

HUDSON CITY SCHOOLS
FIVE YEAR FORECAST
OCTOBER 2015
FY 2016 - FY 2020

BOE Meeting
October 12, 2015

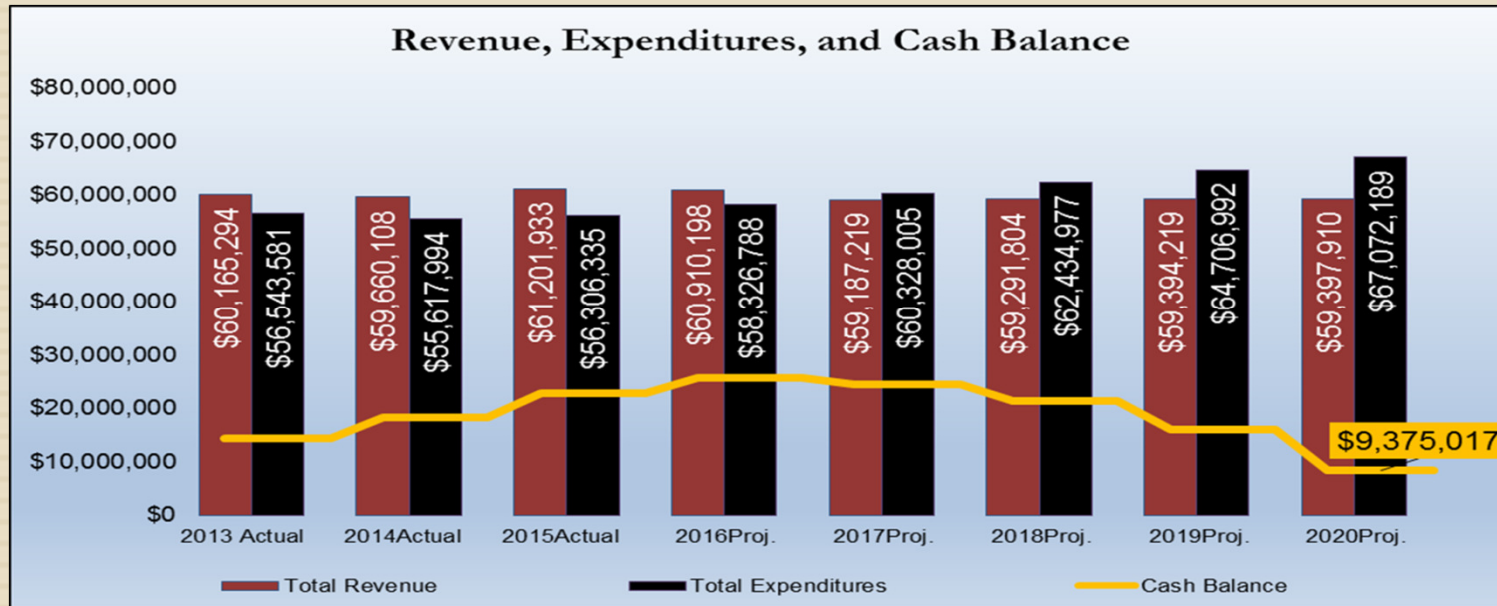
Submitted by Kathryn L. Sines, Treasurer/CFO

Forecast Purpose



- **Forecast created by the 122nd General Assembly in 1997-98 via H.B.**
- This forecast is intended to assist the school district in the financial management of its resources.
- To serve as a basis for determining the district's ability to sign the 412 certificates required by ORC 5705.412.

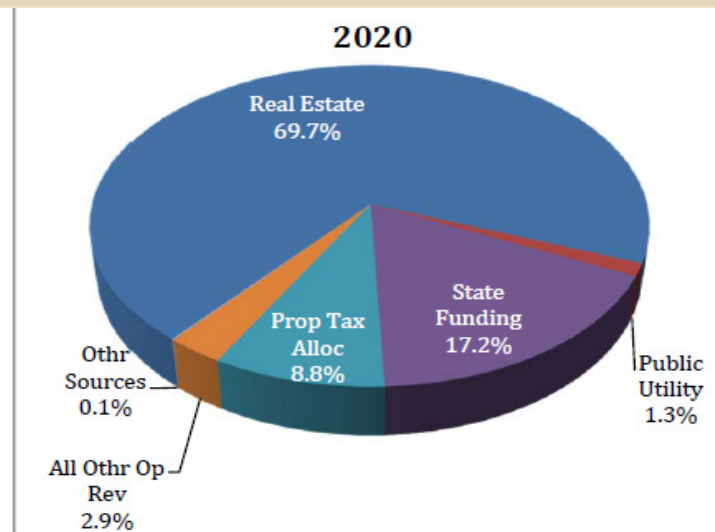
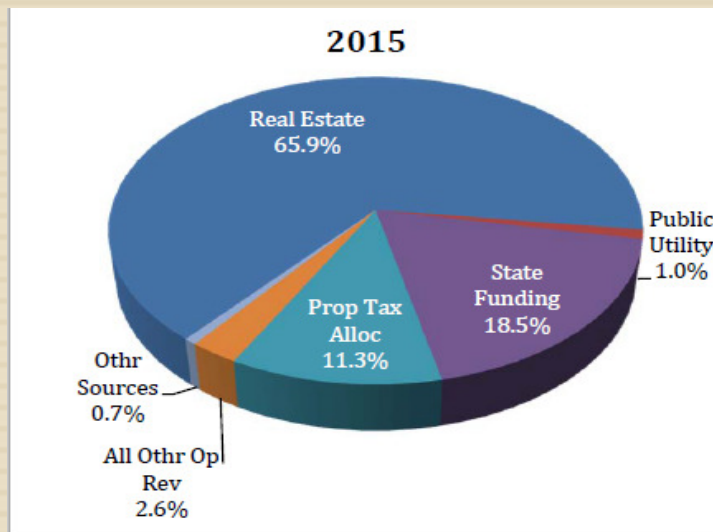
Revenue, Expenditures and Cash Balance



	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Beginning Balance	24,062,618	26,646,027	25,505,241	22,362,069	17,049,296
+ Revenue	60,910,198	59,187,219	59,291,804	59,394,219	59,397,910
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(58,326,788)	(60,328,005)	(62,434,977)	(64,706,992)	(67,072,189)
= Revenue Surplus or Deficit	2,583,410	(1,140,786)	(3,143,172)	(5,312,773)	(7,674,279)
Ending Balance	26,646,027	25,505,241	22,362,069	17,049,296	9,375,017

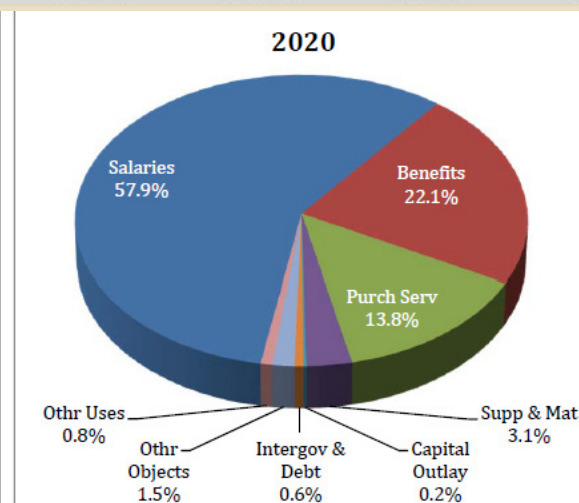
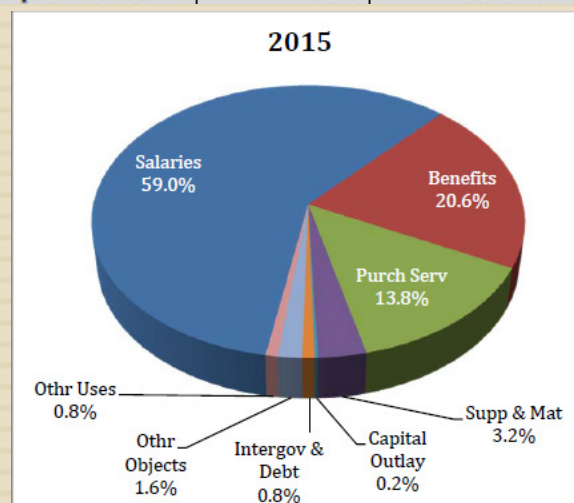
Revenues

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	
Revenue:							
1.010-Real Estate	2.81%	0.88%	0.10%	0.63%	0.62%	0.39%	0.52%
1.020-Public Utility	13.19%	8.94%	3.34%	3.00%	3.25%	3.50%	4.41%
1.030-Income Tax	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1.035-State Funding	-0.89%	12.77%	-10.08%	-2.09%	-2.15%	-2.18%	-0.75%
1.040-Restricted Aid	122.41%	-62.91%	0.00%	0.00%	0.00%	0.00%	-12.58%
1.045-Restr Federal SFSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1.050-Property Tax Alloc	-3.48%	-16.67%	-11.17%	0.75%	0.74%	0.48%	-5.17%
1.060-All Other Operating	11.73%	2.35%	2.78%	0.68%	0.69%	0.70%	1.44%
1.070-Total Revenue	1.27%	0.10%	-2.83%	0.18%	0.17%	0.01%	-0.48%
2.070-Total Other Sources	37.64%	-85.45%	0.00%	0.00%	0.00%	0.00%	-17.09%
2.080-Total Rev & Other Srcs	1.33%	-0.48%	-2.83%	0.18%	0.17%	0.01%	-0.59%



Expenditures

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	
Revenue:							
3.010-Salaries	-2.04%	3.63%	2.81%	2.91%	3.03%	3.05%	3.09%
3.020-Benefits	-3.00%	2.57%	5.56%	5.67%	5.79%	5.85%	5.09%
3.030-Purchased Services	2.55%	3.84%	3.72%	3.50%	3.53%	3.59%	3.63%
3.040-Supplies & Materials	-0.43%	5.49%	2.86%	2.88%	2.91%	2.93%	3.42%
3.050-Capital Outlay	-8.82%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	62.41%	-1.80%	-0.83%	-2.10%	2.57%	-1.38%	-0.71%
4.300-Other Objects	-1.45%	2.28%	2.11%	2.12%	2.12%	2.13%	2.15%
4.500-Total Expenditures	-1.79%	3.43%	3.46%	3.52%	3.67%	3.69%	3.56%
5.040-Total Other Uses	274.21%	23.70%	0.00%	0.00%	0.00%	0.00%	4.74%
5.050-Total Exp & Other Uses	-1.71%	3.59%	3.43%	3.49%	3.64%	3.66%	3.56%



Targeted Cash Balance

	2016	2017	2018	2019	2020
Total Unreserved Fund Balance Line 10.01	25,646,027	24,505,241	21,362,069	16,049,296	8,375,017
total expenses line 5.05	57,799,788	59,801,005	61,907,977	64,179,992	66,545,189
Targeted ending balance % of expenses = 8.3% of line 5.05	4,797,382	4,963,483	5,138,362	5,326,939	5,523,251
Targeted True Days Cash carryover	30 days	30 days	30 days	30 days	30 days
Difference in Target Balance	20,848,645	19,541,758	16,223,707	10,722,357	2,851,766



The district's cash balance will meet the minimum required for financial stability and support the Board of Education's cash balance policy through FY 2020. The Board's cash policy sets a minimum balance of 30 days or 8.3% of expenses.

Summary



The district has a positive cash balance through the forecast. The revenue shortfall (expenses exceeding revenue) grows from a 2016 revenue surplus of \$2,583,410 to a revenue shortfall of \$7,674,279 in 2020.



This 2020 level, and the trend toward it, is unsustainable with projected revenues and expenditures.



The district will continue to make sound budget decisions and proactive financial recommendations.



QUESTIONS !

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