

SCHUYLKILL VALLEY SCHOOL DISTRICT
929 Lakeshore Drive
Leesport, PA 19533-8631

MINUTES

November 10, 2025

1.0 The Special Meeting was called to order at 7:00 p.m. by the Board President, David E. Moll, in the Auxiliary Cafeteria of the Schuylkill Valley High School.

1.1 PLEDGE OF ALLEGIANCE TO THE FLAG

1.2 ROLL CALL

Members Present: Paul L. Bendigo, Nicoleen Kleffel, Linda R. Lash, David E. Moll, Bryan J. O'Donnell, Kelly J. Steinke, Daniel B. Weyandt

Board Members Franklin M. Ammarell and Alfonso F. Rossi were not physically present but participated via speakerphone

Secretary: Linda R. Lash

Recording Secretary: Azucena Macedo

Administrative Staff Present: Dr. Cathy Taschner, Michael Sobczak, Kristin Wallace

Solicitor: Absent

1.3 EXECUTIVE SESSION

Mr. Moll reported that the Board met in executive session on Monday October 27, 2025, after the Board Meeting to discuss legal, personnel and security matters.

2.0 PRESENTATIONS

Audit Report Presentation:

Presented by Nick Beaver, Managing Senior Auditor at Herbein and Company

Mr. Beaver began his presentation by informing the Board that Herbein and Company was acquired by Cherry Bekaert. Although financial statements will continue to be issued under the Herbein and Company name for the current audit cycle, future engagements will be under the Chery Bekaert name. He provided background information on this year's audit and noted that the one component that was missing from the 2024-25 audit cycle was the Uniform Guidance audit. Due to the federal government shutdown, the final compliance supplement had not been issued, preventing auditors from performing required testing of federal programs under Uniform Guidance. As a result, that portion of the audit was carved out of the full financial statement. Once the compliance supplement is available, Herbein and Company will complete the Uniform Guidance testing and issue the full financial statement, including the compliance section, which will then be submitted to the Federal Audit Clearinghouse. At this time, it is not known when the supplement will be released. Mr. Beaver explained that, in prior years, the Board received a summary of the financial statement audit and the federal programs audit that identified any internal control or compliance issues. Because the federal component falls under Uniform Guidance, that portion is not included in this year's presentation. However, he reported that the financial statement audit identified no internal control or compliance issues. Testing also confirmed that the District remains a low-risk auditee, indicating that the last two (2) years showed no material weaknesses or findings related to federal program. The auditor issued an unmodified opinion under generally accepted auditing standards, which is considered a clean opinion. This year's full financial statements will also include additional language regarding a new accounting principle adopted for calculating the liability for compensated absences. The new standard had minimal impact and resulted in a restatement of the net position

under governmental activities of \$103,000.00. There was no impact on the fund statements. Mr. Beaver reviewed the General Fund budget-to-actual results. Total revenues were \$493,000.00 over budget, approximately a one (1) percent variance. Under local sources, revenue fell short of budgeted amounts due to County reimbursements for SVEC not being received during the year. Federal sources exceeded budget by \$765,000.00, largely due to \$413,000.00 of remaining ESSER funds not included in the budget and carryover spending from the 2023-24 Title I awarded that was recognized in 2024-25. General fund expenditures were \$2,265,000.00 over budget, a 4.8 percent variance. The primary variances were:

- Special programs exceeded the original budget by \$1,470,000.00, primarily due to contracted services and tuition. These costs increased by \$1.2 million from the prior year.
- Operations and Maintenance exceeded the budget by \$464,000.00, due to additional landscaping costs under the new contract and increased utility expenses.

Over budget expenditures were partially offset through budgetary transfers from savings in other areas, including wages being \$713,000.00 under budget and through the District's \$450,000.00 budgetary reserve.

Mr. Moll inquired whether the District had anticipated being approximately \$260,000.00 under year over year.

Mr. Beaver clarified that the total cost for 2024-25 increased by \$1.2 million compared to 2023-24, with the primary driver being increased charter school costs. An issue affecting many districts across the state.

Mr. Moll asked Finance Director Wallace whether future budgets could begin incorporating these increases earlier to avoid unexpected impacts and whether these trends should be considered for the 2026-27 planning cycle.

Mr. Beaver reported that the District had a balanced budget for 2024-25. The District experienced a \$1,752,000.00 decrease in fund balance, bringing the General Fund ending balance to \$2,667,000.00. Of the over-budget expenditures, \$512,000.00 was offset by revenue overages. An additional \$493,000.00 came from committed fund balance used to offset cyber charter school costs, leaving \$1.26 million attributed to the reduction of unassigned fund balance.

The General Fund ending balance of \$2,667,000.00 consisted of:

- A small portion restricted for the Education Trust.
- \$50,000.00 in committed fund balance for Board-approved deductibles.
- The remaining \$2.5 million classified as unassigned fund balances, representing 5.1 percent of budgeted expenditures for 2025-26.

Mr. Beaver provided a table showing fund balance trends across the General Fund, Capital Reserve (excluding bond funds), and Debt Service Fund as a percentage of the next year's expenditures. He noted that Schuylkill Valley is on the lower end compared to their peer districts, which averages 21 percent. Schuylkill Valley School District's total fund balance ratio was approximately 15 percent, with the general fund at 5.4 percent.

He reviewed the Capital Project Fund, noting expenditures of approximately \$2.5 million, primarily for the high school HVAC and general replacement projects. The ending capital balance totaled around \$8 million, consisting of \$3.2 million in unspent 2020 note funds and \$438 million in capital project reserves from prior general fund transfers. He provided highlights from the Food Service Fund, reviewing changes in net position, assets, liabilities, and ending fund balances. Mr. Beaver recommended evaluating the District's Fund Balance Policy, noting that many districts specify a minimum fund balance percentage. He recommended adopting five (5) percent as the minimum, with a guideline that the District would not budget the use of fund balance if it fell below that minimum. He reviewed upcoming accounting standards, affecting the 2025-26 financial statements.

Under new reporting requirements, budgetary schedules will include explanations for significant transfers and variances directly within the financial statements for greater transparency.

Mr. Moll asked whether the new explanations would appear in the financial statement footnotes.

Mr. Beaver clarified they would primarily appear in the Management Discussion and Analysis section and within the new required disclosures focused on explaining variances rather than restarting numeral data.

Mrs. Kleffel asked whether the audit could be finalized without the Uniform Guidance portion.

Mr. Beaver confirmed that the full financial statement could be issues and finalized.

Preliminary 2026-27 budget presentation:

Presented by: Finance Director Kristen Wallace

Mrs. Wallace provided a recap of the 2024-25 audit, noting that the District received a clean audit with no findings. She explained the deficit relative to the budget and then reviewed the state budget process and timeline. She discussed how the Basic Education Fund (BEF) formula works and covered the state funding fact sheet specific to Schuylkill Valley School District. She reviewed the proposed revenue sources for the 2026-27 budget, which include local taxes, interest in investment, other local revenue, state funding, and federal funding. Ms. Wallace noted that the preliminary budget projected no tax increase and presented a five (5) year trend illustrating real estate growth year over year.

Revenue Assumptions

- A one (1) percent increase on Fiscal year 2025 real estate taxes based on assessments (noting that historical year over year increases have been higher), with a 98 percent collection rate.
- Earned Income Tax (EIT) revenue based on projections from Berks EIT,
- Interest earnings kept flat.
- BEF and Special Education funding based on the Governor's proposed budget, which would provide more than \$236,000.00 in additional funding for 2025-26.

Overall revenue assumptions reflected approximately \$1 million in increased revenue for 2026-27 over the 2025-26 budget.

Expenditure Assumptions

- Salaries, wages and benefits increased by \$850,000.00 primarily due to approximately four (4) percent staff annual increases, offset by retirements and resignations.
- Charter school expenditures increased by \$350,000.00, all building budget request are included at full value (no reductions).
- Curriculum materials were maintained at the prior year's funding level.
- Debt service flat with reductions.
- One (1) percent budgetary reserve included \$500,000.00.
- SVEC projected cost budgeted at \$600,000.00 (flat funded).

Total projected expenditures increased by \$1.2 million over the 2025-26 budget.

Ms. Wallace summarized that preliminary revenues total \$50.8 million, and preliminary expenditures total \$51 million, resulting in a \$200,000.00 deficit. She emphasized that this is an early draft, and the administration will continue refining the budget over the coming months with the goal of presenting a balanced budget. She concluded by reviewing upcoming GASB Statement No. 103, "Financial Reporting Model Improvements," effective for fiscal year ending June 30, 2026, and noted the five (5) affected reporting areas.

Mr. Bendigo asked what was included in the “special programs” line item for contracted services and tuition, and what departments contributed too the significant overage for 2024-25. He also asked whether a change in population contributed to the \$1.47 million variance.

Ms. Wallace explained that the overages were largely the result of out-of-district placements and contracted services within Special Education. The largest overage for the current fiscal year was in speech therapy services. She stated that these expenditures fall under Pupil Services and Special Education. She also clarified that charter school costs are split between regular education and special education, and that special education charter tuition is significantly higher than regular education tuition. The costs reflect additional services students required during the fiscal year.

Mrs. Steinke noted that the District was over budget by \$1.47 million and after accounting for increases in SVEC (\$464,000.00), landscaping and utilities (\$493,000.00), and charter expenditures (\$533,000.00), approximately \$183,967 sill appeared unaccounted for. She also referenced Mr. Beaver’s statement that the District was \$713,000.00 under budget in wages and stated that the overall overage appeared to be closer to \$900,000.00. She asked for clarification on where the remaining variance originated.

Ms. Wallace explained that the confusion stems from the auditor’s comparison to the original budget, prior to any budgetary transfers. Transfers and mid-year adjustments can make year-end comparisons appear inconsistent. She stated she could prepare a clear variance analysis for the Board. She noted that wage savings were the result of attrition, higher-paid resignations, and lower-cost replacements being hired.

Mrs. Kleffel stated that, moving forward, the District must ensure that budgeting fully accounts for all salaries.

Dr. Taschner commended Ms. Wallace for correctly increasing the charter school allocation for the current year, emphasizing that charter costs fluctuate unpredictably and cannot be anticipated until enrollment changes occur. She underscored the importance of retaining students by offering competitive programming, such as online learning options, to reduce charter school migration

Mr. Moll stated that it would be helpful for the Board to receive data separating savings from unfilled positions versus savings from lower-cost replacements.

Ms. Wallace would prepare and provide this information to the Board at a future meeting.

3.0 PERSONS WHO WISH TO ADDRESS THE BOARD

None.

4.0 POLICY, PERSONNEL, AND PUBLIC RELATIONS

4.1 Employment – Ammons

Approves Mr. Matthew Ammons, Director of Pupil Services, at an annual salary of \$143,500.00 (prorated for actual days worked), effective date to be determined, to fill the vacancy created by resignation of Dr. Melissa Brewer.

Board Action: Moved by Linda Lash and seconded by Nicoleen Kleffel to approve Mr. Matthew Ammons, Director of Pupil Services, at an annual salary of \$143,500.00 (prorated for actual days worked), effective date to be determined, to fill the vacancy created by resignation of Dr. Melissa Brewer

Yeas: Ammarell, Bendigo, Kleffel, Lash, Moll, O’Donnell, Rossi, Steinke, Weyandt

Motion passed unanimously.

Mr. Ammons introduced himself to the board and gave some background information of his work experience and with Schuylkill Valley School District. He expressed his excitement to be coming back to the district and joining the team.

5.0 BUDGET AND FINANCE

5.1 Audit Report

Approves acceptance of the report of the annual local audit, as performed by Herbein & Company, for the fiscal year ending June 30, 2025.

Board Action: Moved by Nicoleen Kleffel and seconded by Paul Bendigo to approve acceptance of the report of the annual local audit, as performed by Herbein & Company, for the fiscal year ending June 30, 2025.

Yeas: Ammarell, Bendigo, Kleffel, Lash, Moll, O'Donnell, Rossi, Steinke, Weyandt

Motion passed unanimously.

6.0 OTHER BUSINESS/GOOD OF THE ORDER

Recognition of the Superintendent

Mrs. Kleffel stated she was privileged to have served under Dr. Taschner and stated it was an amazing time working with her and she would be truly missed. She stated the students gaining Dr. Taschner would be blessed to have her and wished her all the best.

Mr. O'Donnell thanked Dr. Taschner and said it was a pleasure working alongside her and wished her nothing but the best.

7.0 ADJOURNMENT

Moved by Bryan O'Donnell and seconded by Nicoleen Kleffel, there being no further business to come before the Board, the meeting be adjourned.

Yeas: Ammarell, Bendigo, Kleffel, Lash, Moll, O'Donnell, Rossi, Steinke, Weyandt

Motion passed unanimously.

The meeting was adjourned at 8:11 p.m.


Linda R. Lash, Secretary
Board of School Directors