releases</i>	<i>End FY20 projected</i>
Unrestricted Net Assets	\$1,984,970			\$1,770,370
Operating Assets	\$408,353			\$408,353
Tech Upgrade	\$43,459		(\$21,660)	\$21,799
General Reserve	\$711,324	\$25,000	(\$28,000)	\$708,324
Bequest Funds	\$781,894	\$0	(\$150,000)	\$631,894
Restricted Net Assets	\$1,608,131	\$235,000	(\$766,739)	\$1,076,392
Middle Fork Campaign	\$1,537,758	\$200,000	(\$719,239)	\$1,018,519
Other Restricted Funds	\$70,373	\$35,000	(\$47,500)	\$57,873
Total Net Assets	\$3,553,161	\$260,000	(\$966,399)	\$2,846,762

Budget Commentary

The FY20 budget relies on several important expectations about releases of Net Assets, some new Revenue sources, and intentional growth of Expenses in certain areas.

Releases of Net Assets

The following Releases of Unrestricted and Restricted Net Assets will be made in accordance with the Greenway Trust's Investment Policy:

- General Fund: we will release an annual allocation of \$28,000 from the General Reserve to support Greenway Trust operations. This allocation represents 4% of the General Reserve value as of March 31, 2019. This allocation will be at least partially compensated by investment gains that we forecast to be 3% for FY20.
- Bequest Funds: This is the fund that was created by the Thomsen Family bequest, and per our investment policy, will be spent down over approximately 5 years. This year, we will allocate \$150,000 to support National Heritage Area planning and engagement. These funds will ensure that we can commit to staff time and other expenses that are essential for our new responsibilities as the coordinating entity for the Mountains to Sound Greenway National Heritage. They will also serve as match for Federal NHA funding that we hope to receive. Any large new bequests that we may receive will add to this fund, though we have not budgeted for any Additions in FY20.
- Middle Fork Campaign: We will release \$719,239 of Middle Fork Campaign funds to support the initiative and on-the-ground projects in FY20. We have conservatively budgeted only \$200,000 in new Middle Fork campaign funding in FY20, though we are cultivating opportunities that could, in future years, yield as much as \$2,000,000 in additional private and public funding for the initiative.

Gifts and Grants

- With our new appointment as the coordinating entity of the Mountains to Sound Greenway National Heritage Area, we are eligible for Federal NHA funding. We have budgeted \$100,000 in new Federal funding on assumptions that appropriations will be made, that we will be allocated \$150,000, and that those funds will be available October 2019-September 2020 (2/3 in our FY20 and 1/3 in our FY21). We would use these funds for planning and communications consultants and other expenses that we could forego should these Federal funds not materialize.
- Meanwhile, we have conservatively budgeted general and other program fundraising in FY20 to be flat compared to FY19. While we remain bullish about community and donor support for the Greenway, we lost several large annual donors last year and will need to identify and cultivate gifts to make up for revenue we could ordinarily count on.

Furthermore, we will be onboarding a new Development Coordinator and so may not be able to sustain the growth we have seen over the last few years during this transition.

National Heritage Area designation

- As coordinating entity for the Mountains to Sound Greenway National Heritage Area, we have a number of new, time-critical responsibilities to develop a cooperative management plan and an interpretative plan. We have accordingly budgeted significantly greater investment of staff and financial resources for this initiative.

Staffing

- Employee expenses will increase \$137,590 relative to FY19 budget. This is due to a combination of annual salary and wage increases for existing staff, and creation of a new Communications Coordinator position that will in part support NHA communications. These investments in our human capital are essential as a means to retain talent already on staff, and to build our capabilities to deliver across our Strategic Initiatives, especially NHA leadership in the coming year.

Projects

- Project Materials and Equipment will increase \$109,717 as several major projects – and their associated expenses -- were shifted from FY19 to FY20 as a result of project delays.

Events

- Meals, Meetings and Workshop Expenses will increase \$37,373. This is primarily driven by increased expenses associated with our much larger fundraising breakfast and Annual Dinner events.
- The FY20 budget will also include staff and expenses associated with planning for the 30th Anniversary Mountains to Sound Greenway Trek that will happen in July 2020.

Other expense categories in FY20 will be more or less flat or only incrementally larger compared to prior year.

Though not in the proposed budget, it is worth mentioning that there are some big-ticket capital projects in development with various government partners that could end up coming through the Greenway Trust's books. One such project is the new Preston Mill Park. The Greenway Trust has already been managing some of the planning and design for this new park. If we end up managing construction, it could increase revenue and expenses by as much as \$1,000,000.