

Wyomissing Area School District



Finance Committee/Budget Workshop Meeting
February 16, 2022

Agenda

- Audit Presentation – Roxanne McMurtry Herbein + Co
- Capital Plan Review
- 2021/2022 Cash Flow Update
- 2021/2022 Budget Projection
- 2022/2023 Budget - Preliminary
 - State Budget Proposal
 - Budget Challenges
 - Personnel & Support Staff
 - Fund balance review
- Voting Meeting Agenda Items
- West Reading TIF Proposal

2021/2022 Cash Flow Projections (as of 12/31/21)

Wyomissing Area School District

Cash Flow - Projected versus Actual

Budgeted				Actual			
Cash Inflow vs. Cash Outflows				Cash Inflow vs. Cash Outflows			
Month	Revenue	Expense	Surplus/(Deficit)	Month	Revenue	Expense	Surplus/(Deficit)
July	\$4,339,586.84	\$1,856,679.94	\$2,482,906.90	July	\$4,598,693.53	\$1,576,720.86	\$3,021,972.67
August	\$15,809,007.16	\$2,242,670.65	\$13,566,336.51	August	\$19,670,083.06	\$2,881,821.16	\$16,788,261.90
September	\$6,560,159.30	\$4,411,070.37	\$2,149,088.93	September	\$3,288,616.22	\$4,523,869.65	(\$1,235,253.43)
October	\$2,154,077.81	\$3,168,914.24	(\$1,014,836.44)	October	\$1,857,450.82	\$2,535,818.82	(\$678,368.00)
November	\$1,323,720.21	\$2,487,626.75	(\$1,163,906.55)	November	\$1,488,580.74	\$2,706,650.87	(\$1,218,070.13)
December	\$1,772,233.54	\$4,593,694.12	(\$2,821,460.59)	December	\$1,888,064.44	\$4,176,333.09	(\$2,288,268.65)
January	\$1,254,800.64	\$2,192,604.85	(\$937,804.21)	January	\$60.16	\$1,333,309.99	(\$1,333,249.83)
February	\$1,020,252.41	\$5,590,934.89	(\$4,570,682.48)	February	\$0.00	\$2,269,672.00	(\$2,269,672.00)
March	\$1,812,974.09	\$4,214,005.73	(\$2,401,031.64)	March	\$0.00	\$0.00	\$0.00
April	\$920,297.32	\$2,460,697.63	(\$1,540,400.31)	April	\$0.00	\$0.00	\$0.00
May	\$1,021,511.71	\$2,252,484.84	(\$1,230,973.13)	May	\$0.00	\$0.00	\$0.00
June	\$2,515,018.97	\$5,279,345.99	(\$2,764,327.01)	June	\$0.00	\$0.00	\$0.00
Total	\$40,503,640.00	\$40,750,730.00	(\$247,090.00)	Total	\$32,791,548.97	\$22,004,196.44	\$10,787,352.53
Revenue				Expense			
Month	Budgeted	Actual	Variance	Month	Budgeted	Actual	Variance
July	\$4,339,586.84	\$4,598,693.53	\$259,106.69	July	\$1,856,679.94	\$1,576,720.86	\$279,959.08
August	\$15,809,007.16	\$19,670,083.06	\$3,861,075.90	August	\$2,242,670.65	\$2,881,821.16	(\$639,150.51)
September	\$6,560,159.30	\$3,288,616.22	(\$3,271,543.08)	September	\$4,411,070.37	\$4,523,869.65	(\$112,799.28)
October	\$2,154,077.81	\$1,857,450.82	(\$296,626.99)	October	\$3,168,914.24	\$2,535,818.82	\$633,095.42
November	\$1,323,720.21	\$1,488,580.74	\$164,860.53	November	\$2,487,626.75	\$2,706,650.87	(\$219,024.12)
December	\$1,772,233.54	\$1,888,064.44	\$115,830.90	December	\$4,593,694.12	\$4,176,333.09	\$417,361.03
January	\$1,254,800.64	\$60.16	(\$1,254,740.48)	January	\$2,192,604.85	\$1,333,309.99	\$859,294.86
February	\$1,020,252.41	\$0.00	(\$1,020,252.41)	February	\$5,590,934.89	\$2,269,672.00	\$3,321,262.89
March	\$1,812,974.09	\$0.00	(\$1,812,974.09)	March	\$4,214,005.73	\$0.00	\$4,214,005.73
April	\$920,297.32	\$0.00	(\$920,297.32)	April	\$2,460,697.63	\$0.00	\$2,460,697.63
May	\$1,021,511.71	\$0.00	(\$1,021,511.71)	May	\$2,252,484.84	\$0.00	\$2,252,484.84
June	\$2,515,018.97	\$0.00	(\$2,515,018.97)	June	\$5,279,345.99	\$0.00	\$5,279,345.99
Total	\$40,503,640.00	\$32,791,548.97		Total	\$40,750,730.00	\$22,004,196.44	
			80.96%				54.00%
Revenue Rec'd by % to Budget (Cumulative)				Expenditures by % to Budget (Cumulative)			
Month	Budgeted	Actual	Over/Under	Month	Budgeted	Actual	Over/Under
July	10.71%	11.35%	0.64%	July	4.56%	3.87%	-0.69%
August	49.75%	59.92%	10.17%	August	10.06%	10.94%	0.88%
September	65.94%	68.04%	2.10%	September	20.88%	22.04%	1.16%
October	71.26%	72.62%	1.36%	October	28.66%	28.27%	-0.40%
November	74.53%	76.30%	1.77%	November	34.76%	34.91%	0.14%
December	78.90%	80.96%	2.06%	December	46.04%	45.16%	-0.88%
January	82.00%	80.96%	-1.04%	January	51.42%	48.43%	-2.99%
February	84.52%	80.96%	-3.56%	February	65.14%	54.00%	-11.14%
March	89.00%	80.96%	-8.04%	March	75.48%	54.00%	-21.48%
April	91.27%	80.96%	-10.31%	April	81.52%	54.00%	-27.52%
May	93.79%	80.96%	-12.83%	May	87.04%	54.00%	-33.05%
June	100.00%	80.96%	-19.04%	June	100.00%	54.00%	-46.00%

2021/2022 Budget Projections

General Fund | Financial Forecast

For the Period Ending December 31, 2021

	Prior YTD	Current YTD	Add: Anticipated Revenues / Expenses	Annual Forecast	Annual Budget	Variance Fav / (Unfav)
REVENUES						
Local	\$26,929,083	\$27,772,971	\$3,306,523	\$31,079,493	\$30,681,196	\$398,297
State	2,439,979	2,626,056	5,138,280	7,764,336	7,433,800	330,536
Federal	327,288	702,994	1,342,591	2,045,584	2,388,644	(343,060)
Other Revenue	0	0	0	0	0	0
TOTAL REVENUE	\$29,696,350	\$31,102,020	\$9,787,394	\$40,889,414	\$40,503,640	\$385,774
EXPENDITURES						
Salaries	\$6,000,643	\$6,906,628	\$10,770,132	\$17,676,760	\$17,518,641	(\$158,119)
Benefits	4,419,288	4,788,541	6,819,060	11,607,601	11,591,788	(15,813)
Contracted Services	423,113	678,820	808,483	1,487,303	1,343,258	(144,045)
Purchased Services	311,330	387,404	361,724	749,128	700,961	(48,167)
Other Purchased Services	1,416,712	1,474,564	1,815,726	3,290,289	3,231,954	(58,335)
Supplies	1,012,919	965,064	433,265	1,398,329	1,253,399	(144,930)
Property	96,515	578,093	67,237	645,330	78,410	(566,920)
Other Objects	635,513	599,855	800,280	1,400,135	1,785,572	385,437
Other Financing Uses	447,052	170,471	1,357,275	1,527,746	3,246,747	1,719,001
TOTAL EXPENDITURES	\$14,763,086	\$16,549,440	\$23,233,181	\$39,782,621	\$40,750,730	\$968,109
SURPLUS / (DEFICIT)	\$14,933,264	\$14,552,580	(\$13,445,787)	\$1,106,793	(\$247,090)	\$1,353,883
ENDING FUND BALANCE	\$4,674,232	\$26,517,986		\$13,072,199	\$11,718,316	

State Budget – Governor's Proposal

- Minimum Wage Increase
 - Projected Cost Impact:
 - \$12
 - \$15
- Fair Funding
 - Proposed increase
 - BEF (Basic Education Funding) - \$1,347,368 (62.9% inc)
 - SEF (Special Education Funding) - \$146,691 (16.3% inc)
- Other Potential Funding/Concerns
 - \$45M in school safety and security grants
 - \$45,000 minimum teacher salary
 - Charter School Reform (potential savings of \$144,787)
 - Statewide tuition rate of \$9,800

Budget Challenges (2022/2023)

- Assessments – changes and appeals
 - Several pending
- State Revenue
 - Additional BEF and SEF or Flat Funding
- Enrollment
 - Projected enrollment
 - Charter School enrollment
- Tax increase
- Medical Access
- Personnel
 - Hiring/Retirees
 - Minimum Wage

Personnel and Support Staff

- Support Staff – estimated hourly wage increase[^]
 - Impact of starting salary to \$12
 - Wages: \$39,154
 - Benefits: \$17,009
 - Total: \$56,163
 - Includes Food Service (\$21,727) and General Fund (\$34,436)
 - Total number of positions under \$12.00/hour: 23
 - Food Service: 13
 - General Fund: 10
 - Impact of starting salary to \$15
 - Wage: \$349,263
 - Benefits: \$151,720
 - Total: \$500,983
 - Includes Food Service (\$90,789) and General Fund (\$410,193)
 - Total number of positions under \$15.00/hour: 80
 - Food service: 14
 - General Fund: 66

[^]Includes annual increase, if increase is less than budgeted, impact could be higher

Budget 2022/2023 Status

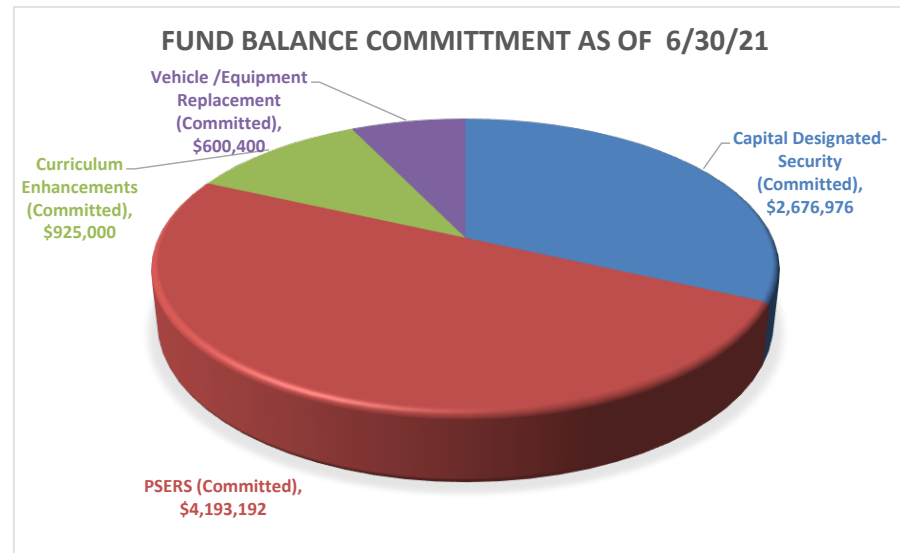
	16-Feb-22	19-Jan-22
Projected Revenue	\$ 39,996,475	\$ 39,351,540
Projected Expenditures	41,280,361	41,674,438
Projected Surplus/(Deficit)	(1,283,886)	(2,322,898)
<i>Notes: Does not include any tax millage change</i>		

- **Assumptions**

- Wage Increases – in accordance with agreements
- Health Care Increase – not to exceed 4%
- PSERS – 35.79 (2021/22 – 34.95 – 2.4% increase)
- No new positions proposed
- Includes confirmed professional retiree savings of \$295,373
- Includes pre-refinance debt service: \$590,084
- Does not include tax millage increase
 - (Act 1 = 3.9%)(\$1,016,825)
- Use of Fund Balance (Retirement/PSERS)

Ending Fund Balance – as of 6/30/2021

Fund Balance		
	6/30/20	6/30/21
Non Spendable	\$8,664	\$5,233
Restricted	\$140,010	\$57,457
Committed	\$5,444,282	\$8,395,568
Assigned	\$732,872	\$247,090
Unassigned	\$2,863,692	\$3,260,058
Total	\$9,189,520	\$11,965,406



Note: Assigned fund balance is a placeholder for the next year's budget deficit

Items on Board Agenda

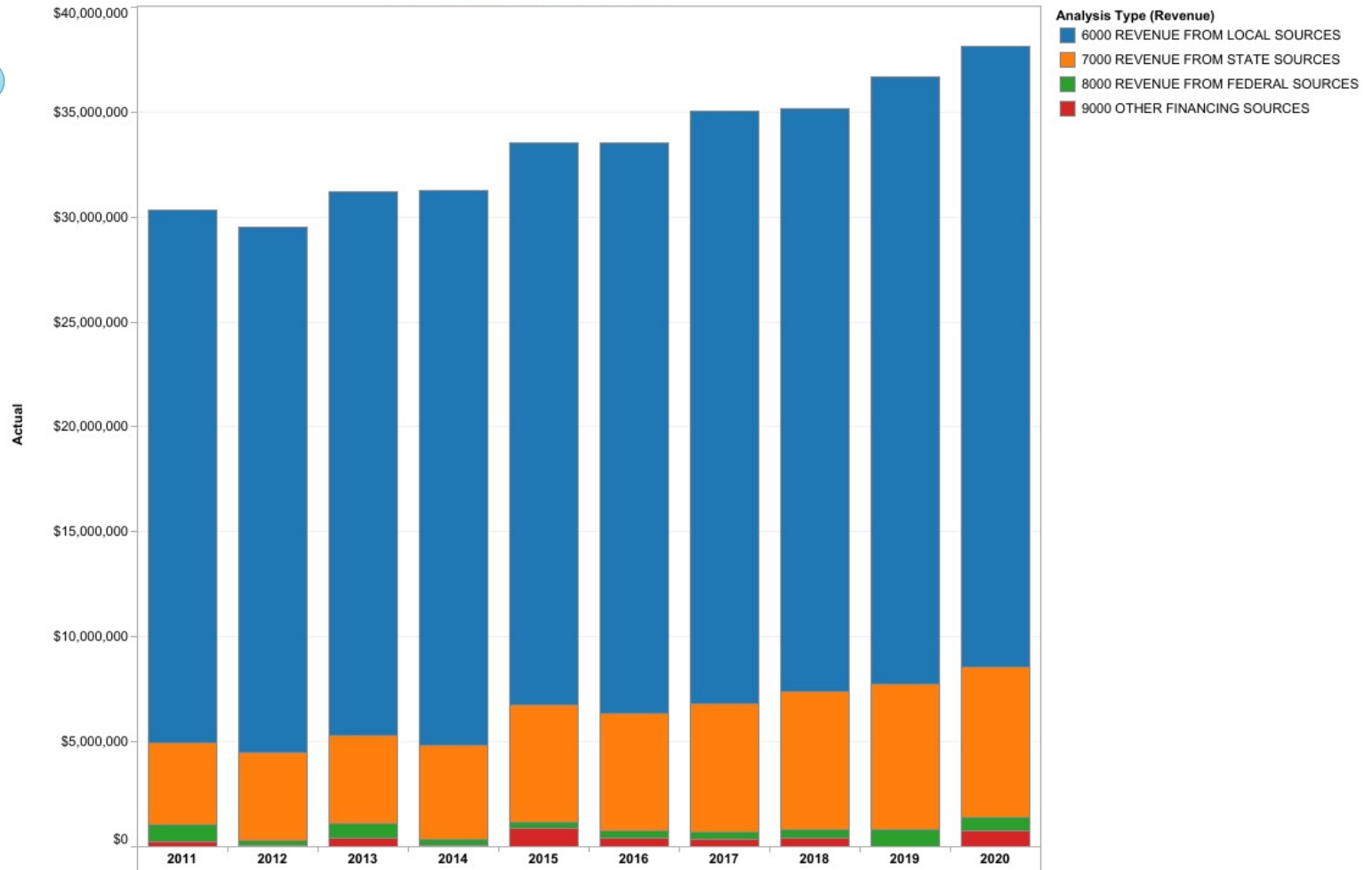
- Agreement with Scottish Rite for Graduation
- Budget Transfers
- WAEF Donations
- Contract for Professional Services
- Delinquent Real Estate Taxes

March Meeting

- Staffing/Personnel Discussion
- Tax Increase Discussion
- Enrollment Projections
- Updates:
 - 2021/2022 Budget to Actual Projection
 - 2021/2022 Cash Flow
 - 2022/2023 Budget
- 5 Year Forecast

Revenue – Deep Dive

Revenue Bar Chart
District: Wyomissing Area SD
By: Function Level 1
Source: Pennsylvania Department of Education



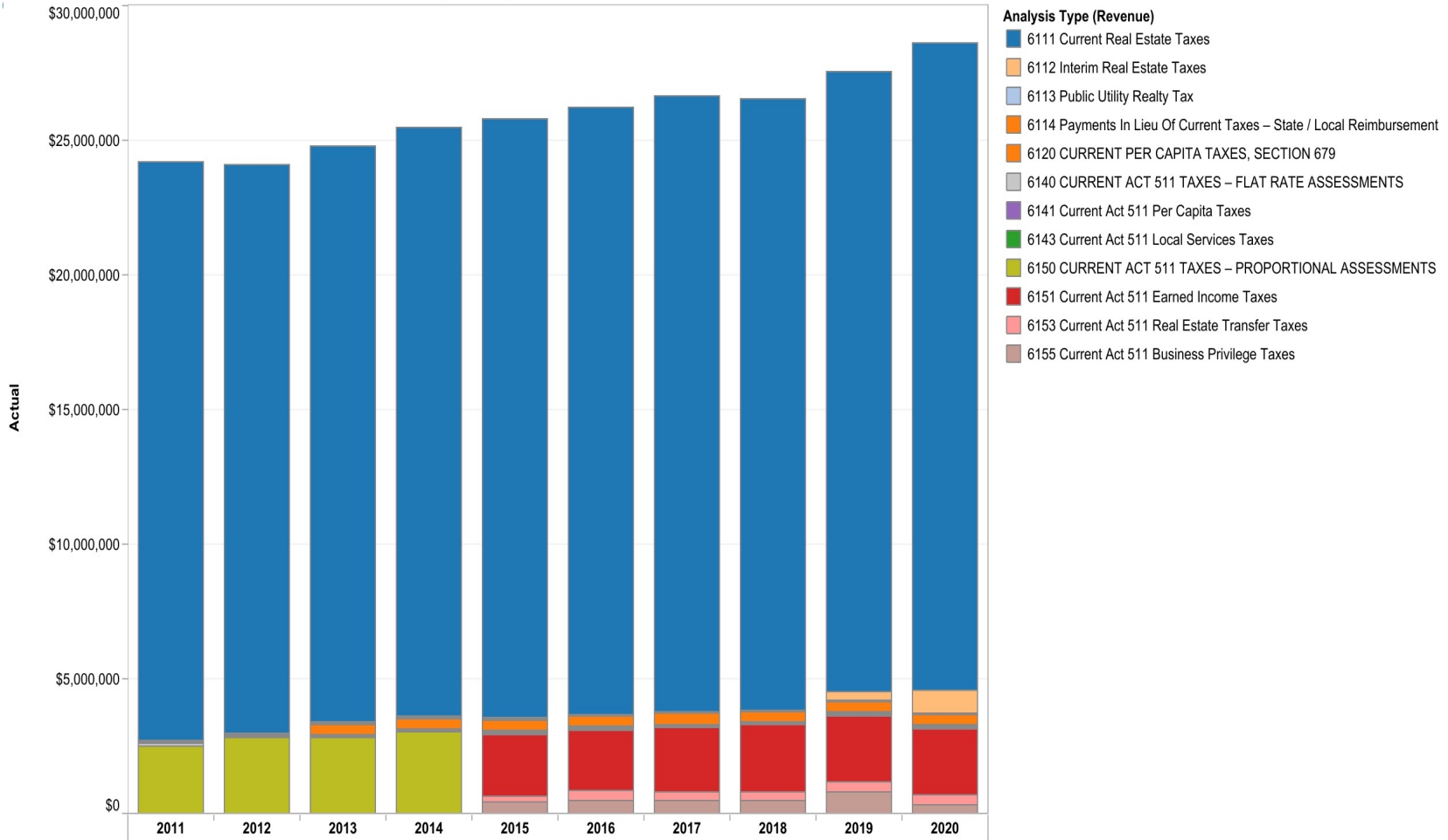
Revenue – Deep Dive

Revenue Bar Chart

District: Wyomissing Area SD

By: Function Level 4

Source: Pennsylvania Department of Education

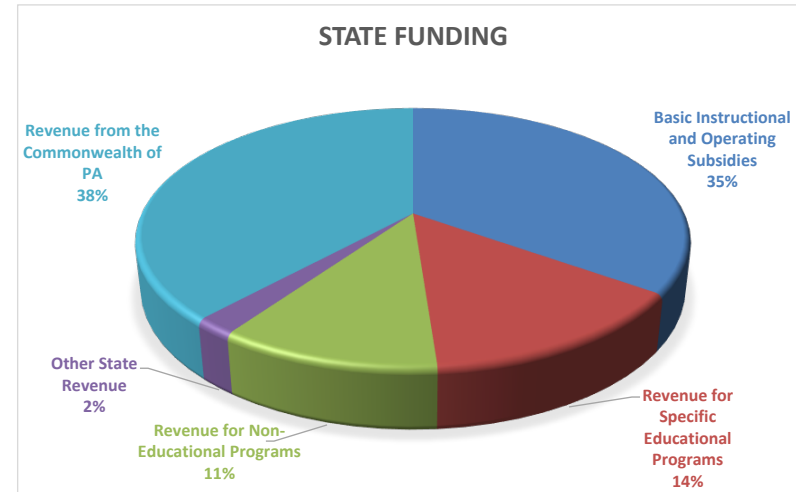


Act I Index Review

- Adjusted Act I Index, which has been set at 3.9% (WASD Index)
- 3.9% = \$1,017,313 of estimated additional tax revenue
- 2022 vs 2021 assessed value (as of)
 - West Reading: \$181,135,300 vs \$180,643,600 +\$491,700
 - Net projected Revenue = \$5,608,854
 - Wyomissing: \$659,821,900 vs \$659,934,700 **-\$112,800**
 - Net Projected Revenue = \$20,463,579
 - Total tax exempt value = \$297,656,200 (26.12% of total valuation)
- Note: The District's tax increase for 2021/2022 was 2% and the average tax increase for the past five years is 1.60%

Revenue – Deep Dive

- Revenue Sources:
 - State – 19.51%
 - Basic Education Funding
 - Special Education Funding
 - Subsidies
 - Social Security
 - Retirement
 - Transportation
 - Federal – 2.59%
 - Title Funds
 - ESSER/ARP Funding
 - Medical Access



Revenue – Deep Dive

- Revenue Sources:

- Local – 77.90%

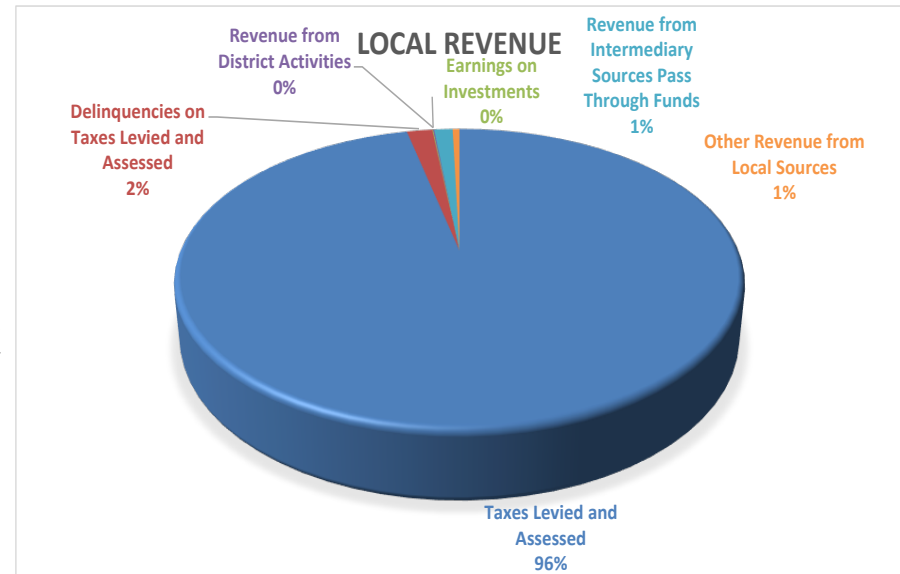
- Taxes

- Real Estate (limited Act I index)
 - Per Capita
 - Earned Income
 - Local Service Tax
 - Business Privilege Tax
 - Real Estate Transfer Tax

- Interest

- IDEA

- Other – Fees/Donations



ARP ESSER/CARES Funding

- What the District has been allocated/spent:
 - CARES Funding (PA Dept of Ed): \$220,451 spent \$176,002
 - ESSER Funding (PCCD): \$195,413 spent \$195,413
 - CARES Funding (COB): \$99,938 spent \$99,938
 - ESSER Funding (PCCD): \$56,506 spent \$56,506
 - ESSER II Funding (PA Dept of Ed): \$979,196 spent \$826,882
 - ESSER III Funding (PA Dept of Ed): \$1,981,814 spent \$472,097
 - ARP Set Aside – Act 42 (PA Dept of Ed): \$154,033 - pending
 - ARP ESSER Homeless Children and Youth: \$10,048 - pending
 - ARP Supplement IDEA: \$64,635- approved
- *Total ARP ESSER CARES Funding: \$3,762,034*
- *Total ARP ESSER CARES Funding Available: \$1,935,196*
 - *Available until September 30, 2024*