

# Wyomissing Area School District



*Finance Committee Meeting*

*March 19, 2024*



## Agenda

- 2023/2024 Budget to Actual/End of Year Projection
- Personnel Update/Discussion
- 2024/2025 Budget Update
- Cash Flow Review
- Fund Balance as of 6/30/2023 (audited)
- Public Comment

# Budget Challenges Beyond 2023/2024

- Assessments – changes and appeals (+/-)
  - Reading Hospital Appeals (appeals pending) (-)
  - Masonic Temple Appeal (decision decided) (+)
  - Commonwealth Charter Academy (no change)
  - Hotel Appeal (Wyomissing Square) (-)
  - Highlands (current apartment project) (+)
- State Revenue
  - Additional BEF
    - Student Weight Formula: \$167,815 (assumed in 24/25 budget)
    - Adequacy Investment: \$182,064
  - Additional SEF: \$824
- Cyber Enrollment/BOL
  - Tuition (Regular Ed) \$17,010 vs \$8,000
- Personnel
  - Hiring/Retirees/Minimum Wage
  - ESSER Positions Funding (2 Positions)
  - Health Care increase (potentially 12.5%)
- Economic Conditions
  - Continual inflation and the impact on goods and services
  - Utilities and Fuel

# Finance

## State Budget Review:

- The impact of the increases in basic education funding, special education funding and cyber tuition could be the following:
  - Basic Education: Districts will not receive any less funding than what they were provided in the 2023-2024 budget
  - \$872M is proposed to run through the newly proposed adequacy invest formula that was proposed by the Basic Education Funding Committee
  - \$200M will be distributed through the normal Basic Education Funding Formula
  - Proposed funding for the Wyomissing Area School District:

• BEF Formula:	\$167,815
• Adequacy Invest Formula:	<u>\$182,064</u>
• Total	\$348,879
  - Special Education: Proposed increase is \$824
  - Cyber Charter Tuition (impact at proposed rate of \$8,000 (regular ed only)):
    - Proposed Tuition Regular Ed for 2024/25 is \$17,010.31
    - Currently 17 Regular Ed Students Potential saving at a tuition rate of \$8,000: \$153,175.27

## Personnel

- Coaching positions (Athletics) (positions are currently in budget)
  - Wrestling Assistant (girls) (add amount)
  - Soccer Assistant (girls) (add amount)
- Special Education Position – New Position (enrollment at Hills)(currently in budget)
- Update on Retirement/Resignations

# 2023/2024 Budget to Actual

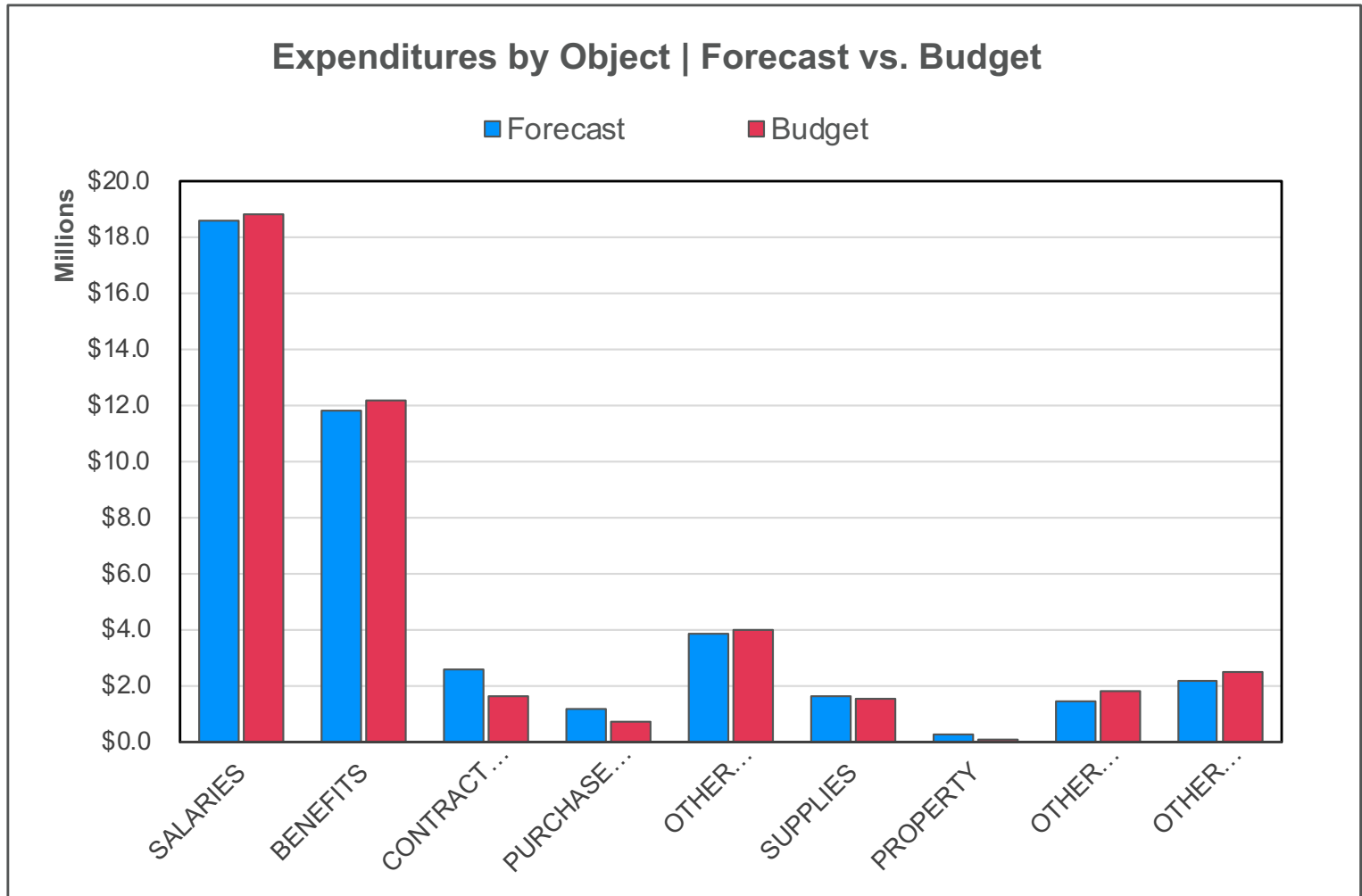
- Projected Revenue: **\$43,960,029**
- Projected Expenditure: **\$43,549,598**
- Surplus / (Deficit) **\$410,430**
  
- Budgeted Deficit of **(\$161,004)**

## Aggregate | Financial Forecast

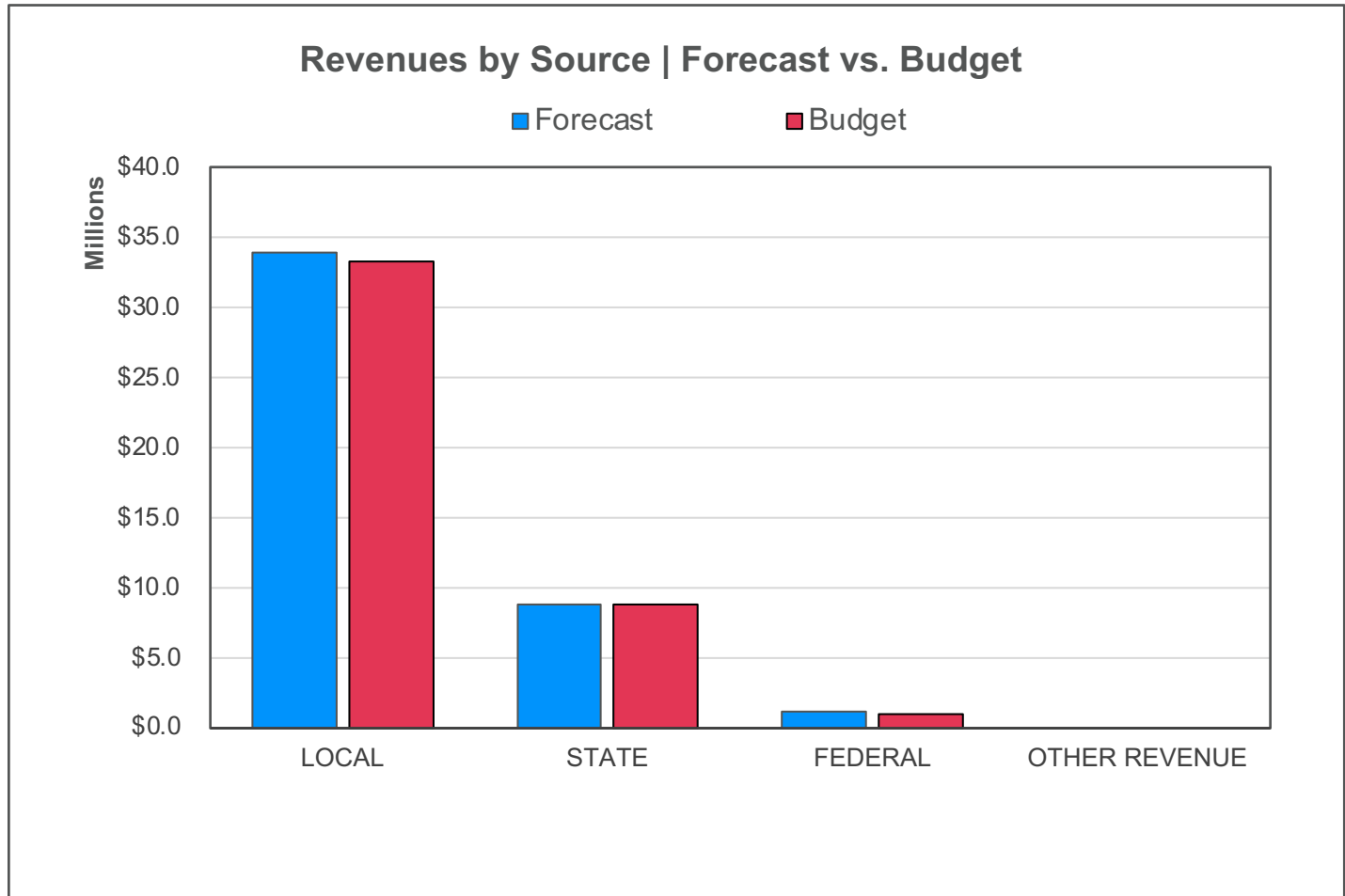
For the Period Ending January 31, 2024

	Prior YTD	Current YTD	Add: Anticipated Revenues / Expenses	Annual Forecast	Annual Budget	Variance Fav / (Unfav)
<b>REVENUES</b>						
Local	\$29,394,057	\$30,722,479	\$3,224,765	\$33,947,244	\$33,305,030	\$642,214
State	3,037,689	3,373,753	5,466,259	8,840,012	8,791,690	48,322
Federal	829,056	260,183	912,589	1,172,773	1,006,935	165,838
Other Revenue	62,063	0	0	0	0	0
<b>TOTAL REVENUE</b>	<b>\$33,322,865</b>	<b>\$34,356,415</b>	<b>\$9,603,614</b>	<b>\$43,960,029</b>	<b>\$43,103,655</b>	<b>\$856,374</b>
<b>EXPENDITURES</b>						
Salaries	\$8,354,871	\$9,223,406	\$9,365,301	\$18,588,707	\$18,797,442	\$208,735
Benefits	5,705,532	6,156,278	5,668,565	11,824,843	12,155,400	330,557
Contracted Services	742,961	1,293,843	1,284,515	2,578,359	1,631,493	(946,866)
Purchased Services	412,837	638,054	518,391	1,156,445	719,255	(437,190)
Other Purchased Services	1,700,881	2,049,868	1,814,733	3,864,601	4,002,950	138,349
Supplies	947,527	1,059,366	584,421	1,643,787	1,549,400	(94,387)
Property	656,037	143,090	129,852	272,942	105,090	(167,852)
Other Objects	718,640	741,713	686,259	1,427,971	1,811,685	383,714
Other Financing Uses	186,462	16,328	2,175,616	2,191,944	2,491,944	300,000
<b>TOTAL EXPENDITURES</b>	<b>\$19,425,748</b>	<b>\$21,321,946</b>	<b>\$22,227,652</b>	<b>\$43,549,598</b>	<b>\$43,264,659</b>	<b>(\$284,940)</b>
<b>SURPLUS / (DEFICIT)</b>	<b>\$13,897,116</b>	<b>\$13,034,469</b>	<b>(\$12,624,038)</b>	<b>\$410,430</b>	<b>(\$161,004)</b>	<b>\$571,434</b>
<b>ENDING FUND BALANCE</b>	<b>\$28,125,164</b>	<b>\$28,976,075</b>	<b>\$0</b>	<b>\$16,352,036</b>	<b>\$15,780,602</b>	

# 2023/2024 Budget to Actual



# 2023/2024 Budget to Actual



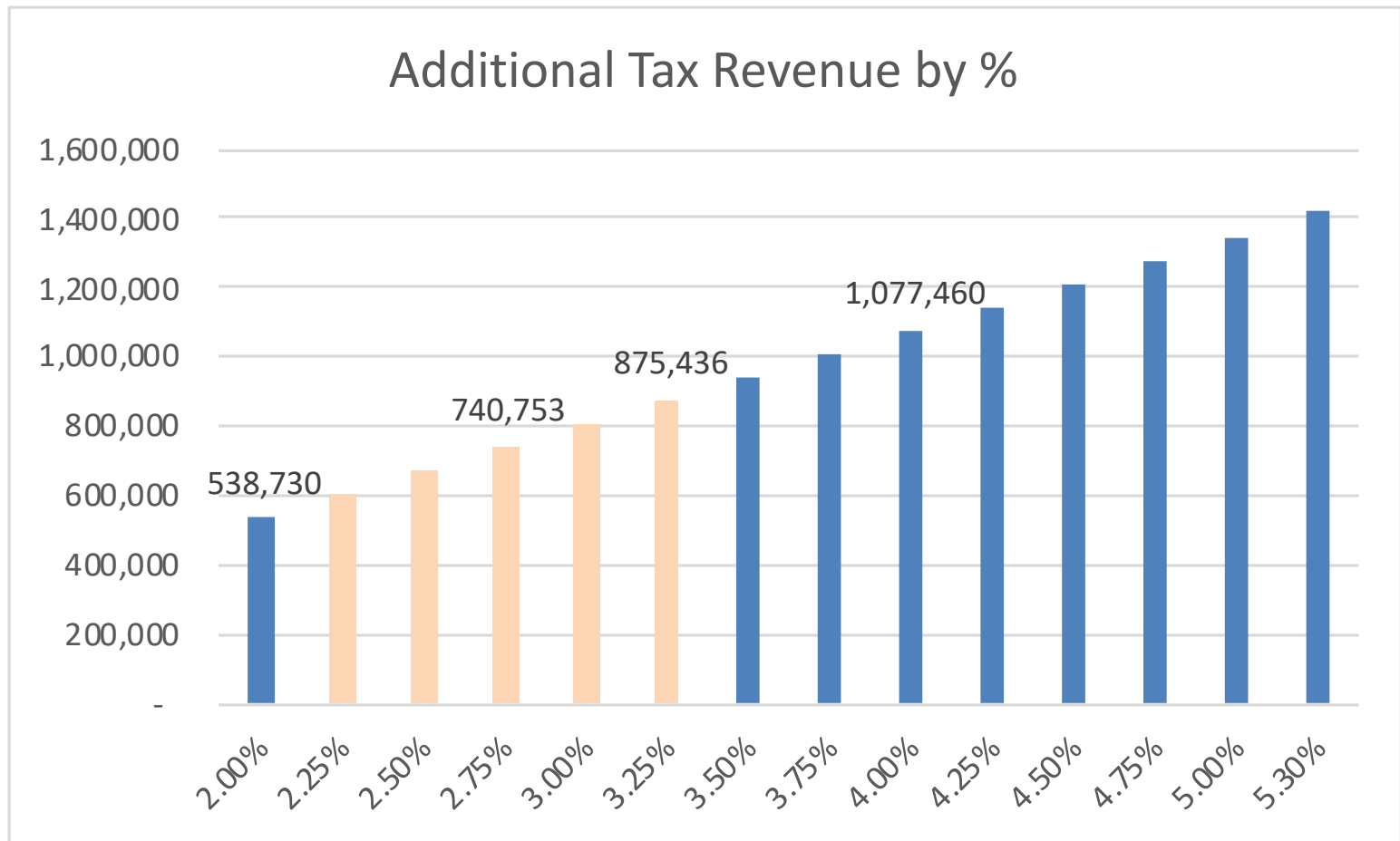


# Millage History

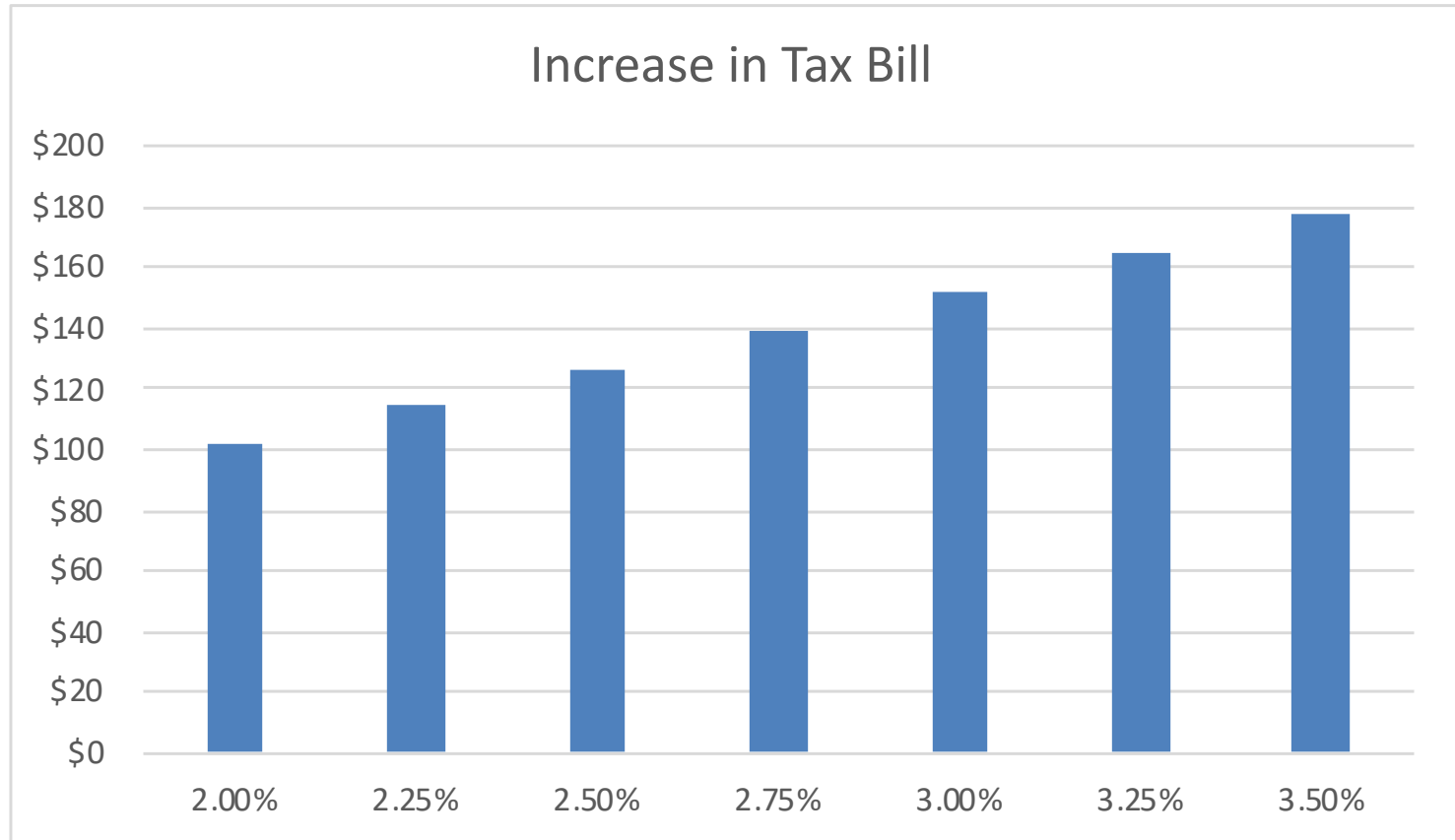
- Act I Index

Wyomissing Area School District				
Millage History				
<u>Year</u>	<u>Millage</u>	<u>Increase in Mills</u>	<u>% Increase</u>	<u>PDE Index</u>
2014-15	29.4887	0.4358	1.50%	2.10%
2015-16	29.7849	0.2962	1.00%	1.90%
2016-17	30.0665	0.2816	0.95%	2.40%
2017-18	30.0665	0.0000	0.00%	2.50%
2018-19	30.6678	0.6013	2.00%	2.40%
2019-20	31.4340	0.7662	2.50%	2.30%
2020-21	31.9060	0.4720	1.50%	3.00%
2021-22	32.5441	0.6381	2.00%	3.00%
2022-23	33.1950	0.6509	2.00%	3.90%
2023-24	33.8260	0.6310	1.90%	4.10%
2024-25				5.30%

# Projected Additional Tax Revenue (Tax increase)

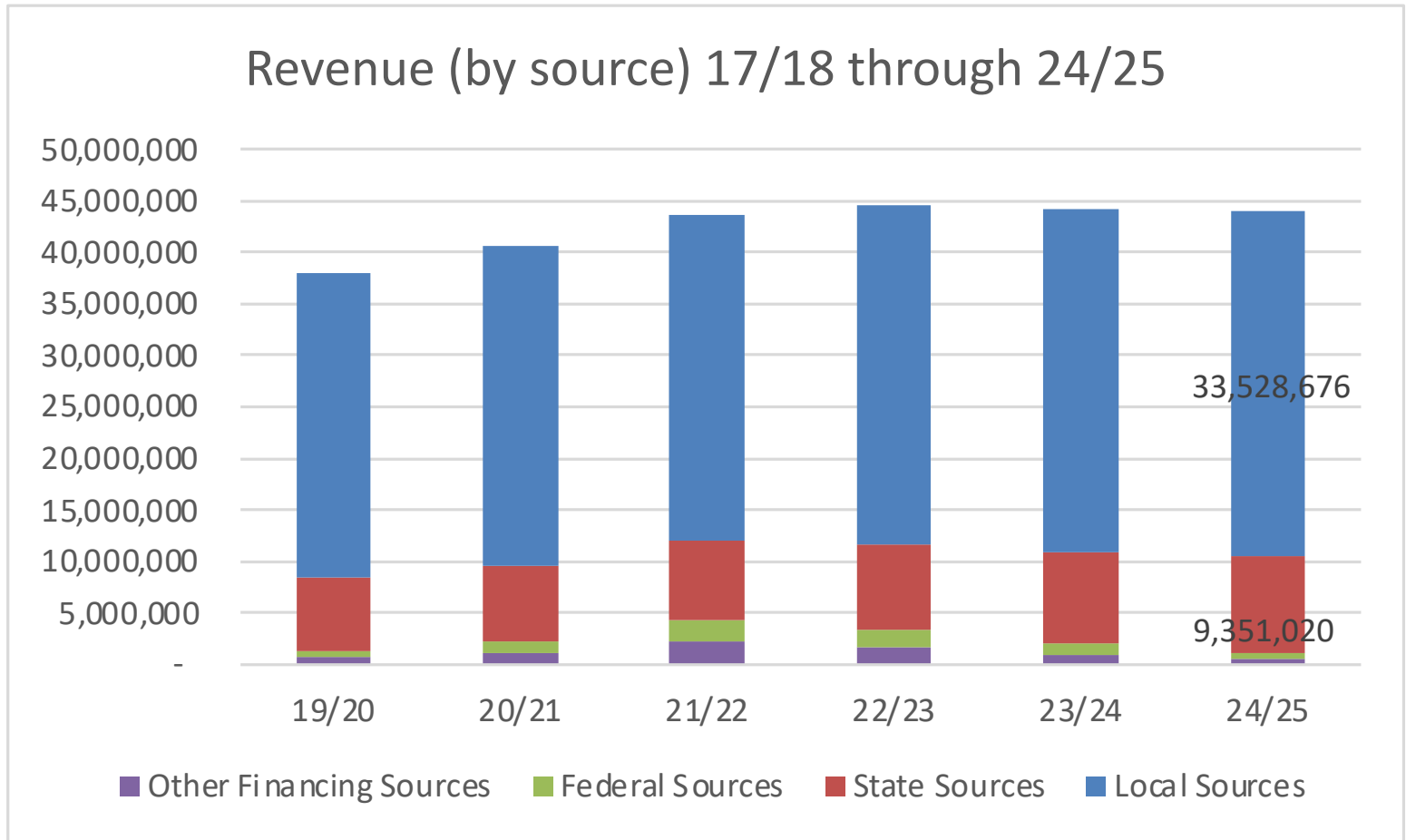


## Projected Additional Tax Payment (per \$150,000 AV)



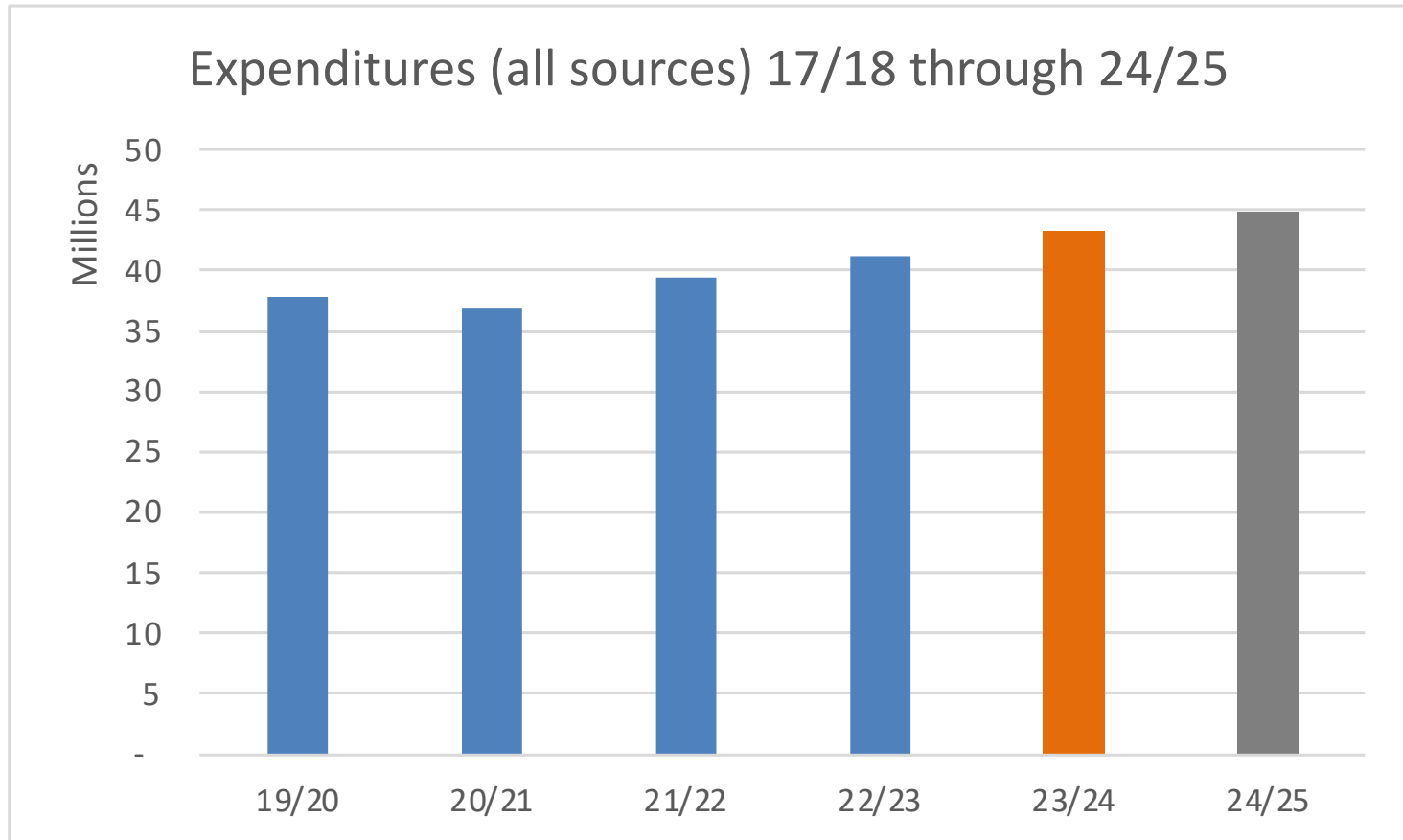
## 2024/2025 Projected Budgeted Revenues

- Projected Revenue = \$43,459,385



## 2024/2025 Projected Budget Expenditures

- Projected Expenditure = \$44,913,778



## 2024/2025 Projected Budget Summary

- Projected Revenue \$43,459,385
- Projected Expenditures 44,913,778
- Projected Surplus (Deficit) **\$(1,454,393)**
- *Assumptions:*
  - No tax increase assigned
  - Assessed Value decrease (Courtyard by Marriott and Reading Hospital)
  - Included only the Student Weighted Formula and SEF increase in State Revenue
  - Projected increase in Health Care costs (12.5%)
  - Debt Service/Capital Reserve Fund transfer
  - No ARP/ESSER funds budgeted (covered 2 positions)
  - Full Complement of staff budgeted (including changes due to pending retirements)
  - Additional Salary increase due to CBA including significant increase in co-curricular and athletic stipends
  - Inflationary cost increase in fuel, utilities, and copy paper

# 2024/2025 Projected Budget Summary

Projected Surplus (Deficit)

**\$(1,454,393)**

- Scenarios:

- *Tax Increase*

- 2.5% 673,412
    - 2.75% 740,753
    - 3.0% 808,095
    - 3.5% 942,777

- *Masonic Temple:*

- **Include 233,196**

- *Capital Transfer*

- 75% 107,759
    - 50% 215,518
    - 25% 323,278

- *Budgetary Reserve*

- Reduce by 50,000

- *Health Care Increase*

- 11.5% 37,846
    - **10.5% 75,691**
    - 9.5% 113,537

- *Basic Education Funding (New Formula)*

- Adequacy 182,064

# 5-Year Forecast

FY24 Wyomissing Area\_031924\_0%

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2024	2025	%Δ	2026	%Δ	2027	%Δ	2028	%Δ	2029	%Δ
REVENUE											
Local	\$33,305,030	\$33,528,676	0.67%	\$34,018,937	1.46%	\$34,658,202	1.88%	\$35,309,614	1.88%	\$35,975,193	1.88%
State	\$8,791,690	\$9,351,021	6.36%	\$9,544,698	2.07%	\$9,727,709	1.92%	\$9,921,084	1.99%	\$10,125,475	2.06%
Federal	\$1,006,935	\$579,688	-42.43%	\$579,688	0.00%	\$579,688	0.00%	\$579,688	0.00%	\$579,688	0.00%
Other Financing Sources	\$0	\$0		\$0		\$0		\$0		\$0	
TOTAL REVENUE	\$43,103,655	\$43,459,385	0.83%	\$44,143,323	1.57%	\$44,965,599	1.86%	\$45,810,386	1.88%	\$46,680,356	1.90%
EXPENDITURES											
Salary and Benefit Costs	\$30,952,842	\$31,812,270	2.78%	\$32,815,672	3.15%	\$34,046,569	3.75%	\$35,317,533	3.73%	\$36,645,758	3.76%
Other	\$12,311,817	\$13,101,508	6.41%	\$13,414,136	2.39%	\$13,616,544	1.51%	\$13,646,398	0.22%	\$14,053,394	2.98%
TOTAL EXPENDITURES	\$43,264,659	\$44,913,778	3.81%	\$46,229,807	2.93%	\$47,663,112	3.10%	\$48,963,931	2.73%	\$50,699,152	3.54%
SURPLUS / DEFICIT	(\$161,004)	(\$1,454,393)		(\$2,086,485)		(\$2,697,513)		(\$3,153,544)		(\$4,018,795)	
BEGINNING FUND BALANCE	\$15,941,606	\$15,780,602		\$14,326,209		\$12,239,724		\$9,542,211		\$6,388,667	
PROJECTED YEAR END BALANCE	\$15,780,602	\$14,326,209		\$12,239,724		\$9,542,211		\$6,388,667		\$2,369,871	
FUND BALANCE AS % OF EXPENDITURES	36.47%	31.90%		26.48%		20.02%		13.05%		4.67%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	4.38	3.83		3.18		2.40		1.57		0.56	

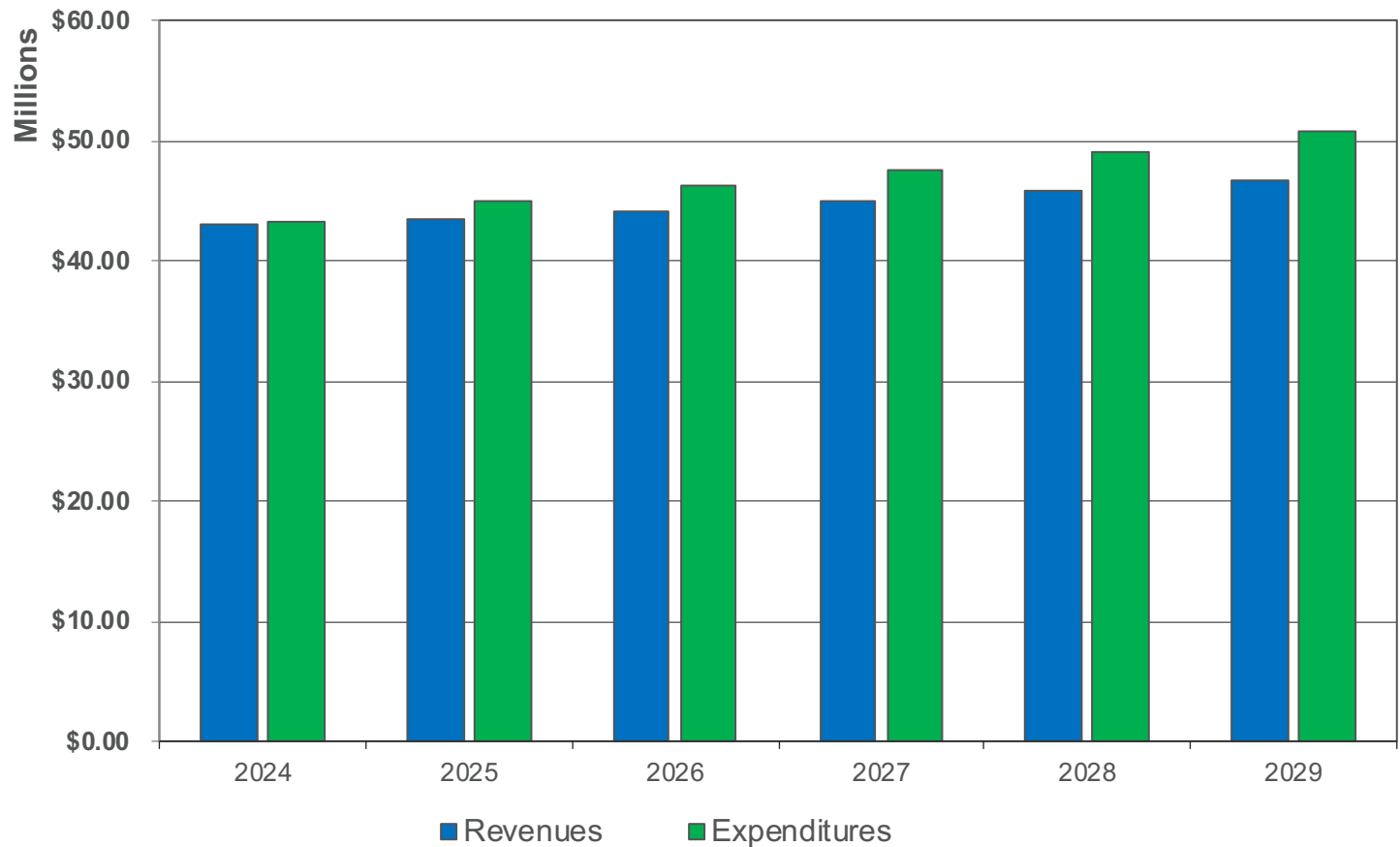
## 5 Year Forecast

- Assumes 0% inc in 2024/25, 2% thereafter
- Assumes wage and benefit growth



# 5-Year Forecast

## REVENUES VS. EXPENDITURES

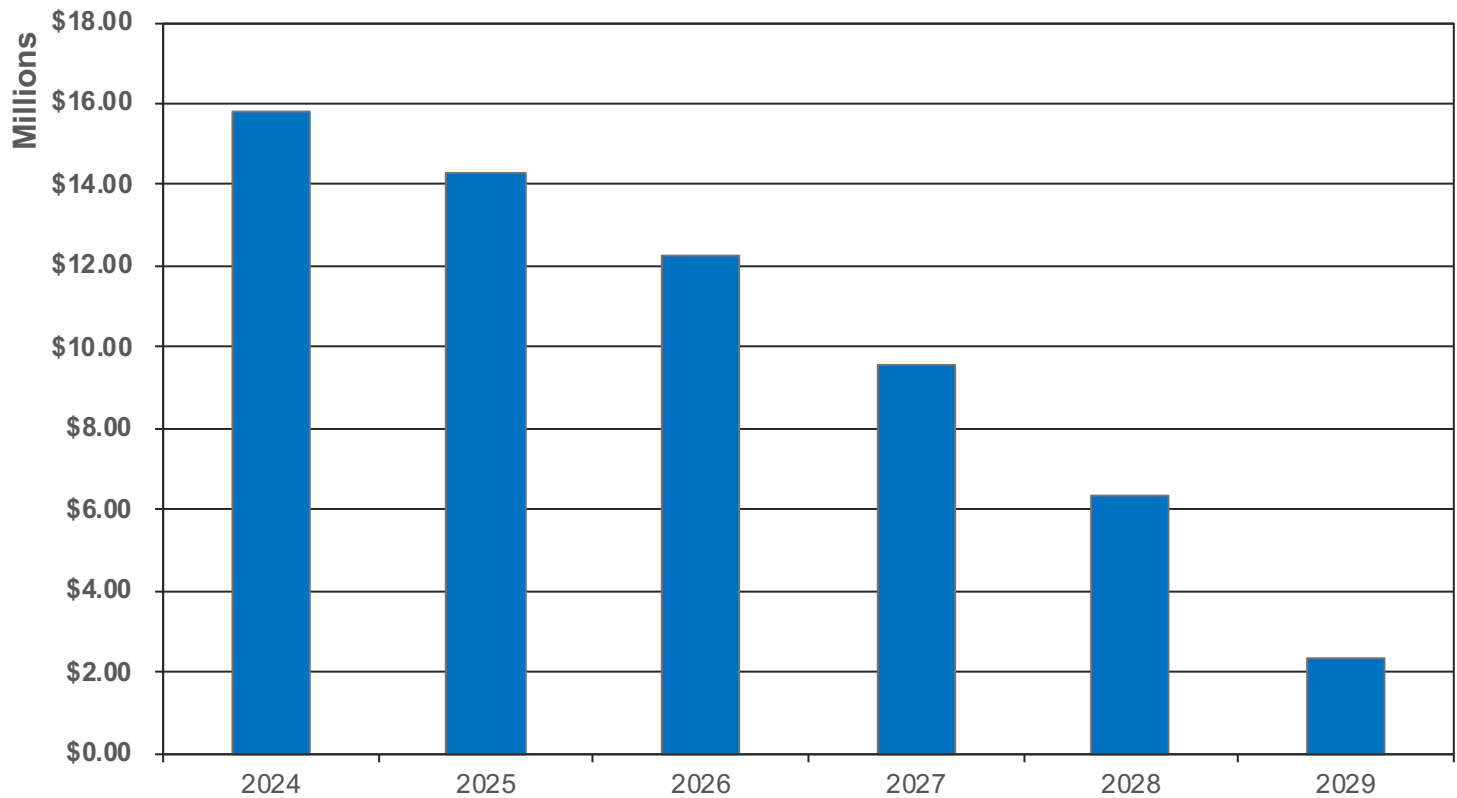


### 5 Year Forecast

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# 5-Year Forecast

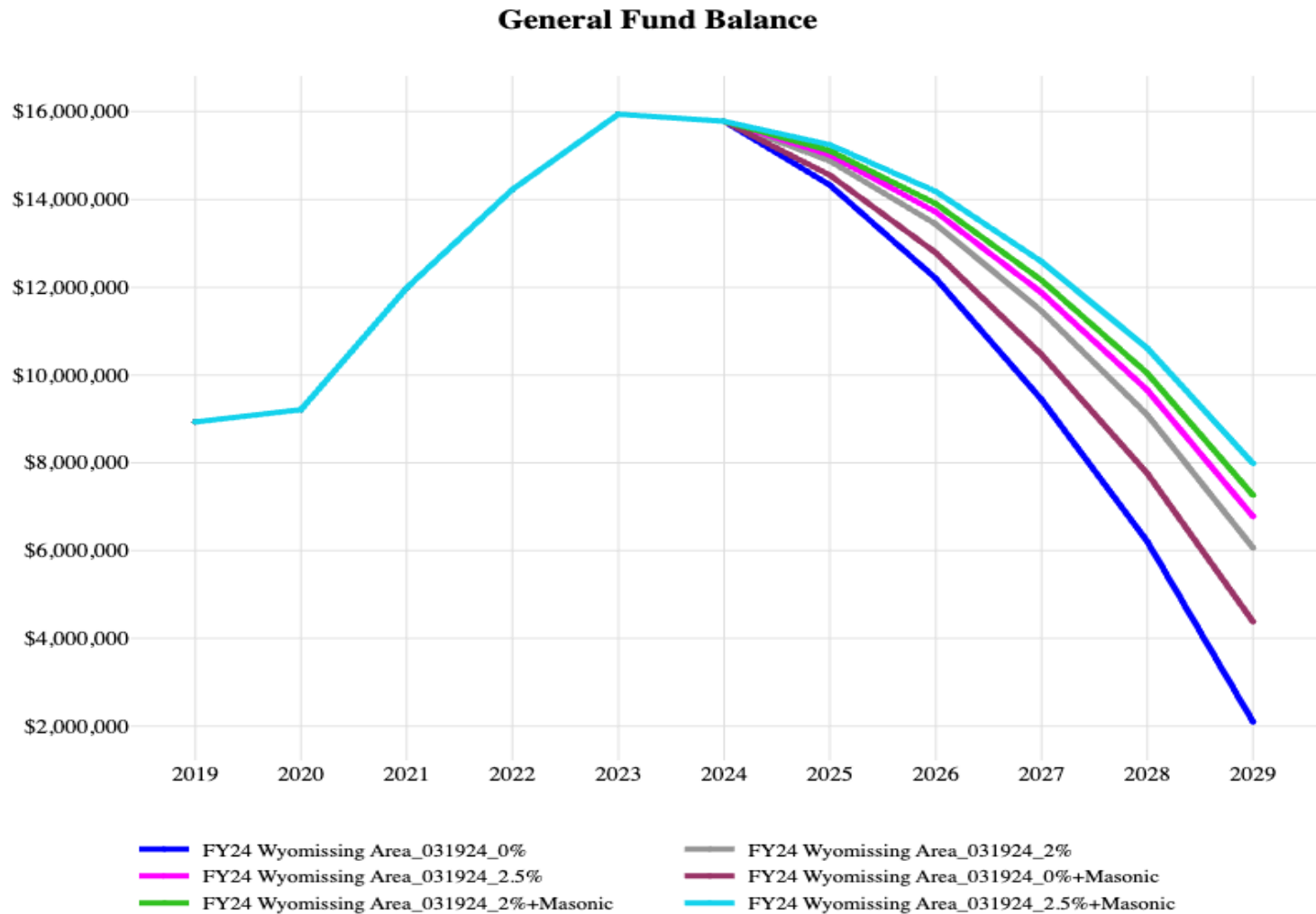
## YEAR-END FUND BALANCES



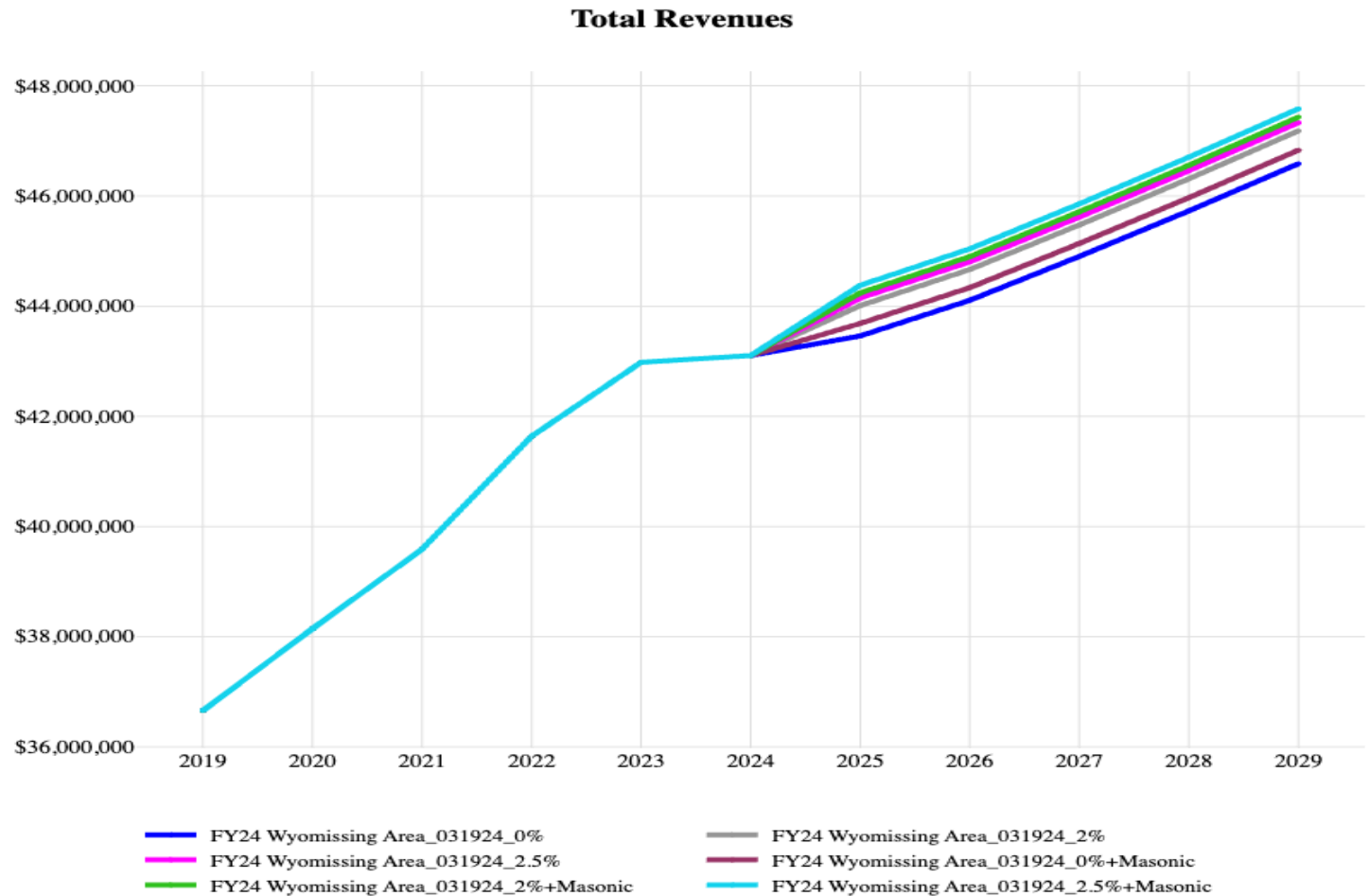
### 5 Year Forecast

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- Assumes wage and benefit growth

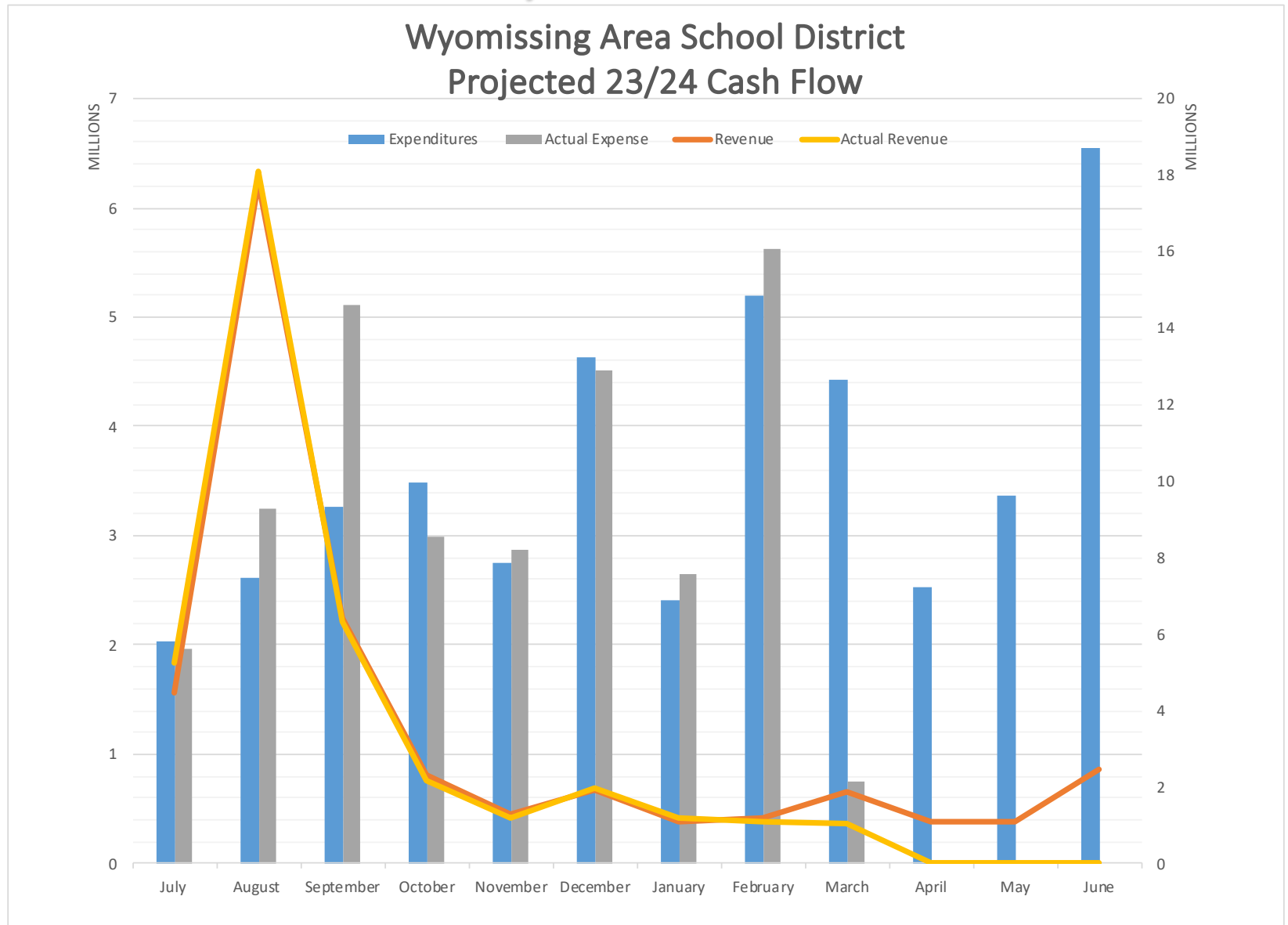
# 5-Year Forecast Scenario Fund Balance



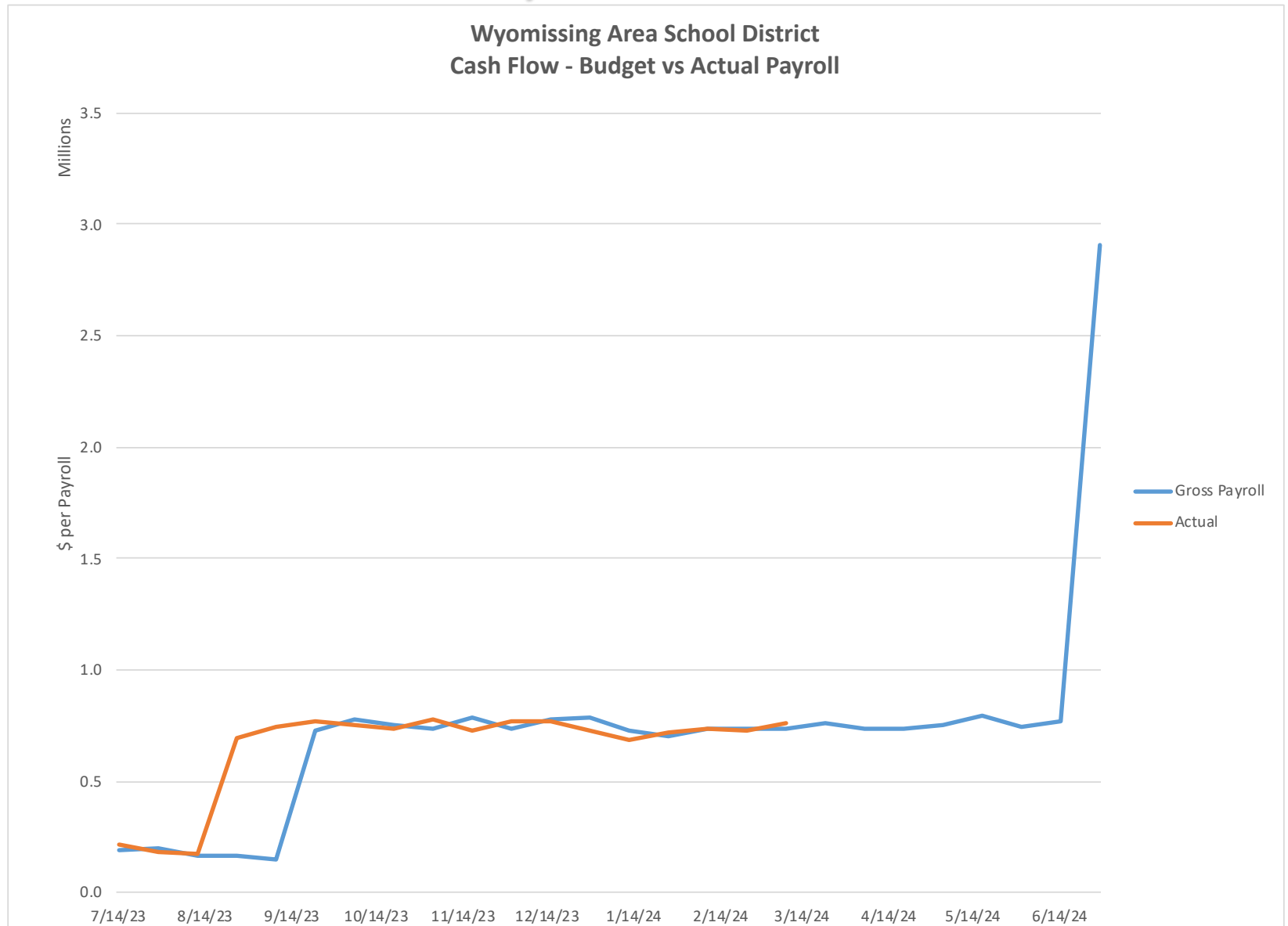
# 5-Year Forecast Scenario Total Revenue



# Cash Flow as of February 28, 2024



# Cash Flow as of February 28, 2024



# Cash Flow as of February 28, 2024

Revenue Rec'd by % to Budget (Cumulative)				Expenditures by % to Budget (Cumulative)			
Month	Budgeted	Actual	Over/Under	Month	Budgeted	Actual	Over/Under
July	10.40%	12.13%	1.73%	July	4.68%	4.54%	-0.14%
August	51.68%	54.14%	2.46%	August	10.73%	12.05%	1.32%
September	66.61%	68.86%	2.25%	September	18.27%	23.86%	5.59%
October	72.02%	73.87%	1.84%	October	26.34%	30.75%	4.42%
November	75.04%	76.66%	1.62%	November	32.70%	37.39%	4.69%
December	79.54%	81.25%	1.71%	December	43.43%	47.82%	4.39%
January	82.04%	84.05%	2.01%	January	48.99%	53.93%	4.93%
February	84.79%	86.58%	1.79%	February	61.00%	66.91%	5.91%
March	89.13%	89.04%	-0.09%	March	71.23%	68.66%	-2.57%
April	91.65%	89.04%	-2.62%	April	77.07%	68.66%	-8.40%
May	94.23%	89.04%	-5.19%	May	84.87%	68.66%	-16.21%
June	100.00%	89.04%	-10.96%	June	100.00%	68.66%	-31.34%

Expenditures trending higher than projected:

- Teachers paid earlier than projected
- Paid missed invoice from prior years from SOS and G & L

Revenues are trending higher than projected:

- Interest income trending higher than projection
- No BPT tax in December due to a refund that was paid

# Proposed Ending Fund Balance – as of 6/30/2023 (audited)

<u>Fund Balance</u>		
	<u>6/30/22</u>	<u>6/30/23</u>
Non Spendable	\$16,280	\$14,054
Restricted	176,954	\$27,323
Committed	\$10,673,422	\$12,258,294
Assigned	\$41,539	\$161,004
Unassigned	\$3,300,095	\$3,461,173
<b>Total</b>	<b>\$14,208,290</b>	<b>\$15,921,848</b>

<u>Committed Fund Balance</u>				
			<u>6/30/22</u>	<u>6/30/23</u>
	Capital Designated-Security (Committed)		\$3,821,488	\$4,821,488
	PSERS (Committed)		\$4,193,192	\$4,193,192
	Curriculum Enhancements (Committed)		\$1,100,000	\$1,100,000
	Athletic Equipment Replacement (Committed)		\$550,000	\$550,000
	Furniture Replacement (Committed)		\$282,742	\$213,652
	Field House Equipment Replacement (Committed)		\$25,000	\$25,000
	Technology Infrastructure Replacement (Committed)		\$0	\$500,000
	Door Access Upgrade (DW) (Committed)		\$0	\$53,962
	Vehicle /Equipment Replacement (Committed)		\$701,000	\$801,000

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



# Next Steps

- April Voting Meeting:
  - BCTC Budget Approval
  - Science Curriculum Purchase – Committed FB
- April Finance Meeting
  - Technology Infrastructure Purchase
  - Personnel Review (Math Intervention)
  - Debt Review (Ken Phillips/Lauren Stadel)
  - Review of 2024/2025 budget
  - 5-year forecast models