



WYOMING AREA SCHOOL DISTRICT

2019-2020 PRELIMINARY BUDGET PRESENTATION

February 19, 2019

By the Albert B. Melone Co.



Wyoming Area School District Eight Year History of Audited Revenue and Expenditures General & Athletic Funds

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Tentative
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Actual
	2017-2018							
Total Revenues and Other Financing Sources	29,029,022	29,139,269	29,413,251	30,542,957	31,059,580	32,699,654	33,718,561	34,665,505
Total Expenditures and Other Financing Sources	28,393,367	28,261,135	28,557,971	30,923,785	31,945,378	33,518,925	32,457,353	34,520,165
Financing Sources Over(Under) Expenditures and Other Financing Uses	635,655	878,134	855,280	(380,828)	(885,798)	(819,271)	1,261,208	145,340
Fund Balance- Beginning	1,981,272*	2,616,927	3,495,061	4,350,341	3,969,513	3,083,715	2,264,444	3,525,652
Fund Balance-Total Ending	2,616,927	3,495,061	4,350,341	3,969,513	3,083,715	2,264,444	3,525,652	3,670,992

** Source=General Fund Amounts Extracted from Audit Reports Prepared by Independent Certified Public Accounting Firm Engaged by the District, starting in 10/11 the Athletic Fund is included.*

Wyoming Area School District 2018-2019 RESTATED FINAL BUDGET

	FINAL 18-19 BUDGET		ADJUSTMENTS	FINAL RESTATED 18-19	
<u>REVENUE:</u>					
6000 Local Sources	18,754,496		-	18,754,496	
7000 State Sources	15,584,047		-	15,584,047	
8000 Federal Sources	760,660			760,660	
9000 Other Sources	-		-		
Total Revenues	35,099,203		-	35,099,203	
<u>EXPENDITURES:</u>					
100 Personnel Services-Salaries	15,128,151		-	15,128,151	
200 Personnel Services-Benefits	10,161,598		-	10,161,598	
300 Purchased Prof. & Tech. Services	2,719,227		-	2,719,227	
400 Purchased Property Services	512,700		-	512,700	
500 Other Purchased Services	4,458,643		-	4,458,643	
600 Supplies	1,209,432		-	1,209,432	
700 Property	76,050		-	76,050	
800 Dues, Fees and Other	153,423		-	153,423	
900 Debt Pymt/Transfers/Other	2,555,132		-	2,555,132	
Budgetary Reserve-Contingency	225,000		-	225,000	
Total Expenditures	37,199,356		0	37,199,356	
Revenue Over (Under) Expenditures	(2,100,153)		0	(2,100,153)	
FUND BALANCE-JULY 1, 2018	3,269,389	(1)	401,603	3,670,992	(2)
ENDING BALANCE-JUNE 30, 2019	1,169,236			1,570,839	

RESTATED FUND BALANCE AT 7/1/18	3,525,652	
AUDITED FUND BALANCE @ 6/30/17	3,525,652	
2017/2018 BUDGETED REVENUE OVER (UNDER) EXPENDITURES	(906,263)	}
2017/2018 POTENTIAL FUND BALANCE ADJUSTMENT	650,000	
ESTIMATED FUND BALANCE @ 7/1/18	3,269,389	-256,263

RESTATED FUND BALANCE AT 7/1/18	3,525,652	
AUDITED FUND BALANCE @ 6/30/17	3,525,652	
2017/2018 BUDGETED REVENUE OVER (UNDER) EXPENDITURES	(906,263)	}
2017/2018 FUND BALANCE ADJUSTMENT - TENTATIVE	1,051,603	
ESTIMATED FUND BALANCE @ 7/1/18	3,670,992	145,340

Subject to final audit results

Wyoming Area School District

Preliminary Budget Options 2019-2020 – With Budgetary Reserve/Contingency

	3.1%		5.75%		7.06%	
	Index		Index-3.1% plus Partial Exceptions		Index-3.1% plus Exceptions	
	Preliminary		Preliminary		Preliminary	
	2019-2020		2019-2020		2019-2020	
REVENUE:						
6000 Local Sources	19,280,032	53.85%	19,677,088	54.36%	19,873,387	54.60%
7000 State Sources	15,761,199	44.02%	15,761,199	43.54%	15,761,199	43.31%
8000 Federal Sources	760,660	2.12%	760,660	2.10%	760,660	2.09%
Total Revenues	35,801,891	100.00%	36,198,947	100.00%	36,395,246	100.00%
EXPENDITURES:						
100 Personnel Services-Salaries	15,298,003	40.56%	15,298,003	40.56%	15,298,003	40.56%
200 Personnel Services-Benefits	10,500,399	27.84%	10,500,399	27.84%	10,500,399	27.84%
300 Purchased Prof. & Tech. Services	2,719,227	7.21%	2,719,227	7.21%	2,719,227	7.21%
400 Purchased Property Services	512,700	1.36%	512,700	1.36%	512,700	1.36%
500 Other Purchased Services	4,458,643	11.82%	4,458,643	11.82%	4,458,643	11.82%
600 Supplies	1,209,432	3.21%	1,209,432	3.21%	1,209,432	3.21%
700 Property	76,050	0.20%	76,050	0.20%	76,050	0.20%
800 Dues, Fees and Other	153,423	0.41%	153,423	0.41%	153,423	0.41%
900 Debt Pymt/Transfers/Other	2,563,012	6.80%	2,563,012	6.80%	2,563,012	6.80%
Budgetary Reserve-Contingency	225,000	0.60%	225,000	0.60%	225,000	0.60%
Total Expenditures	37,715,889	100.00%	37,715,889	100.00%	37,715,889	100.00%
Revenue Over (Under) Expenditures	(1,913,998)		(1,516,942)		(1,320,643)	
Estimated Beginning Fund Balance - July 1, 2019	1,795,839	*	1,795,839	*	1,795,839	*
Estimated Ending Fund Balance - June 30, 2020	(118,159)		278,897		475,196	

RESTATED FUND BALANCE AT 7/1/19	
RESTATED BUDGETED FUND BALANCE @ 6/30/19	1,570,839
2018-2019 BUDGETARY RESERVE/CONTINGENCY ADD BACK	225,000
ESTIMATED FUND BALANCE @ 7/1/19	1,795,839 *

- Tax Increase 3.1% – Luzerne County 16.9595 mills/ Wyoming County 82.5267 mills - \$464,460 est. inc.
- Tax Increase 5.75% – Luzerne County 17.3954 mills/ Wyoming County 84.6478 mills - \$861,516 est. inc.
- Tax Increase 7.06% – Luzerne County 17.6109 mills/ Wyoming County 85.6968 mills - \$1,057,815 est. inc.

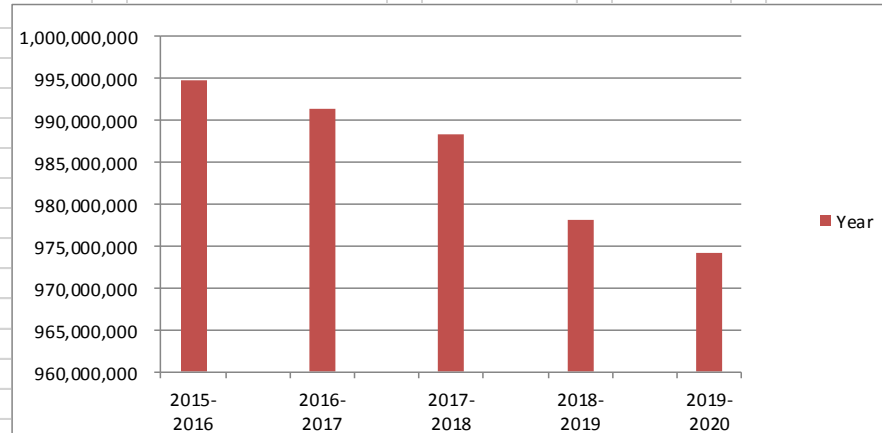
Wyoming Area School District Assessed Value History-Luzerne County 2015-2016 to 2019-2020

	LUZERNE COUNTY	DIFFERENCE	2018-2019 CURRENT MILLAGE	LOST REVENUE	Compound Loss				
					2016-2017	2017-2018	2018-2019	2019-2020	Total Compound Loss
2015-2016	994,858,700	*							
2016-2017	991,470,900	*(3,387,800)	16.4496	(55,728)	(52,215)	(53,990)	(55,728)	(55,728)	(217,661)
2017-2018	988,423,200	*(3,047,700)	16.4496	(50,133)		(48,570)	(50,133)	(50,133)	(148,836)
2018-2019	978,222,500	** (10,200,700)	16.4496	(167,797)			(167,797)	(167,797)	(335,594)
2019-2020	974,292,400	*(3,930,100)	16.4496	(64,649)				(64,649)	(64,649)
TOTAL				(338,307)					(766,741)

* ASSESSED VALUE FROM NOVEMBER

** ASSESSED VALUE FROM JUNE

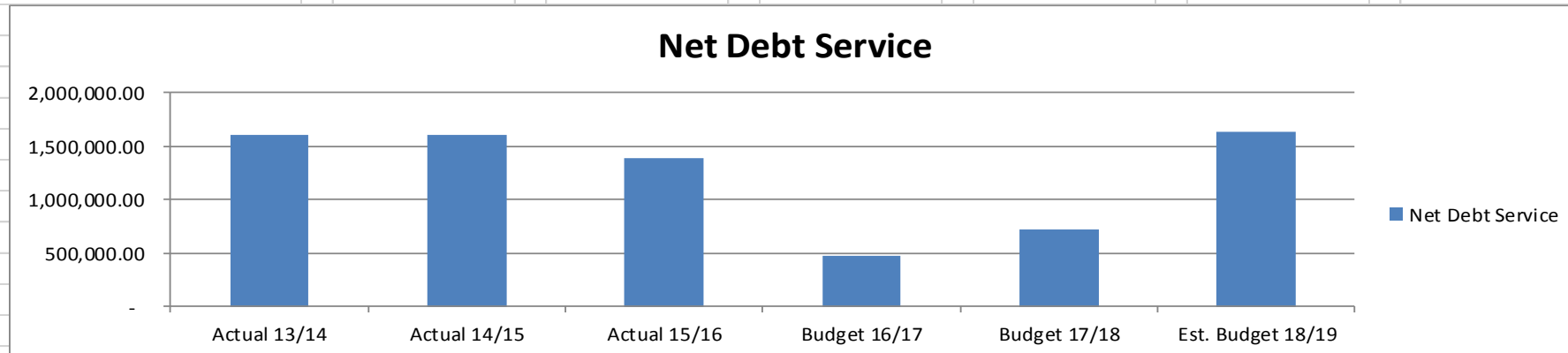
* Compound loss assessed using millage from corresponding years



2016-2017	15.4127
2017-2018	15.9367
2018-2019	16.4496
2019-2020	16.4996 ** Used same millage as 2018-2019

Wyoming Area School District Bond Commitments

Wyoming Area School District Bond Commitments						
General Ledger Description	Actual 13/14	Actual 14/15	Actual 15/16	Budget 16/17	Budget 17/18	Est. Budget 18/19
Principal/Interest Bond & Note	1,831,764.25	1,837,211.00	1,616,988.88	532,506.26	814,456.26	1,836,431.26
Reimbursement Allowed	(234,772.71)	(229,481.10)	(225,534.28)	(61,599.05)	(94,214.35)	(209,017.43)
Net Debt Service	1,596,991.54	1,607,729.90	1,391,454.60	470,907.21	720,241.91	1,627,413.83
% Increase		0.672%	-13.452%	-66.157%	52.948%	125.954%



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***Note:** The decrease in years 2014-2015 actual Vs. 2015-2016 actual and the decrease in years 2015-2016 actual Vs. 2016-2017 budget are due to the District Refinancing of 2006 Series A General Obligation Bonds in December 2015 & January 2016 that allowed for a decrease in the debt service payment schedule.

The above Bond Commitments are prior to the ESCO Project financing.

Wyoming Area School District Retirement Cost Analysis

<u>Wyoming Area School District Retirement Cost Analysis</u>					
	7/1/13-6/30/14	7/1/14-6/30/15	7/1/15-6/30/16	7/1/16-6/30/17	7/1/17-6/30/18
Revenue Subsidy	1,296,413.22	1,591,038.24	2,272,616.95	2,425,164.00	2,660,308.29
Less:					
Retirement Exp - Cafeteria	67,836.00	87,350.58	105,970.00	113,623.76	121,356.02
Retirement Exp - General Funds	2,222,318.22	2,815,041.62	3,584,765.54	4,025,502.72	4,480,185.84
Excess Cost over Subsidy	993,741.00	1,311,353.96	1,418,118.59	1,713,962.48	1,941,233.57
Employer Contribution Rate	(16.93%)	(21.40%)	(25.84%)	(30.03%)	(32.57%)

Period	Excess Cost Over Subsidy
7/1/13-6/30/14	993,741.00
7/1/14-6/30/15	1,311,353.96
7/1/15-6/30/16	1,418,118.59
7/1/16-6/30/17	1,713,962.48
7/1/17-6/30/18	1,941,233.57

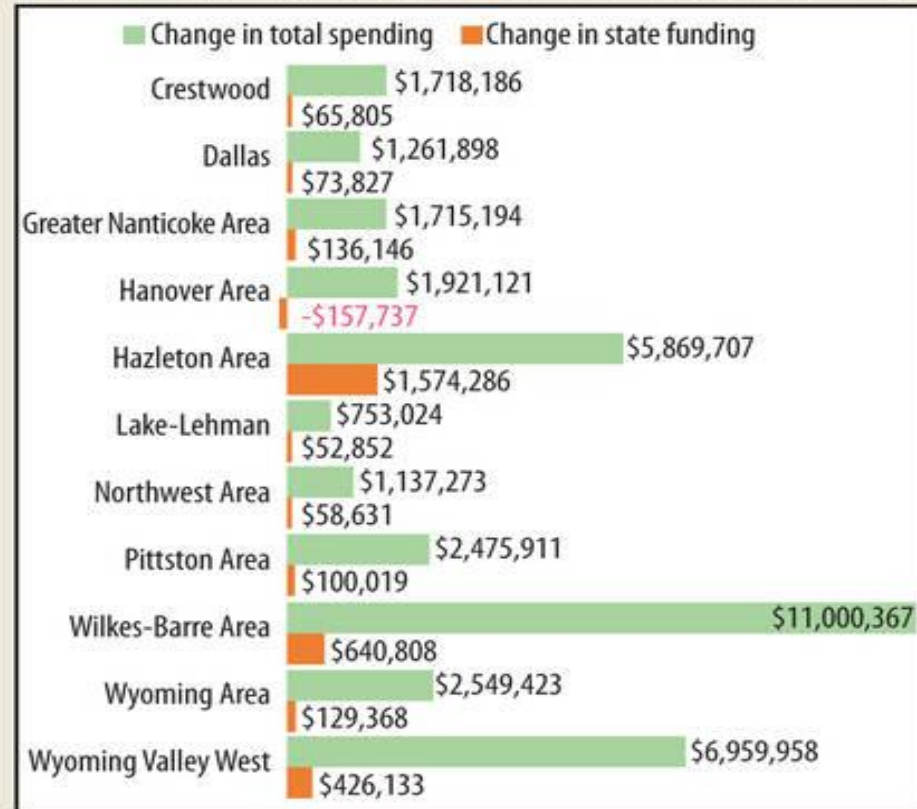
SPECIAL EDUCATION COSTS AND SUBSIDY

Source: Education Law Center

SPECIAL EDUCATION: THE STATE'S UNFAIR SHARE?

Special Education costs have soared for area school districts, but the state's contribution to the costs has not risen at the same pace, leaving districts to cover more of the costs for services they must, by law, provide. The worst local case: Wilkes-Barre Area, where costs rose by \$11 million, or 114 percent, but money from the state rose by only \$640,808.

Special ed spending, 2008-9 to 2016-17: Total cost vs. state funding

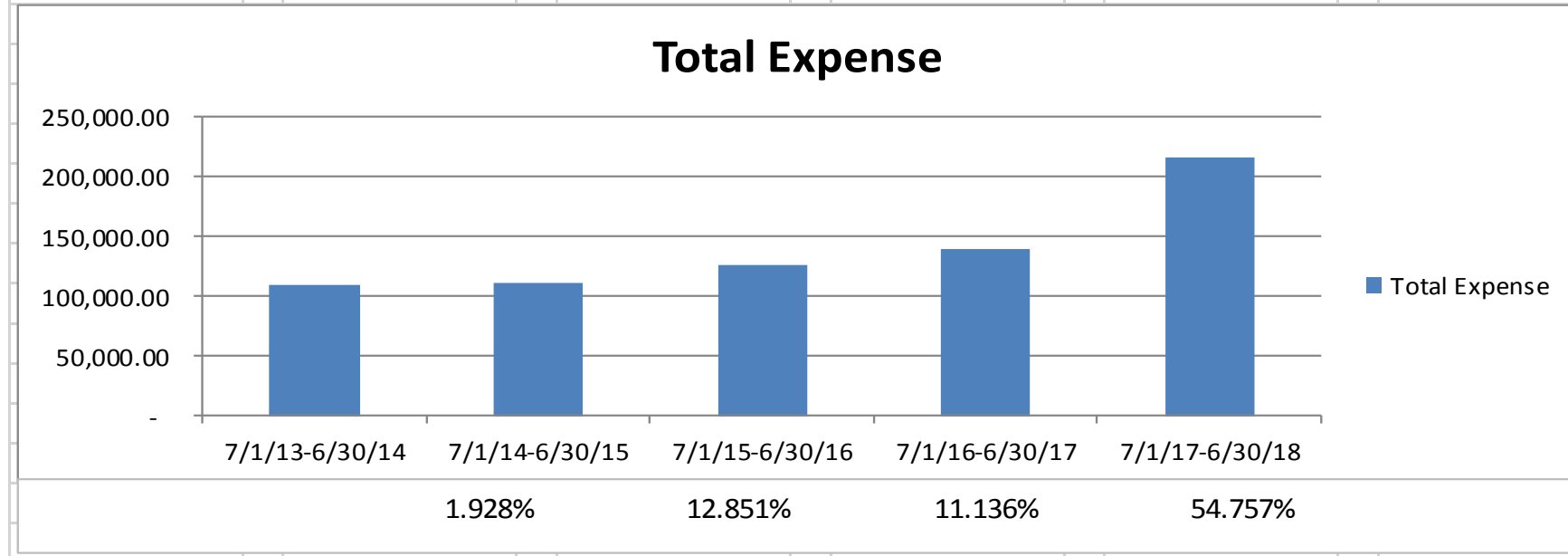


Source: Education Law Center

Mark Guydish | Times Leader

Wyoming Area School District School Security Costs

<u>Wyoming Area School District School Security Costs</u>					
	7/1/13-6/30/14	7/1/14-6/30/15	7/1/15-6/30/16	7/1/16-6/30/17	7/1/17-6/30/18
Salary	80,762.72	78,806.91	84,675.36	89,237.63	96,903.06
Benefits	27,089.19	30,588.92	39,520.71	47,757.53	52,485.89
Other	1,386.47	1,948.35	1,456.99	2,650.27	66,721.72
Total	109,238.38	111,344.18	125,653.06	139,645.43	216,110.67
% Increase		1.928%	12.851%	11.136%	54.757%



Wyoming Area School District

Final Budget 18/19 compared to Preliminary Budget 19/20 Index 3.1% Plus Partial Exceptions-5.75%

		3.2%		5.75%		
		INDEX		INDEX-3.1% PLUS		
				PARTIAL EXCEPTIONS		
		FINAL	PERCENT	PRELIMINARY	PERCENT	FAVORABLE/ (UNFAVORABLE)
		BUDGET	OF	BUDGET	OF	VARIANCE
		18/19	TOTAL	19/20	TOTAL	
REVENUE:						
6000	LOCAL SOURCES	18,754,496	53.43%	19,677,088	54.36%	922,592
7000	STATE SOURCES	15,584,047	44.40%	15,761,199	43.54%	177,152
8000	FEDERAL SOURCES	760,660	2.17%	760,660	2.10%	-
TOTAL REVENUES		35,099,203	100.00%	36,198,947	100.00%	1,099,744
EXPENDITURES:						
100	PERSONNEL SERVICES-SALARIES	15,128,151	40.67%	15,298,003	40.56%	(169,852)
200	PERSONNEL SERVICES-BENEFITS	10,161,598	27.32%	10,500,399	27.84%	(338,801)
300	PURCHASED PROF. & TECH. SERVICES	2,719,227	7.31%	2,719,227	7.21%	-
400	PURCHASED PROPERTY SERVICES	512,700	1.38%	512,700	1.36%	-
500	OTHER PURCHASED SERVICES	4,458,643	11.99%	4,458,643	11.82%	-
600	SUPPLIES	1,209,432	3.25%	1,209,432	3.21%	-
700	PROPERTY	76,050	0.20%	76,050	0.20%	-
800	DUES, FEES AND OTHER	153,423	0.41%	153,423	0.41%	-
900	DEBT PYMT/TRANSFERS/OTHER	2,555,132	6.87%	2,563,012	6.80%	(7,880)
BUDGETARY RESERVE-CONTINGENCY		225,000	0.60%	225,000	0.60%	-
TOTAL EXPENDITURES		37,199,356	100.00%	37,715,889	100.00%	(516,533)
REVENUE OVER (UNDER) EXPENDITURES		(2,100,153)		(1,516,942)		583,211
FUND BALANCE-JULY 1		3,269,389		1,795,839		
ENDING BALANCE-JUNE 30		1,169,236		278,897		
RESTATED FUND BALANCE AT 7/1/18						
AUDITED FUND BALANCE @ 6/30/17		3,525,652				
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RESTATED FUND BALANCE AT 7/1/19						
RESTATED BUDGETED FUND BALANCE @ 6/30/19				1,570,839		
2018-2019 BUDGETARY RESERVE/CONTINGENCY ADD BACK				225,000		
ESTIMATED FUND BALANCE @ 7/1/19				1,795,839		

WYOMING AREA SCHOOL DISTRICT

Impact of Potential 2019-2020 Millage Increase Luzerne County

	ASSESSED VALUE								
		100,000	115,000	125,000	150,000	175,000	200,000	250,000	300,000
	Millage	REAL ESTATE TAXES							
Adopted 2018-2019	16.4496	1,644.96	1,891.70	2,056.20	2,467.44	2,878.68	3,289.92	4,112.40	4,934.88
3.1% Increase to Index	16.9595	50.99	58.64	63.74	76.49	89.23	101.98	127.48	152.97
5.75% Increase to Index plus Partial Exceptions	17.3954	94.58	108.77	118.23	141.87	165.52	189.16	236.45	283.74
7.06% Increase to Index plus Exceptions	17.6109	116.13	133.55	145.16	174.20	203.23	232.26	290.33	348.39

Impact of Potential 2019-2020 Millage Increase Wyoming County

	ASSESSED VALUE							
		10,000	15,000	20,000	25,000	30,000	35,000	40,000
	Millage	REAL ESTATE TAXES						
Adopted 2018-2019	79.4771	794.77	1,192.16	1,589.54	1,986.93	2,384.31	2,781.70	3,179.08
⁽¹⁾ 3.1% Increase to Index	82.5267	30.50	45.74	60.99	76.24	91.49	106.74	121.98
⁽²⁾ 5.75% Increase to Index plus Partial Exceptions	84.6478	51.71	77.56	103.41	129.27	155.12	180.97	206.83
⁽³⁾ 7.06% Increase to Index plus Exceptions	85.6968	62.20	93.30	124.39	155.49	186.59	217.69	248.79

⁽¹⁾ Based on Rebalancing of the Base Mills by PDE, a 3.1% tax increase for 2019-2020 would result in an increase to Wyoming County of 3.83% from the approved 2018-2019 tax rate.

⁽²⁾ Based on Rebalancing of the Base Mills by PDE, a 5.75% tax increase for 2019-2020 would result in an increase to Wyoming County of 6.50% from the approved 2018-2019 tax rate.

⁽³⁾ Based on Rebalancing of the Base Mills by PDE, a 7.06% tax increase for 2019-2020 would result in an increase to Wyoming County of 7.82% from the approved 2018-2019 tax rate.

WYOMING AREA SCHOOL DISTRICT GENERAL ITEMS FOR DISCUSSION 2019/2020

REVENUE COMMENTS:

- REVENUE GENERATED BY INCREASING PROPERTY TAX
 - NO INDEX = (50,726)
 - INDEX 3.1 = 464,460
 - INDEX + PARTIAL EXCEPTION 5.75 = 861,516
 - INDEX + FULL EXCEPTION 7.06 = 1,057,815
- ESTIMATED AVAILABLE EXCEPTIONS-\$588,464 (SPECIAL EDUCATION EXCEPTION)
- BASIC EDUCATION SUBSIDY: UTILIZED 131,479 AS INCREASE FOR 19/20 (SAME AS PRIOR)

EXPENDITURE COMMENTS:

- PERSONNEL COSTS CALCULATED BY RATE AS SPECIFIED IN CBA AND OTHER AGREEMENTS
- CONTINUED ADMINISTRATIVE REVIEW OF ALL EXPENDITURE LINE ITEMS(CURRENT AND BUDGET)
- CONTINUED DISCUSSION ON DEBT ANALYSIS AND STRUCTURE

What's Next In The 2019-2020 Budget Process

- GOVERNOR WOLF PRESENTED BUDGET ADDRESS ON FEBRUARY 5TH, 2019.
- DIRECTORS WILL VOTE ON FEBRUARY 19TH, 2019 TO ADOPT THE 2019-2020 PRELIMINARY BUDGET. ***
- THE ADMINISTRATION & BUSINESS MANAGER CONSULTANT WILL CONTINUE TO WORK ON THE 2019-2020 BUDGET AND UPDATE THE BOARD WITH ANY CHANGES.
- MAY 2019 THE PROPOSED FINAL BUDGET WILL BE PRESENTED.
- MAY 2019 THE PROPOSED FINAL BUDGET WILL BE APPROVED.
- JUNE 2019 THE FINAL BUDGET WILL BE PRESENTED.
- JUNE 2019 THE FINAL BUDGET WILL BE APPROVED.