

Wyomissing Area School District



Facilities and Finance Committee Meeting
February 28, 2023

Agenda

- Facilities:
 - Flannery Field Phase II Presentation: Brian Bingeman (Turf Track & Court)
- Finance:
 - Financial Statements and Audit Presentation – Roxanne McMurtry, Herbein + Company
 - Community Eligibility Provision (Free Lunch) Analysis
 - Additional Frontline Services
 - Banking Depositor Update
- Enrollment
- Personnel (Retirements/Resignations)
- 2024/2025 Budget Update
- Cash Flow Review
- Fund Balance as of 6/30/2023 (audited)
- Public Comment

Finance

- Audit and Financial Statement Review – Roxanne McMurtry
- Frontline Central (Contract approval) – additional tools for employee recruiting and on boarding
- Bank Depositor Update
 - Meeting set up with Thompkins and Customers Bank
 - Possible Request for Proposal

Finance

Community Eligibility Provision (Universal Free Lunch):

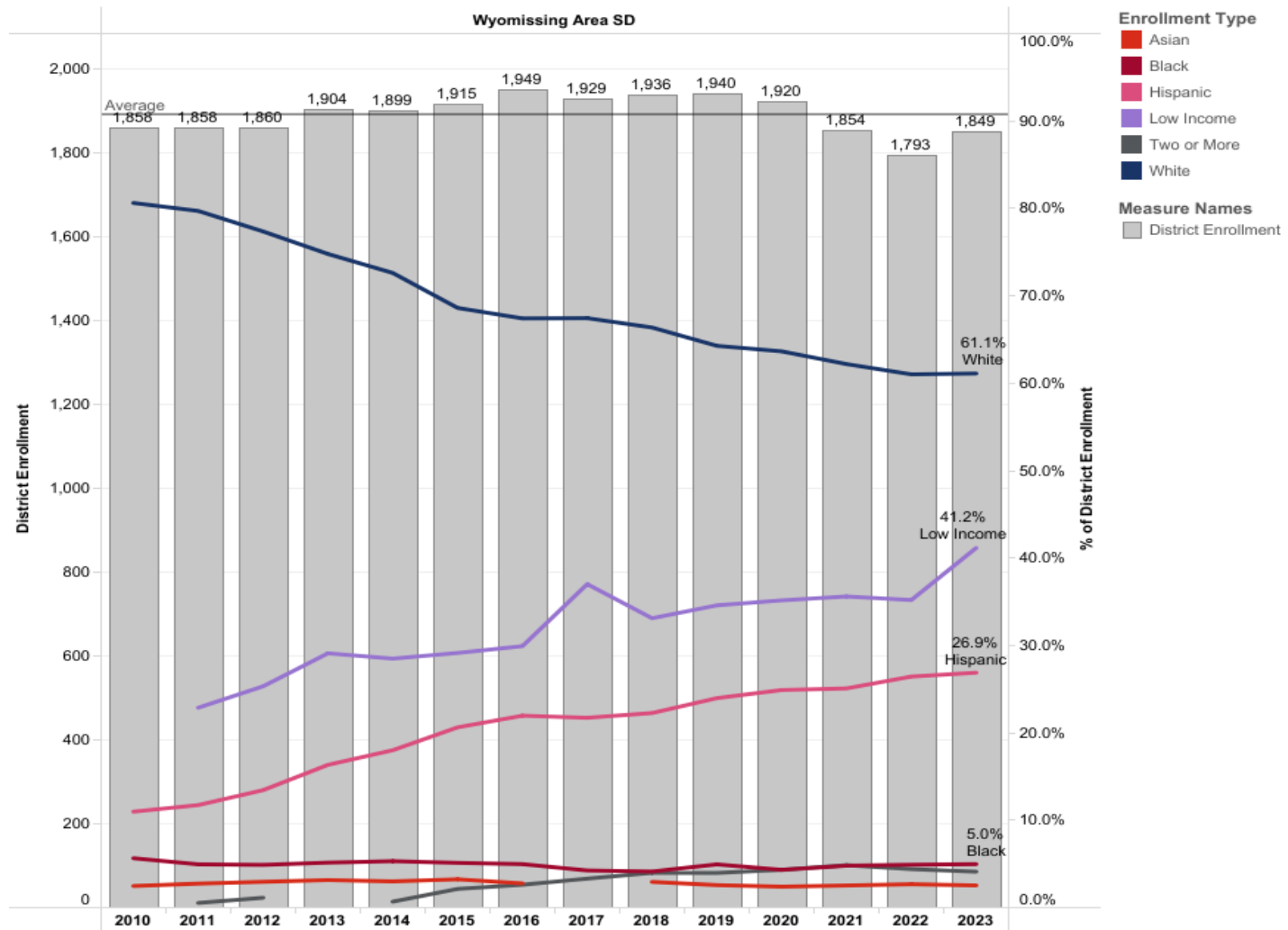
- On September 2023, the United States Department of Agriculture amended the Community Eligibility Provision (CEP) regulations by lowering the minimum identified student's percentage from 40 percent to 25 percent. This decrease provided more Districts to offer no cost meals to all enrolled students.
- Using the direct certified students as the measurement, the District would qualify over the 25%. The District current average is 36.49%.
- Per the requirement of the CEP, the percentage of 36.49% is multiplied by 1.6 to determine the free percentage for reimbursement. 36.49%, when multiplied by 1.6 is 58.39%, which would leave 41.61% as the paid rate for reimbursement. Although all meals would be free, the reimbursement amounts are set by the 58.39% free and 41.61% paid.
- When calculating the reimbursement, the District would receive \$39,989 for the month. Under the current reimbursement system, the District would receive \$60,309. The District would lose an estimated \$20,320 per month under the CEP. Over the year the District could lose an estimated \$200,233.
- To breakeven under the CEP, the District would need to serve an estimated 22,925 meals per month. Per our population the maximum number of meals served would be 15,055.
- Based upon the amount of revenue the District would be estimated to lose, the District is not recommending the CEP for food service.

Enrollment Data (District Wide)

Enrollment Breakdown (District Level)

District(s): Wyomissing Area SD

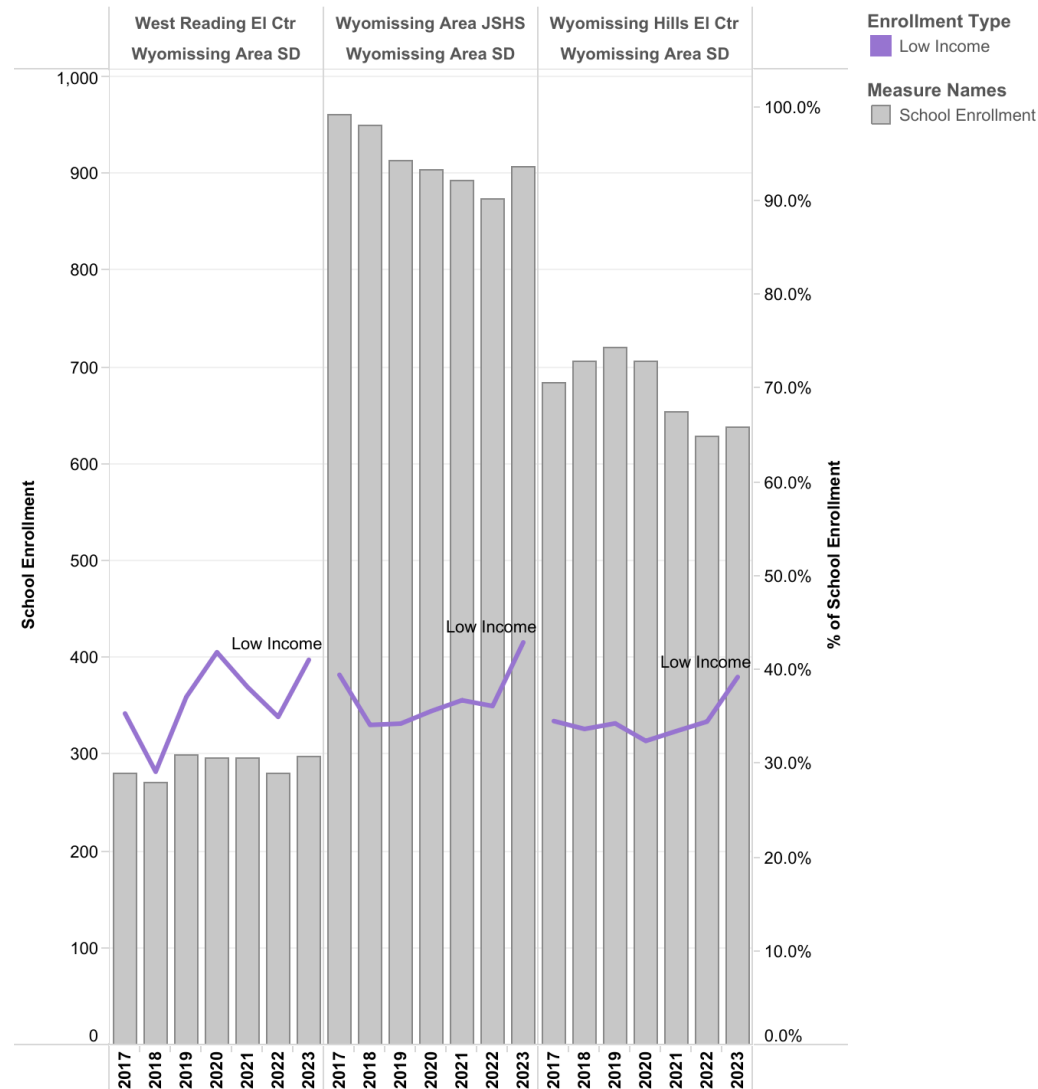
Source: PA DOE Enrollment Data



Enrollment Data (by Building)

Enrollment Breakdown (School Level)

District: Wyomissing Area SD
 School(s): West Reading EI Ctr, Wyomissing Area JSHS, Wyomissing Hills EI Ctr
 Source: PA DOE Enrollment Data



Enrollment Data - Projection

Wyomissing Area School District														
Enrollment History (Oct 1) and Projections														
	1-Oct								Projections					
Grade	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	
K	117	147	140	138	98	116	137	115	115	120	111	113	115	
1	141	134	154	129	141	106	122	144	121	121	126	117	119	
2	140	141	139	156	125	137	113	123	145	121	121	126	117	
3	145	135	143	140	153	125	137	112	122	144	120	120	125	
4	140	150	144	143	137	146	129	149	113	124	146	122	122	
5	137	138	153	150	150	135	157	134	155	117	129	151	127	
6	143	133	146	147	148	146	142	159	135	156	118	130	152	
7	151	137	131	151	145	156	163	151	168	142	165	124	137	
8	156	158	144	130	153	146	164	165	154	172	145	168	127	
9	167	168	160	148	142	159	146	163	170	159	177	150	173	
10	165	167	163	155	143	129	164	147	159	166	156	173	147	
11	166	160	171	166	154	142	128	160	145	157	164	154	171	
12	161	168	152	167	165	150	142	130	159	144	156	163	153	
Total	1929	1936	1940	1920	1854	1793	1844	1852	1861	1843	1834	1811	1785	
State	1929	1936	1940	1920	1905	1793	1823	1816	1771	1766	1737	1707	1696	
Special Ed	312	339	326	336	312	286	307	333	335	332	330	326	321	
% Low Inc	37.0%	33.1%	34.6%	35.2%	35.6%	35.2%	41.2%							
Notes:														
-07-08 through 23-24 are enrollment data as of October 1 of that particular school year.														

Enrollment Data – Class Size (K – 6)

Current Enrollment for FY 2023/2024					Projected Enrollment for FY 2024/2025				
Grade	Enrollment	Classrooms	Avg Class Size	Recom. Class Size	Grade	Enrollment	Classrooms	Avg Class Size	Recom. Class Size
K	118	6	19.67	18-24	K	115	6	19.12	18-24
1	141	7	20.14	20-25	1	121	6	20.17	20-25
2	126	6	21.00	20-25	2	145	7	20.71	20-25
3	111	6	18.50	20-25	3	122	6	20.33	20-25
4	152	6	25.33	20-25	4	113	6	18.83	20-25
5	139	6	23.17	23-27	5	155	6	25.83	23-27
6	162	6	27.00	23-27	6	135	6	22.50	23-27
Total	949	43	22.07		Total	906	43	21.06	
Notes:									
-Recommended Class Size is per Wyomissing Area School District Policy 126 - Class Size									
Kindergarten: 18 - 24									
Grades 1 - 4: 20 - 25									
Grades 5 - 6: 23 - 27									

Retirements/Resignation

- Psychologist (JSHS)
- Math (JSHS)
- Spanish (JSHS)
- Science (JSHS)

- Projected Net Savings: \$36,073

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:

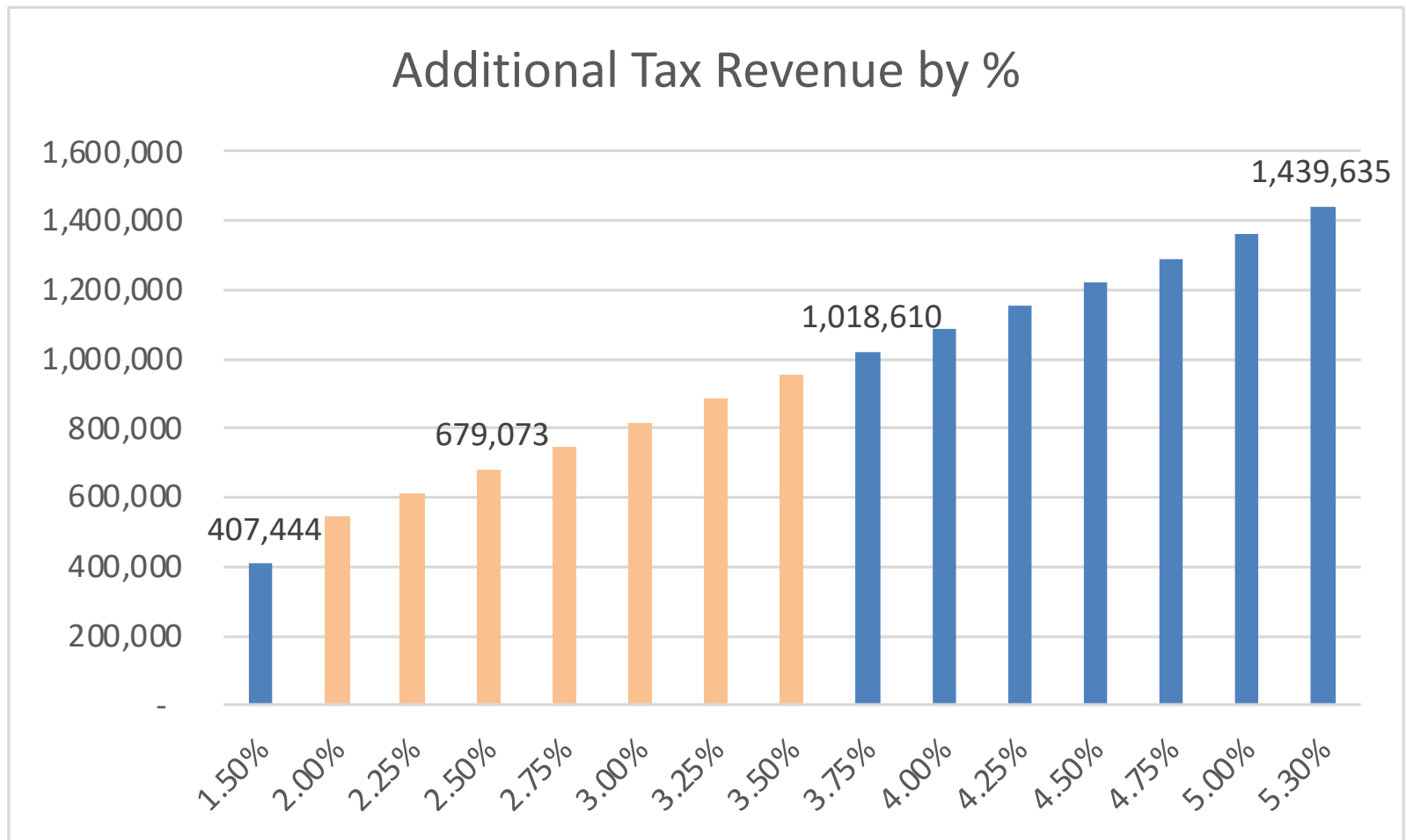
• BEF Formula:	\$167,815
• Adequacy Invest Formula:	<u>\$182,064</u>
• Total	\$348,879
 - Special Education: Proposed increase is \$824
 - Cyber Charter Tuition (impact at proposed rate of \$8,000 (regular ed only)):
 - Proposed Tuition Regular Ed for 2024/25 is \$17,010.31
 - Currently 17 Regular Ed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

Millage History

- Act I Index

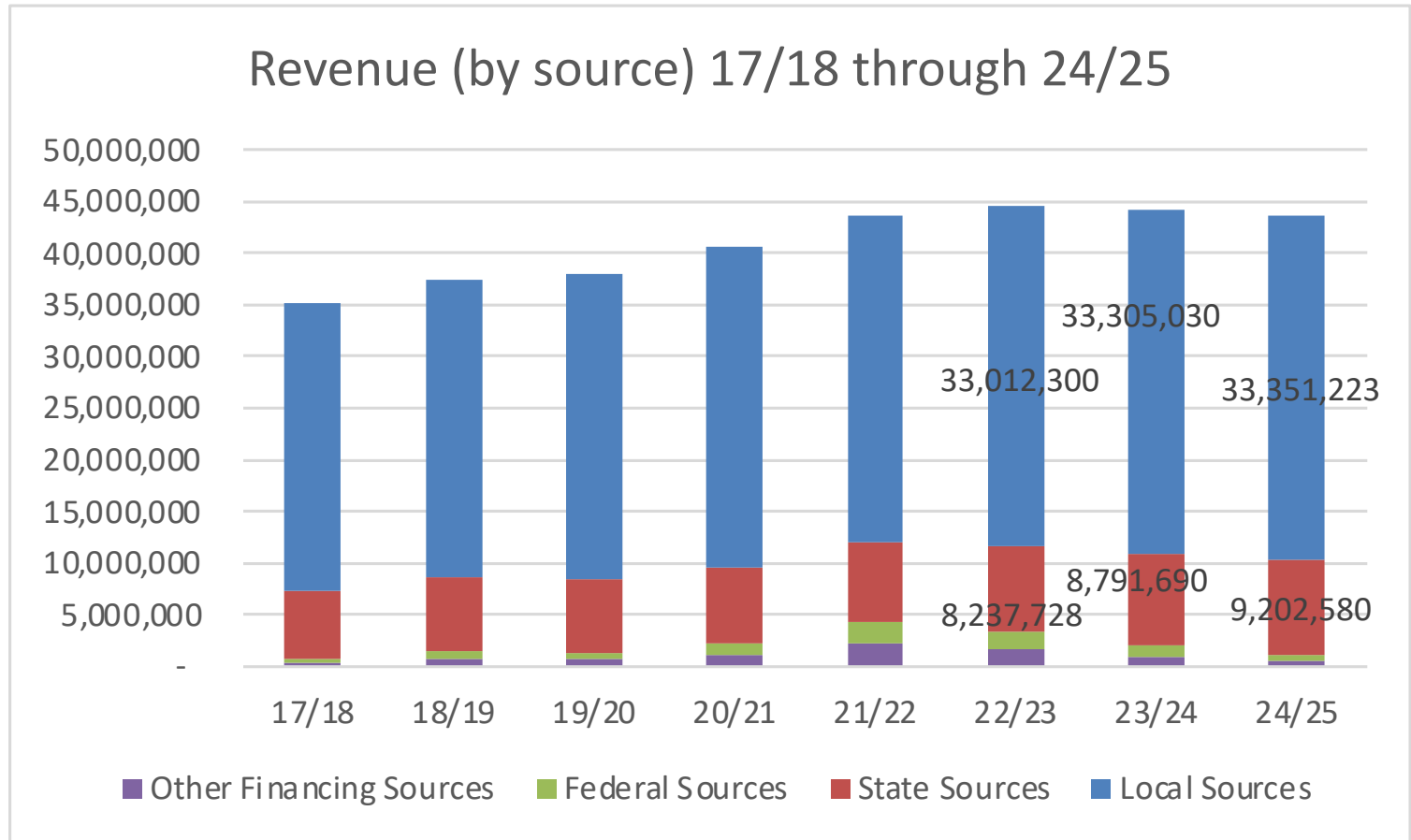
Wyomissing Area School District				
Millage History				
<u>Year</u>	<u>Millage</u>	<u>Increase in Mills</u>	<u>% Increase</u>	<u>PDE Index</u>
2014-15	29.4887	0.4358	1.50%	2.10%
2015-16	29.7849	0.2962	1.00%	1.90%
2016-17	30.0665	0.2816	0.95%	2.40%
2017-18	30.0665	0.0000	0.00%	2.50%
2018-19	30.6678	0.6013	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)



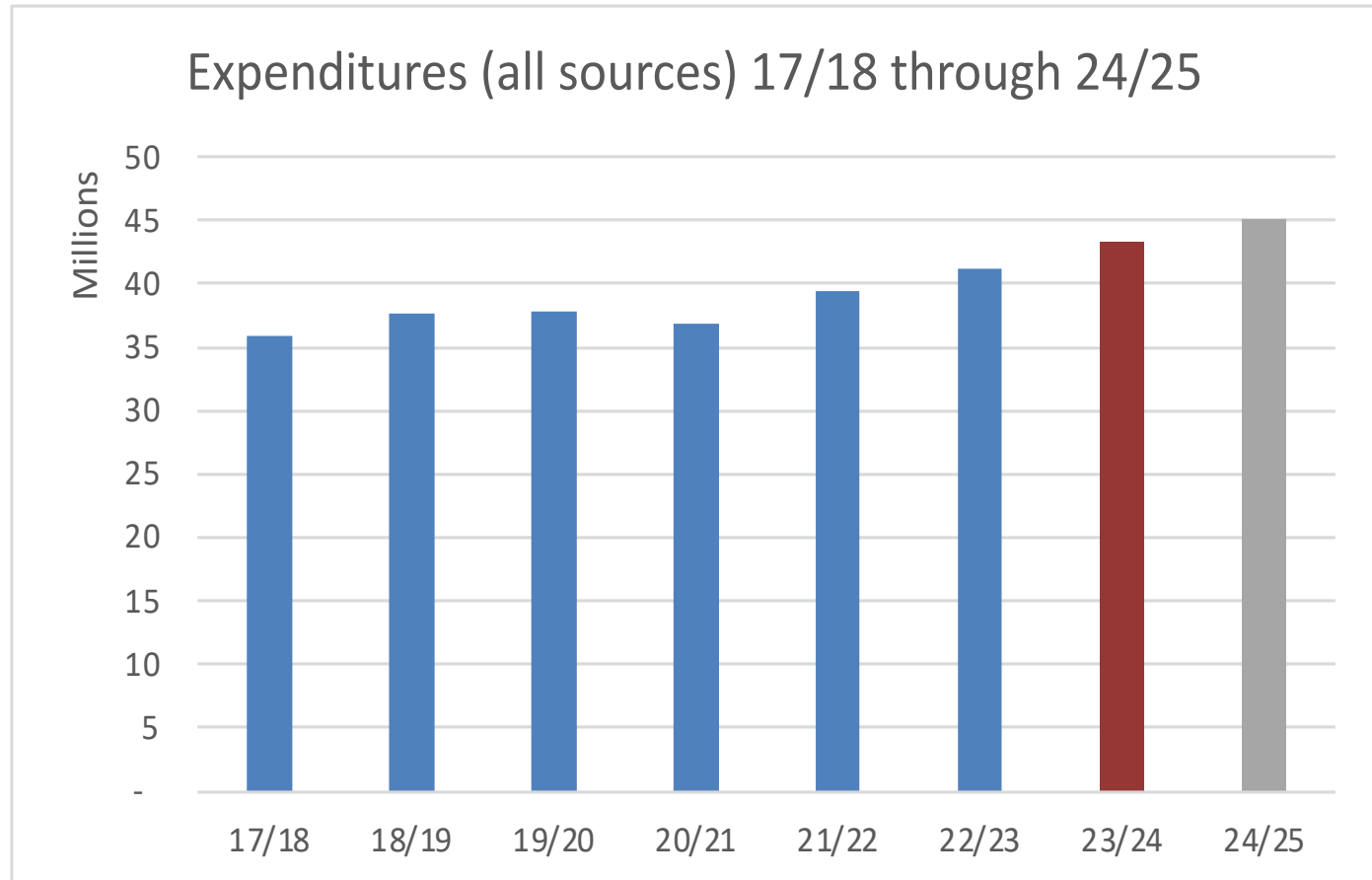
2024/2025 Projected Budgeted Revenues

- Projected Revenue = \$43,156,932



2024/2025 Projected Budget Expenditures

- Projected Expenditure = \$45,045,695



2024/2025 Projected Budget Summary

- Projected Revenue \$43,156,932
- Projected Expenditures 45,045,695
- Projected Surplus (Deficit) **\$(1,888,763)**

- *Assumptions:*
 - *No tax increase assigned*
 - *Assessed Value decrease (Courtyard by Marriot 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)

\$(1,888,763)

- Scenarios:

- *Tax Increase*

- 2.5% 673,412
 - 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*

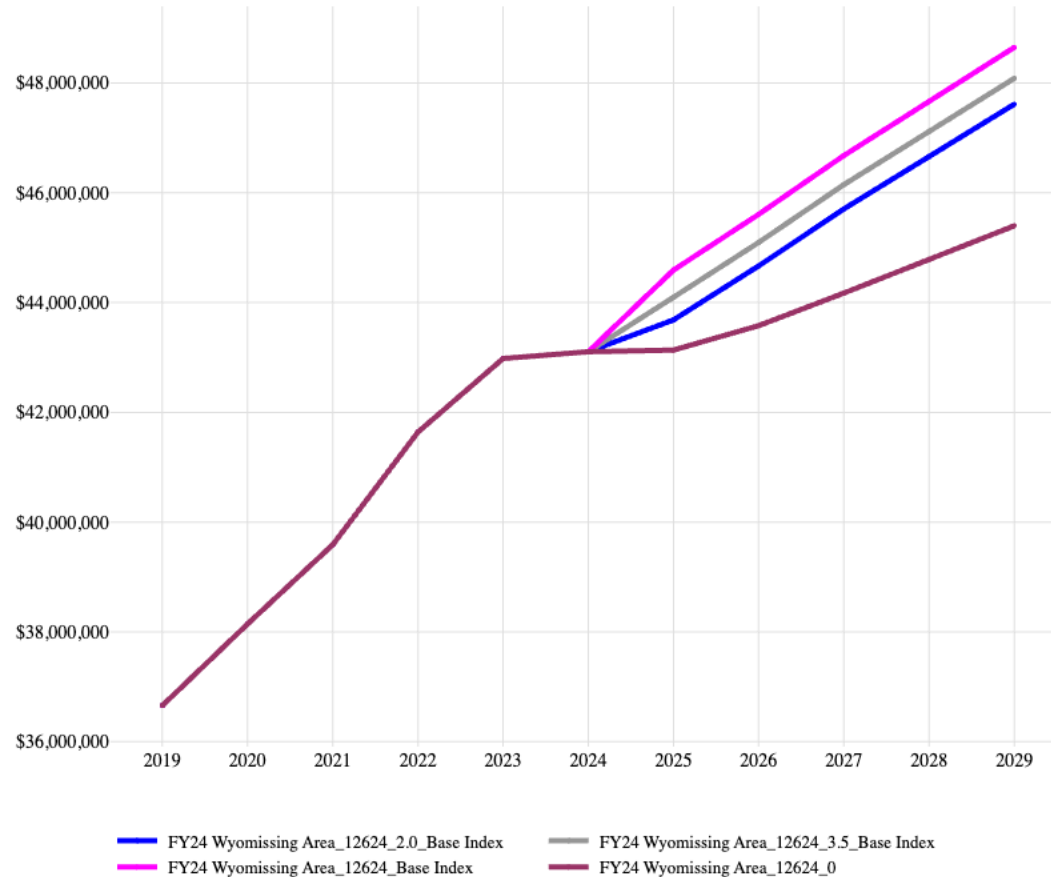
- 11.5% 37,846
 - **10.5%** 75,691
 - 9.5% 113,537

- *Basic Education Funding (New Formula)*

- Adequacy 182,064

2024/2025 Projected Budget Summary

Total Revenues



Projected 5 Year Tax Scenario

- 0% inc in 2024/25, 2% thereafter
- 2.0 inc in 2024/25, index thereafter (4.0/3.6/3.2/3.1)
- 3.5 inc in 2024/25, index thereafter
- 5.3 inc in 2024/25, index thereafter

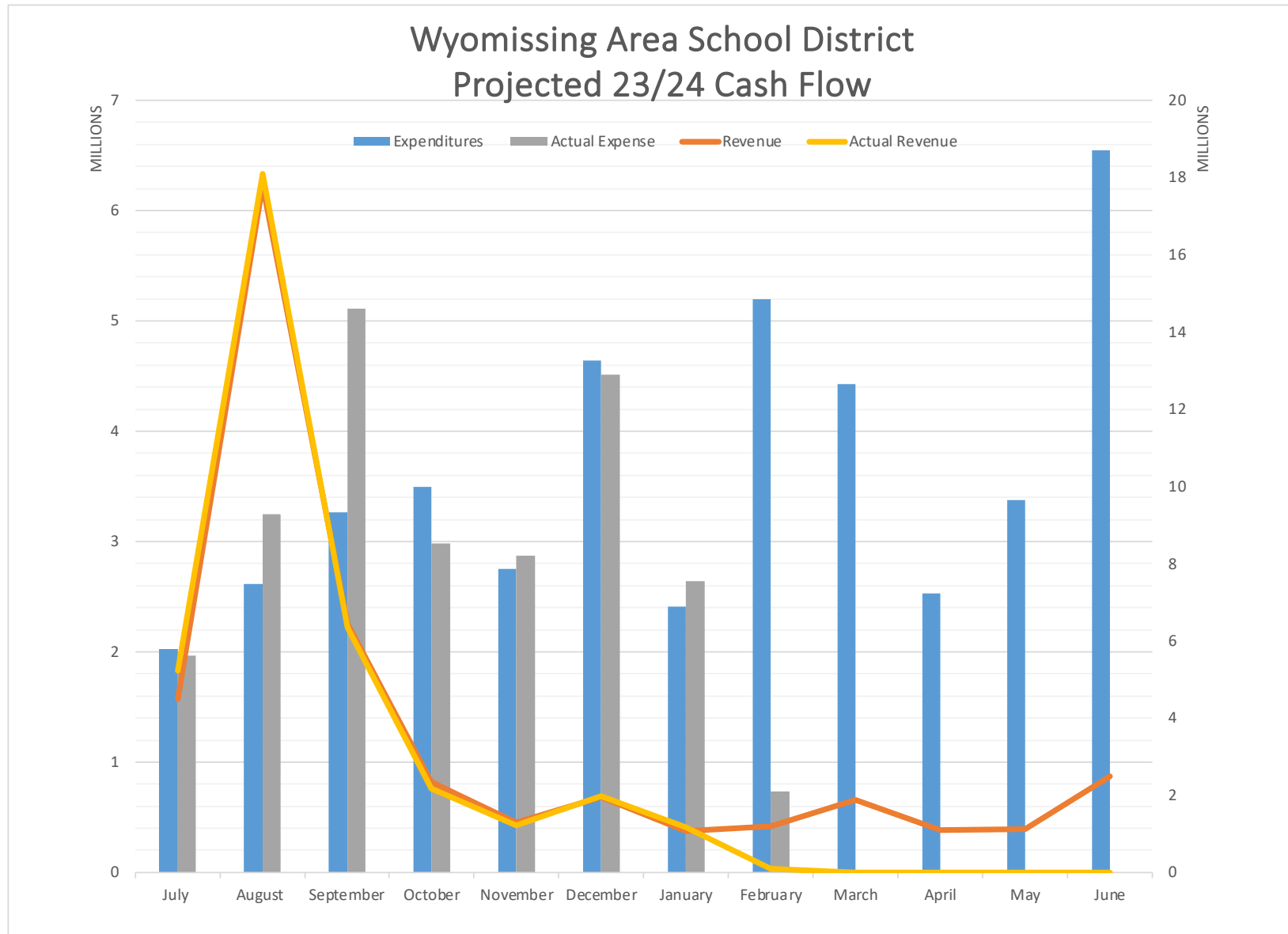
Proposed Ending Fund Balance – as of 6/30/2023 (audited)

<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
Total	\$14,208,290	\$15,921,848

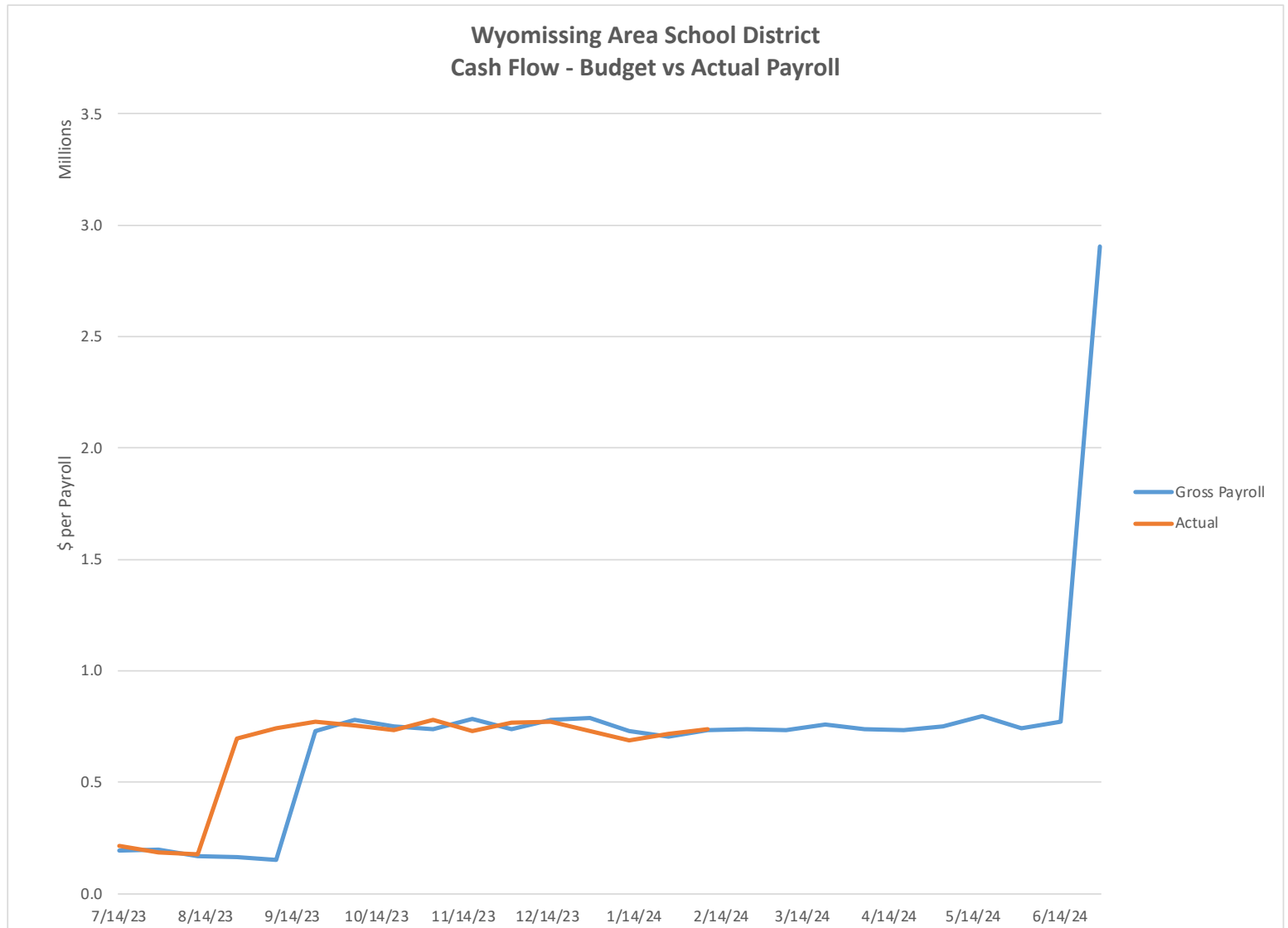
<u>Committed Fund Balance</u>				
			<u>6/30/22</u>	<u>6/30/23</u>
	Capital Designated-Security (Committed)		\$3,821,488	\$4,821,488
	PSERS (Committed)		\$4,193,192	\$4,193,192
	Curriculum Enhancements (Committed)		\$1,100,000	\$1,100,000
	Athletic Equipment Replacement (Committed)		\$550,000	\$550,000
	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

Cash Flow as of January 31, 2024



Cash Flow as of January 31, 2024



Cash Flow as of January 31, 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%	83.99%	1.95%	January	48.99%	53.93%	4.93%
February	84.79%	84.23%	-0.57%	February	61.00%	55.63%	-5.37%
March	89.13%	84.23%	-4.90%	March	71.23%	55.63%	-15.59%
April	91.65%	84.23%	-7.43%	April	77.07%	55.63%	-21.43%
May	94.23%	84.23%	-10.00%	May	84.87%	55.63%	-29.23%
June	100.00%	84.23%	-15.77%	June	100.00%	55.63%	-44.37%

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

Next Steps

- March Voting Meeting:
 - Approve Audit
 - Approve Fund Balance
- March Finance Meeting
 - Personnel Discussion
 - Review of 2024/2025 budget
 - 5-year forecast models